

The NSW Government's Plan for
Reshaping Public Housing



NSW Government
Achieving more for NSW

RESHAPING PUBLIC HOUSING

Over the last 30 years our society has undergone significant changes. As a result, the NSW public housing system has gradually changed its role. It is no longer a general provider of housing to low income working families as it was in post war Australia.

Public housing has increasingly had to focus on those in greatest need - predominantly people dependant on social security payments.

Demographic changes are continuing to heighten demand for public housing from the frail aged and families in desperate circumstances.

In the early 1970s over 70 percent of applicants for public housing were couples with children, 17 percent were married couples and 12 percent were elderly singles. Sole parents and single people were predominantly ineligible for public housing.

Today, over a third of applicants are single, another third are single parents and only 11 percent are couples with children. Over a quarter of our subsidised tenants are on the disability support pension, and nearly a third of household heads are over 65 years of age.

By 2026 NSW is projected to experience the second largest increase in numbers of households of the states and territories, with a predicted increase of up to 936,000 households.

The fastest growing household type in NSW is projected to be lone person households. Lone person households are projected to increase from 24 percent of all households in NSW in 2001 to as much as 32 percent in 2026.

Single parent families are projected to increase by as much as 154,000 households by 2026. This represents a growth of up to 54 percent from 2001.

The projections are that elderly people who need public housing will grow by 35 percent over the next 10 years.

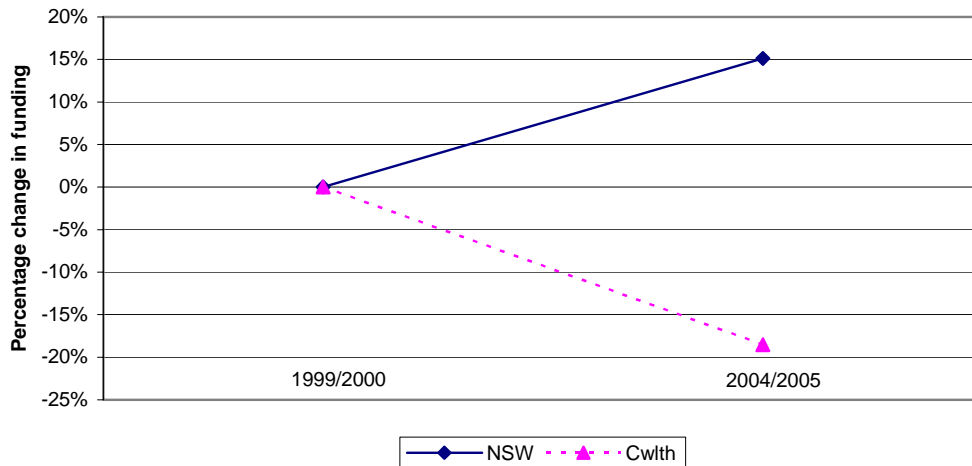
Traditionally, the provision of public housing has been a co-operative venture between the Federal and State governments. But despite increased demand, the Federal Government has progressively withdrawn its traditional support for public housing over the last decade.

In total, the Federal Government has cut \$850 million out of the NSW public housing system between 1996 and 2005.

The most recent five-year Commonwealth State Housing Agreement (CSHA) sees NSW \$210 million worse off in real terms than if 2002 funding levels had been maintained.

In contrast, the NSW Government has reaffirmed its commitment to public housing. Over the last four years we have invested an extra \$397 million (in real terms) above and beyond our CSHA obligations.

Changes in Commonwealth and State Funding for Social Housing in NSW: Trend



As a result of Federal Government cuts, there are real limits to the number of additional homes that can be made available in the public housing system in the coming years.

That's why the NSW Government has taken a hard look at public housing – and asked the tough questions.

What needs to be done to make sure public housing is available to those in greatest need? What needs to be done to make sure the public housing system is running as effectively and efficiently as possible given the decline in Commonwealth support?

OUR ACHIEVEMENTS

A fairer public housing system

The Carr Government has:

- **Increased** the allocation of public housing to people with an urgent need who cannot access housing in the private market. **One in three allocations in 2004 were for priority housing**, compared to one in seven allocations in 1995.
- Introduced the **tenancy guarantees initiative** to help people secure housing in the private rental market. **524 tenancy guarantees have been issued since 2003**. Private landlords are encouraged to accept tenants who have no private rental history and who would otherwise find it difficult to access the private rental market, such as young people and women escaping domestic violence.
- Initiated the **Partnership Against Homelessness**, where 12 government agencies work together to prevent homelessness and assist homeless people into long-term housing. The Partnership developed two projects in 2003 - the Inner

City Homelessness Action Plan and the Hunter Homelessness Assessment and Referral Service.

- Established the **Aboriginal Housing Office** to enhance the decision-making role of Aboriginal people in Aboriginal housing, and to improve the effectiveness of Aboriginal housing providers.
- Established **50 specialist positions** to develop tailored housing and support packages for clients with complex needs, including people with a mental illness.
- Developed the **Joint Guarantee of Service**, which involves non-government service providers working with key Government services at a local level to help establish, support and maintain tenancies for people with complex housing needs.
- Developed the **Housing and Accommodation Support Initiative** with NSW Health to provide housing, clinical and day-to-day support for people with a mental illness. Under this program, 100 places have been implemented across NSW for clients with high-level support needs.

Promoting responsibility

The Carr Government has:

- **Introduced a strategy to reduce anti-social behaviour.** Legislation was passed through Parliament last year to implement **acceptable behaviour agreements** - where local specialist staff work intensively with disruptive tenants, helping them modify their anti-social behaviour. These initiatives are currently being piloted in Newcastle and Wagga Wagga.
- Introduced pilot programs to improve the **management of nuisance and annoyance complaints** in Lismore; North Wollongong, Hurstville, Riverwood and Miranda;
- Facilitated **employment for over 600 housing tenants** through employment initiatives including *WorkiT* and the Handypersons program, Community Contracts and employment clauses in maintenance contracts. 450 tenants have also participated in skills training.
- Commenced a \$3 million dollar **water conservation retrofit program**. The program involves retrofitting water saving devices to approximately 24,000 public housing properties. Sydney Water will spend an initial \$1.5 million dollars on the project, and the Government will contribute the remaining \$1.5 million.
- Involved 6,000 social housing residents in the **Community Greening Program** in the past year in partnership with the Royal Botanic Gardens. Community gardens and gardening activities have been established on or near public housing estates across NSW.
- Established a statewide tenant representative group – **the Public Housing Customer Council** – to provide advice and feedback on public housing policies and operations. The Government also supports 19 active **Neighbourhood**

Advisory Boards on public housing estates, providing community input into decisions that affect their neighbourhoods.

An efficient and effective public housing system

The Carr Government has:

- **Reduced** the public housing waiting list from 98,000 in 2000 to 71,000 in December 2004.
- Achieved the **highest public housing occupancy rates in Australia** at 98.7 percent. Turnaround times to re-let vacant housing stock have also been improved from 34 days in 1999/00 to 30 days in 2003/04.
- Established an **after-hours temporary accommodation phone line** to help homeless people find a bed for the night. During 2003/04 the service helped 1,300 people find temporary accommodation.
- **Reduced maintenance costs** through efficiencies, such as consolidating maintenance contractors from 3,000 individual contractors in 1999/2000 to 14 multi-trade head contractors in 2004.
- **Reduced** the maintenance backlog by 13 percent since 2001. In response to under-investment in maintenance by the Fahey and Greiner Governments we have **doubled the Government's investment in maintenance** in real terms to \$316 million per annum on average since 1995/96. The growth in maintenance backlog has halted – and the backlog is now being reduced.
- Implemented **property condition surveys** across the total housing portfolio, to ensure properties are assessed and recorded.
- Established a Housing Contact Centre to provide **24 hour, 7-day a week access** for tenants to report maintenance issues.
- **Employed 18 handypersons across NSW** in a program designed to ensure minor responsive maintenance and repairs for social housing residents can be undertaken quickly. Six of the handypersons employed are social housing tenants.
- Established 18 estate-based offices and 69 Government Access Centres as **outreach locations to help disadvantaged clients** who cannot reach the traditional local offices of the Department of Housing.

Renewing communities

The Carr Government has:

- Constructed or acquired **19,400** new homes since 1995. These homes have replaced older or run-down dwellings – with a net increase of 10,100 homes.

- Renovated **38,000** dwellings since 1998.
- Implemented **on-site intensive management on 18 estates** with entrenched housing management problems. This has ensured services are tailored to local circumstances and the community is supported to address neighbourhood concerns.
- Improved estates through upgrades of **2,800** homes, better lighting and fencing in public spaces, higher security in high-rise buildings and the closure of unsafe laneways.
- Acted on **community safety audits** in 37 housing estates through partnerships involving residents, police, local councils and community organisations. 'Design-out-crime' projects have also been implemented in 19 disadvantaged estates.
- Piloted neighbourhood-based **technology centres** in four public housing estates in Sydney, providing access to internet facilities, community on-line learning and assistance to seek employment and training.
- Constructed around **50 homes per year** for the Aboriginal Housing Office, with stock rising from 3,788 in 1998 to 4,148 in 2004.
- Continuously expanded our program of **modifications** to existing and new homes to provide housing for people with physical disabilities. Modifications include access ramps and widened doorways for wheelchair access. Over the last 5 years, over **12,000** existing properties have been modified for tenants with accessibility or mobility problems.
- Equipped 132,000 dwellings with hard-wired **smoke detectors** with in-built battery back-up.

OUR PLANS

A fairer public housing system

The Carr Government will:

- **End the policy of public housing for life.** New tenants will be offered fixed-term tenancies with reviews.
 - There will now be three types of leases – short-term (up to two years), medium (two to 10 years) and long-term (10 years).
 - Tenants' needs will be reviewed toward the end of each tenancy. If their review shows they still need public housing, their tenancy will continue.
 - The reforms allow the Government to assist greater numbers of people in the longer term.
 - Existing tenants will remain on their current tenancy arrangements.

- Fixed term arrangements start for new tenants from 1 July 2005.
- **Allocate all public housing on the principle of strongest housing need.** This means the public housing eligibility rules will be focused on:
 - assisting low income people who need support to help them live independently; and
 - low income households who have problems finding affordable housing in the private market that is suitable for their needs.

This policy will help people in the following groups:

 - the frail elderly (over 80 years) and aged pensioners;
 - people with a disability;
 - families with children;
 - young people under 20 without family support;
 - homeless people; and
 - unemployed and low waged adults.
- **Require the estimated 2,500 subsidised public housing households who are on moderate incomes to contribute more in rent.** From November 2005 these public housing tenants will be asked to pay 30 percent of their income in rent – up from 25 percent.
 - These moderate income households would generally not be eligible for public housing if they applied for it today. By paying a bit more they help ensure that there continues to be opportunities for people in more desperate circumstances still on the public housing waiting list. People on the waiting list pay an average of 36 percent of their income in rent.
 - No-one will be asked to pay more than the market rent for their accommodation.
 - This measure will result in an extra \$4 million a year for re-investment in the public housing system, helping the Government to build, acquire or substantially upgrade 30,000 homes over the next 10 years
- **Put the concessional rent policy for the assessment of the family tax benefit on a sustainable footing.** The concessional rate will be increased from 11 percent of income to 15 percent, still well short of the 25 percent rate that applies to all other income.
 - Changes apply from November 2005 for new tenants.
 - For existing tenants, the rate charged on this component of their income will be increased gradually to 15 percent over a two-year period.
 - This compares with those on the waiting list for public housing - where 70 percent are paying more than 25 percent of all of their income in rent, including the family tax benefit.
- This measure will provide an extra \$10 million a year for re-investment in the public housing system, helping the Government to build, acquire or substantially upgrade 30,000 homes over the next 10 years

Promoting responsibility

The Carr Government will:

- Complete pilot projects in Newcastle and Wagga Wagga to **reduce anti-social behaviour** and roll-out the use of acceptable behaviour agreements across NSW.
- Ask public housing tenants to **take responsibility for their water usage charges**.
 - Most tenants will not face paying a large water bill – the average household cost will be \$5 per week.
 - This change will take effect, subject to the passage of legislation, during the 2005/2006 financial year.
 - Households that rent public housing represent 8 per cent of high water users, but only 5 per cent of the general population.
 - Public housing tenants living in homes use an average of 50 kilolitres more water per annum than those who rent private housing. They also have a smaller average household size than both these groups, and a higher consumption per capita.
 - IPART has estimated that 3 gigalitres (3 thousand million litres) could be saved if public housing tenants used the same quantity of water as other households. This equates to 1,500 Olympic sized swimming pools.
 - This will free-up \$30 million a year for re-investment into the public housing system, helping the Government to build, acquire or substantially upgrade 30,000 homes over the next 10 years.

An efficient and effective public housing system

The Carr Government will:

- Upgrade an estimated 92,000 homes over the next five years to **address the maintenance backlog**.
- Introduce a program of annual property dwelling services and minor repairs for all properties in order to undertake **pre-emptive maintenance**.
- Implement a **new maintenance regime** to increase the proportion of planned maintenance from 53 percent to 80 percent by 2016.
- Ensure market rents charged for properties reflect **actual market conditions**.
 - 12,500 public housing households pay market rent as their household income is too high to qualify for a rental subsidy.
 - This market rent figure is currently based on market conditions prevailing in the year 2001.
 - From 1 July 2005 the market rents will be updated to reflect current market conditions, and they will be updated annually from now on. This will free-up

\$20 million a year for re-investment into the public housing system, helping the Government to build, acquire or substantially upgrade 30,000 homes over the next 10 years.

- Implement the electronic client referral tools **ReferralLink and ServiceLink**, a comprehensive electronic directory of human services. These tools, which are part of the Government's Human Services Better Service Delivery Program, will allow staff to link clients, particularly those with complex needs, with other health, welfare and support agencies quickly and efficiently.

Renewing communities

The Carr Government will:

- **Renew the public housing property portfolio** over the next ten years based on long-term projections of demand from high-need groups, the quality of the existing dwellings and value for money.
- Build or acquire **12,000 homes** using the proceeds from sales or demolition of old, outdated houses (reflecting a threefold increase versus 2000-04 activity). This program will also be funded from part of the increased tenant rental contributions and the savings generated from making tenants responsible for their water use.
- **Increase the proportion of one and two bedroom homes** to 61 percent of the portfolio, from the current level of 53 percent, to reflect the needs of people seeking public housing. Lone person households are projected to increase from 24 percent of all households in NSW in 2001 up to 32 percent in 2026.
- Refurbish or convert **8,000** older dwellings to reflect contemporary living requirements.
- Modify **10,000** homes to suit the needs of people with disabilities.
- Complete the **\$500 million redevelopment of the Bonnyrigg Estate** through a Public Private Partnership. This will serve as a model for renewing large estates and achieving the right balance between public and private ownership in communities.
- Develop a new community regeneration strategy to engage social housing tenants on estates, tackle entrenched problems and achieve lasting improvements in estate communities.
- Establish **neighbourhood management boards** in the first five estates chosen for regeneration in 2005 and appoint five managers to work in partnership with tenants, local agencies, Councils and business to improve the quality of life on the estate.