

## **Estate redevelopment / regeneration: what are the issues for tenants?**

Gregor Macfie, Executive Officer, Tenants' Union of NSW  
Shelter NSW conference: 'Estates in the balance – best practice in regeneration and redevelopment of public housing estates'  
17 June 2010

### **About TU**

The Tenants' Union is a community legal centre that specializes in housing law. We provide advice and support to the statewide network of tenancy advice and advocacy services, develop and publish information for tenants about tenancy law in NSW and undertake test case litigation.

We work with other NGO's like Shelter, NCOSS and Homelessness NSW to advocate for the needs of tenants, with a particular focus on low income and disadvantaged people.

We are also a membership-based cooperative, with 90% of our membership comprising tenants and tenant organizations.

We do not speak on behalf of tenants, but we do seek to represent the needs and interests of tenants.

### **Overview**

Focus of paper is on the redevelopment of public housing estates where the explicit aim is to de-concentrate disadvantage and create a so-called better 'social mix' – what I will call from now on 'social mix redevelopment.'

To generalize, this involves dispersing social housing through redeveloped areas that feature much higher densities of privately owned housing.

Reason for focusing on this aspect of redevelopment is twofold:

Deconcentration agenda is being driven at the highest level through COAG, with the States required under Commonwealth/State agreements to reduce concentrations of disadvantage and improve social inclusion.

I think it is in this type of redevelopment that the problems for tenants could be most acute in the longer term. We should use opportunities like today to think about the potential problems and how they might be tackled to ensure that tenants are not left carrying the burden of this kind of redevelopment.

### **Issues for tenants**

So what are the issues for tenants affected by social mix redevelopment?

The first thing to say is that social mix redevelopment is a large, far reaching and radical agenda and the people potentially affected by it diverse.

Trying to pick particular issues to highlight is a fraught task.

That said, there are five issues that I think will be important to low income and disadvantaged tenants affected by social mix redevelopment.

### **1. Clarity of purpose and roles**

The first thing I think people need is to understand what is happening to them and their communities, the reasons why, and how they can shape what happens to them.

Part of the problem is that we don't seem to be very clear about what we are aiming for in social mix regeneration and de-concentration of disadvantage.

The Commonwealth Housing Minister has said that 'having a social mix, where people are also going to work each day, builds stronger communities.'

And the Council of Australian Governments agreed that 'the States would work to reduce concentrations of disadvantage through redevelopment to create mixed communities that improve social inclusion.'

The question for the TU is whether it will make life better for low income and disadvantaged tenants and if so, how?

We need to be honest about the limitations of estate redevelopment in achieving better social outcomes for disadvantaged people and the equivocal evidence that mixing of income and tenure types alone leads to better social outcomes for disadvantaged residents.

We need to be clear that because estate redevelopment focuses on local level issues as a response to disadvantage it can push the structural causes of disadvantage and inequality to the background.

This is despite the fact that the problems of poverty and disadvantage are only in limited instances genuinely localised in character and are instead related to economic and social factors that operate more widely.

We need to debate and question, as we are here today, the thinking behind social mix policies. That it is based on a set of beliefs in the positive effects that moderate- or higher-income people might have on low-income or dysfunctional neighborhoods and their residents.

We will also want to know how success will be measured and evaluated? And how the findings will be turned into improvements in policy and program design

### **2. Income**

The second issue I'd like to highlight is income.

Most public housing tenants are on Centrelink payments.

Just remind ourselves of the amounts:

- \$231 Newstart Single per week
- \$320 Pension Single per week

Average weekly earnings for all employees in Australia \$970 or three times the single pension rate and four times the single allowance rate.

With that differential in earnings – what is this likely to do to social interaction in mixed communities?

The arguments for social mixing do not get off the ground if the opportunities for actually mixing – for making connections with others from different socio-economic backgrounds – are limited.

How is it that social housing tenants on very low incomes – after having their rent compulsorily deducted – will have any discretionary income to spend in the kinds of places their better-off neighbours might frequent?

What are the risks of social isolation and dislocation for people on low fixed incomes where the costs of socializing and recreation increase with the increase in land values and overall income levels that are integral to social mix redevelopment?

How far will income support payments go in areas where the costs of business increase with the increase in land values?

Will public housing tenants be able to afford the price of goods and services in areas which become better off as a result of redevelopment?

Where will the shops, cafes, pubs be for low-income tenants in new socially mixed communities – the places where most people in the wider community come together?

In one example from an earlier redevelopment, the relocation of the tenant resulted in her having to pay a \$17 cab fare to get to the shops when she had previously been able to walk. That's a big chunk of money for a person living on the pension and meant she has less money to spend on other activities that connect her to the community.

To avoid the risk of isolation and exclusion, we need to ensure that people are located near services, that better and cheaper transport is available, supplement or permanently increase income support payments, or that those who can work find paid employment.

### **3. Schools**

The third issue I want to highlight is schools and preschools.

Free, universally accessible local schools and preschools are the places where mixed communities can and do come together and where there

appears to be concrete evidence that social mixing can deliver better outcomes for socially and economically disadvantaged children.

In almost all countries, and for all students there is a clear advantage in attending a school whose students are, on average, from more advantaged socio-economic backgrounds. Regardless of their own socio-economic background, students attending schools where the average socio-economic background is high tend to perform better than when they are enrolled in a school with a below-average socio-economic intake.

In the majority of OECD countries the effect of the average economic, social and cultural status of students in a school – in terms of performance variation across students – far outweighs the effects of the individual student's socio-economic background. (OECD. (2004). Learning for Tomorrow's World: First Results from Program for International Student Assessment 2003).

It would therefore seem critical to the success of redevelopment where social mix is the aim to avoid segregation of schools by social class. I'm not sure that this is the direction of current schools policy.

This suggests that we need to think about a schools policy for redeveloped areas that ensures local schools in the area are free and universally accessible. This means providing the range of opportunities and supports to cater for the diversity of student needs, making them attractive to both high and low socio-economic status families.

The same arguments go for preschools and child care and I am not sure that the currently fragmented and largely market based system can deliver what is needed.

#### **4. Employment**

The fourth issue is employment.

One of the most familiar arguments for socially mixed communities is that the work habits of higher income neighbours will be emulated by lower income unemployed residents.

I think we need to be very clear here that in a competitive, open economy, those individuals that have the least competitive attributes will find it most difficult to gain access to jobs.

Many unemployed residents in estates do not possess the characteristics in terms of skills and education which employers are looking for and this will not change simply by creating socially mixed communities.

The Australian Industry Group estimates that 86 per cent of occupations require a post -secondary qualification.

Only 25 per cent of the overall workforce has Year 10 or less, this figure is

estimated to be between 60 and 75%.

There are surely employment opportunities that come with estate redevelopment and social mix, but increased demand for labour in many redeveloped areas in the past has not been met by drawing on the pool of unemployed labour in the area, but rather by attracting more workers from outside the area.

If employment opportunities are to be taken up by jobless public housing tenants, then there needs to be credible schemes that tailor skill development, training and work experience to the individual person and that are linked to the real world of work.

## **5. Health and community services**

The last issue I want to highlight is access to health and community services.

Dismantling established communities or engineering new ones can upset the family and friendship networks that provide informal care for the elderly or people with disability, unpaid childcare, supervision and control of young people and so on.

Julie spoke about how to avoid these problems and maintain networks and support.

But it is worth pointing out that should these informal care networks be weakened, then demand will increase for formal care – for example aged and disability services - to fill the gaps.

For equity reasons, Governments have generally met some of these costs, and we should expect these costs to become higher where we dismantle the informal networks that exist in communities.

The visibility of the health problems which disproportionately affect public housing tenants may be hidden in mixed income communities.

We need to ensure that health services are accessible and appropriate for low income and disadvantaged people living in mixed communities and that intensive support services are available to meet the needs of people with severe and complex problems.

Bulk billing doctors, targeted illness prevention and health promotion programs need to be in place. How about free dental care, podiatry and the other necessary allied health services which are not universally covered and which low and low-middle income people often cannot get at all due to cost?

### **Some tentative recommendations:**

Clarify objectives of social mix redevelopment in terms of how it will make life better for low income and disadvantaged tenants and involve tenants in this process. Be honest about risks and limitations.

Try to ensure no damage is done – if social mix is to continue to be pursued, attend to the particular risks for disadvantaged people in these new communities.

Living Communities approach should be adapted and applied more widely to estate redevelopment but other key departments need to be more involved – especially education, health, community services and Commonwealth Department of Education, Employment and Workplace Relations.

Substantial investment in local schools and early childhood education and care services – they need to be universally accessible, free and high quality.

Substantial investment in health (including dental and mental health services) as well as community services in redeveloped area to ensure access to good quality services for all community members.

Devote resources to maintaining existing links among people in the community and fostering new links within and outside the community.

Provide high quality and sustained employment assistance programs that are tailored to the needs of individual job seekers and that are linked to real work opportunities. Intensive assistance to disadvantaged job seekers is expensive – we should be prepared to pay for it.

Increase Youth and Newstart Allowance payments to close the gap between allowance and pension payments.