

Response to the report of the Inquiry into Homelessness and Low-cost Rental Accommodation: a submission to the NSW Government from Shelter NSW

This submission is a response to the report from the Inquiry into Homelessness and Low-cost Rental Accommodation, of the Standing Committee on Social Issues of the Legislative Council, released on September 24. The comments are listed under the Committee's recommendations.

Recommendation 1 – That New South Wales Government include specific affordable housing targets in the relevant Priority areas of the State Plan. The targets should be derived from those set by the Australian Government in reducing homelessness and include specific indicators relevant to the needs of homeless and low income households.

This Recommendations raises a number of problems. It seems to assume that the targets for affordable housing set in the Commonwealth government's program to reduce homelessness (or, on an alternative reading, the Commonwealth's homelessness reduction targets themselves) are an appropriate basis for setting targets for affordable housing dwellings.¹ We disagree. A target for affordable housing dwellings makes more sense when linked to housing unaffordability, which would include many of the circumstances that contribute to homelessness, but which is a dynamic that is broader than homelessness or an immediate risk of homelessness. In this regard, the work of the National Housing Supply Council, which considered the incidence of homelessness and the shortage of supply of low-rent private rental housing, would be more useful than targets set in *The road home*. The National Housing Supply Council also considered the relevance of unoccupied dwellings in the demand-supply gap. It projected growth in household numbers, growth in supply of dwellings, and the growth in the gap between underlying supply and demand over a 20-year period.

The second problem is a possible assumption that a number of dwellings expressing the gap between supply and demand is a reasonable basis for a target for a government to set as a target for provision of affordable housing in a government policy document. It is not. A government would need to first consider what affordable housing will be provided by *private* providers in both the rental and homepurchase markets, and how unoccupied and underutilized dwellings might be better used (if governments have any levers to encourage more efficiency in use of current dwellings). The resultant 'shortfall' would become an appropriate target for affordable housing in a government policy document only if government thought it had the capacity to deliver on such a target by whatever means it reasonably had available, e.g. incentives in the market, compulsion on private providers, subsidies to nonprofit providers, etc.

The State Plan has targets on housing affordability, but it does not have targets on affordable housing.² The affordability targets are focused on one aspect of housing affordability only, the supply of dwellings.³ We would support the inclusion of targets on affordable housing in the revised State Plan, but this inclusion would, in the absence of an overall strategic framework for addressing housing unaffordability in New South Wales, simply replicate the ad hoc nature of the housing affordability section of the Plan.

This is because what is needed is a housing strategy for the state that addresses all the relevant dimensions of unaffordability, as well as appropriateness of the housing stock, in a dynamic context of population growth, generational, cultural and climatic changes, and population movements to the coastal zone, as well as of particular subpopulations such as Aboriginals, older people, and people with disability.

The Department of Planning currently estimates numbers of dwellings and households, but this is not refined for social changes that would indicate an idea of net supply of affordable housing and demand for affordable housing into the future. We suggest that more work needs to be done on appropriate methodology to match the underlying trends identified by the National Housing Supply Council with the specific situation in New South Wales.

Recommendation 2 – That Housing NSW conduct a midpoint review of the National Rental Affordability Scheme assessing its success against stated objectives and its impact on housing need over this time. Following this review Housing NSW should consider any further state government assistance that can be added to NRAS to increase its effectiveness and sustainability of the sector in the long term.

The Commonwealth has indicated it will conduct a formal evaluation of the Scheme in 2012. The Scheme is assured of a 4-year life with new subsidies over 2008-09 to 2011-12, though the Commonwealth has indicated it might also offer a further 50,000 incentives after July 2012. The timing of the Commonwealth's review is thus at the end of the known period of new incentives; the scheme itself will continue to 2021-22 as the 10-year subsidies compound and expire. The Inquiry seems to be suggesting a review in 2010, rather than wait for the Commonwealth review in 2012. The Inquiry's Recommendation also implies a review of the NSW state dimensions of the scheme, rather than national. Given the Scheme's status as the only one of the various affordable rental housing initiatives currently being implemented that has a timeframe beyond the short term, it is important that it be better understood for what it is doing and what it will do. To date, the information in the public domain about the scheme from both the Commonwealth and NSW governments has been minimal. We support the Recommendation.

A matter of concern for Shelter has been, and is, the degree to which the state government has an ongoing commitment to the National Rental Affordability Scheme, and in particular to funding the state matching contributions required by that Scheme. The NSW government indicated it would participate in NRAS round 3 in late October, some 6 weeks after the round was opened.⁴ There was no specific report on an allocation to this round in the 2009-10 Budget papers, and the government has not indicated the sources of its state contributions ('NRAS A' and 'NRAS B'). This Scheme is *the* growth fund for Australia's social housing and intermediate housing, independent of 'economic stimulus' measures, which is why governments need to consider its future in sustaining the affordable rental housing sector 'in the long term' (as the Inquiry noted). We believe the state government should give a firm commitment to the Scheme for its duration and make special Budget allocations to Housing NSW for that purpose.

We understand that the embarrassing gap between the commencement of round 3 and the announcement of the NSW government's participation in it (on Housing NSW's webpage) followed a decision by the Cabinet that the Government would participate in

rounds 1 and 2 and consider participation in round 3 after a review of rounds 1 and 2. As might have been reasonably expected, this was a very clumsy way to commit to an important scheme. While the Commonwealth undertook a process evaluation of rounds 1 and 2, it went straight into round 3, and the Cabinet decision left New South Wales at sea. We hope that does not happen again. On this point, we understand the Inquiry has not recommended that the Housing NSW review the scheme midpoint and then consider whether NSW should participate further; rather, it has recommended a midpoint review and then consideration of what 'further' NSW assistance could be 'added'. Any midpoint review should, therefore, not be used to delay participation (with Consolidated Fund allocations) in round 4 or in the mooted round 5, but to see how the basic matching subsidies (of the 'NRAS B' type) might be supplemented by other subsidies (e.g. of the 'NRAS A' type).

Recommendation 3 – That Housing NSW, in collaboration with not for profit housing providers, review the success of National Rental Affordability Scheme in meeting the needs of housing providers and prospective affordable housing tenants, making necessary adjustments to the scheme to tailor it to identified needs.

We believe these matters could be considered in the Commonwealth's review of the scheme in 2012, and in any state review of the scheme in 2010 consequential to Recommendation 2.

Recommendation 4 – That Housing NSW commit to a firm timeframe to implement its policy for the transfer of title to community housing providers.

This Recommendation has been overtaken by events. We note that Minister for Housing introduced the *Housing Amendment (Community Housing Providers) Bill 2009* into the Legislative Assembly on December 3, and that Housing NSW called for tenders from registered (class 1 or 2) community housing providers to take ownership of some 4,500 social housing dwellings on December 8.

In our submission to the Inquiry we supported transfer of ownership ('title') of some of government-owned social-housing dwellings to community housing providers, so that those providers 'would be in a better position to borrow money for new housing development projects'. What an optimal rate of leveraging would be will vary for each community housing business. Community housing providers' ability to borrow, and the terms under which loans are offered, will vary according to the state of the economy, including financial markets. With the global financial crisis, in Britain, lenders have become less sympathetic to housing associations, with some lenders losing becoming less keen to lend to housing associations, and loan interest rates being upped.⁵ There are some concerns that the associations' regulator might have pushed associations into too much leveraging.⁶ Apart from the risk to the economic viability of the business, leveraging can have impacts on the nature of the product. To reduce its exposure to the risks from greater debt, a community housing provider might wish to maximize its revenue, one source of which is rents. Its rent revenues will be higher if it targets moderate-income households rather than very-low income households, that is, if it tends towards providing an intermediate-rental product rather than a social-rental product. Concerns about this have been expressed in Victoria, where the Victorian government has set leverage targets of 25% for housing associations.⁷

In Western Australia, the Government's Social Housing Taskforce commented: 'There is currently little documentation, in a Western Australian context, that supports the proposition that asset transfer will allow community housing organisations to be able to leverage funds from financial institutions to grow social and affordable housing assets ... Whilst in theory there seems to be logic about leveraging assets to achieve growth through using the community housing sectors access to CRA and GST benefits, there is a knowledge vacuum about how this can be executed in the current environment.'⁸

We share the concern about the knowledge vacuum, and, specifically, about how leveraging could work in a way that does not expose growth providers to unmanageable risk, and to unrealistic expectations from government, in New South Wales. We understand that there are a number of consultancy reports that have been commissioned by government agencies that have discussed leveraging: a report from KPMG for the NSW government (Housing NSW) in 2008, a report from KPMG for the Commonwealth government (Department of Families, Housing, Community Services and Indigenous Affairs) in 2009, and a report for NSW Treasury in 2009 (forthcoming). We believe the community-housing subsector will be better placed to use leveraging, and the public will be better placed to understand leveraging, if such consultancy reports are made public. Or, failing that, research be specifically commissioned on this matter by Housing NSW with availability in the public domain.

Recommendation 5 – That Treasury in collaboration with Housing NSW undertake a fully costed feasibility study for the introduction of shared equity scheme arrangements that have the primary objective of increasing home ownership in New South Wales.

The potential for shared-equity schemes to assist marginal homeowners, without putting them at undue risk, and without overestimating the demand for such a product, is something Shelter NSW has raised in a number of issues papers.⁹ It is also canvassed in an Australian Housing and Urban Research Institute report, *Innovative financing for homeownership*, released in August.¹⁰ This latter report is particularly cautious in advising shared-equity as a means of facilitating, rather than promoting, homeownership (p.9).

Whether the Treasury is the right body to do such a study might be questioned, but it is the agency that would need to consider the source of the inevitable government subsidies to kick-start such schemes. We support the Recommendation.

The Recommendation is worded to indicate positive concern for the feasibility study to be fully-costed. More important is that an adequately/sufficiently government-funded feasibility study assess options for the financial-sustainability of the *shared equity arrangements*.

Recommendation 6 – That Housing NSW liaise with Department of Planning to identify suitable housing estates for the implementation of a shared equity scheme to assist in urban renewal and decrease pockets of disadvantage.

In some other jurisdictions there are shared-equity products specifically targeted to and customized for public housing tenants. Such schemes could assist in eliminating mono-tenure estates. The Recommendation, however, in referring to urban renewal and pockets of disadvantage, seems to envisage that such a scheme would be suitable for

private housing estates, and this is perhaps why it mentions the Department of Planning as a particular stakeholder. However, we are not aware of any particular interest that Department has in reducing disadvantage or in urban renewal issues apart from the built environment. So we have doubts about its capacity to contribute, as a particular stakeholder. The core of the Recommendation is about making links between estate regeneration (whether public housing estates or private housing estates), social inclusion, and shared-equity homeownership. We support this, but it begs a bigger question of which agency is the right agency to take the lead on place-based social inclusion projects in disadvantaged areas (Housing NSW, Department of Planning, Department of Communities, or Department of Community Services).

Recommendation 7 – That the New South Wales Treasurer make representations to the Australian Government for the retention of Public Benevolent Institution status of not for profit housing providers and associated taxation concessions.

We understand that this Recommendation arises from a particular situation, and that is whether a nonprofit organization with ‘public benevolent institution’ status for Commonwealth tax purposes would put that status at risk if they were to trade in activities not deemed to be charitable, and in particular if it manages housing under the National Rental Affordability Scheme that is targeted to moderate-income households. The Commonwealth has provided a transitional ‘safety net’ on this matter for community housing associations during the ‘establishment phase’ of that Scheme (*National Rental Affordability Scheme (Consequential Amendments) Act 2008* (Cwlth)), but this does not give surety for future planning. The matter has been explored more fully by the NSW Federation of Housing Associations in a submission to the ‘Henry review of taxation’¹¹, and we commend this document to the Treasurer.

Recommendation 8 – That Housing NSW liaise with their counterparts across the country to fast track the development of a national regulatory framework that introduces consistency between states and covers all forms of affordable housing, including boarding houses and caravan/residential parks.

The Commonwealth will be consulting on a national regime for ‘more effective and up-to-date regulation’ to allow community housing providers to trade across state borders and to enter into ‘robust commercial relationships’ with financial institutions, developers and governments: the Commonwealth housing minister Tanya Plibersek MP announced, at the National Housing Conference, Melbourne, on 26 November 2009, that a discussion paper would be released in February 2010. We do not believe this matter needs to be ‘fast-tracked’ because it raises a number of complex constitutional and jurisdictional matters for the Australian federation, as well as the efficacy of a ‘one shoe fits all’ approach to regulation of diverse housing markets across the country. Moreover, we understand that the work to date on this matter (e.g. by ARDT Consultants in 2007 and 2009) has focused on the community-housing subsector, and within the community-housing subsector its focus has been on housing associations with an interest in property development and growth. That is, it has not focused on the other, extremely significant, parts of the affordable-housing sector, namely, private rental housing (including boarding houses and caravan parks), public housing, and Aboriginal housing. We believe there needs to be much more work to be done, both research and public debate, before the Commonwealth and states establish any ‘national’ regulatory framework for the diverse affordable-housing sectors. Accordingly, we do not support this Recommendation.

Recommendation 9 – That Housing NSW establish a framework for corporate governance of housing providers that is consistent with national regulation and registration requirements and enables providers to access tax benefits currently applied to public benevolent institutions with charitable status.

We understand that the *Housing Regulation 2009* provides an adequate basis for encouraging sound governance for community-housing providers registered under the *Housing Amendment (Community Housing Providers) Act 2007*. It requires a governing body to: be effective and have a range of expertise that is sufficient for the scale and scope of the community housing provided; comply with legal and regulatory requirements, professional standards and guidelines relevant to its operations; and undertake planning that adequately identifies the priorities and resources necessary to sustain the long-term delivery of community housing. The *Housing Regulation 2009* does not provide for specific structures, but, rather, focuses on performance indicators. We agree with that approach. We understand that the NSW Regulatory Code for Community Housing Providers is consistent with the national regulatory framework for community-housing growth-providers endorsed by Commonwealth and state housing ministers in 2008.

On the matter of a framework for corporate governance of housing providers that enables providers to access tax benefits currently applied to public benevolent institutions with charitable status: access to tax expenditures by community housing organizations is related to their mission and charitable purpose, not to their governance arrangements.

Recommendation 10 – That the New South Wales Government review legal impediments to tenant participation on boards of not for profit housing providers, and liaise with Federal counterparts on Commonwealth law reform.

We are not aware that tenants of social housing providers are barred in law from membership of a board of the organization providing that housing, even where the organization is a registered corporation under the *Corporation Act 2001* (Cwlth). A tenant director could not be a ‘representative’ of or advocate for tenants: their role on a board would be to promote the interest of the shareholders, as it is for the other directors. But that does not disbar tenants from taking on a director role. A tenant director would have to disclose their *material personal interest* and abstain from voting on some matters, but there would be many matters in which a material personal interest would not be present.¹² We note that some housing associations, e.g. Affordable Community Housing Ltd, Hume Community Housing Association Company Ltd, St George Community Housing Limited, do have tenants on their boards. The NSW Federation of Housing Associations has produced some educational materials for housing association boards and tenant members of the housing association boards that address this matter in the context of tenant participation.¹³ We do not support the Recommendation because we think it is unnecessary.

Recommendation 11 – That the New South Wales Department of Planning work with regional organisations of councils to examine the effect and appropriateness of inclusionary zoning in increasing the supply of affordable housing.

The Inquiry noted that it got conflicting evidence on the matter, with the Property Council arguing inclusionary zoning would reduce the amount of development. Yet

some councils like the Sydney City council wanted to include inclusionary zoning provisions in their environmental planning instruments, and the report said this ‘should be enabled’. The Sydney City council has commissioned a number of reports that present a balanced assessment of the market impacts of such schemes.¹⁴ However, it seems that the current government does not support inclusionary zoning: it has not implemented an action on this matter from the *City of cities: Sydney Metropolitan strategy* of December 2005, it failed to include provisions in the *State Environmental Planning Policy (Affordable Rental Housing) 2009*, and it has specifically refused permission in recent months for at least two councils, Sydney City and Willoughby, to expand their inclusionary zoning schemes. Sending a recommendation to the Department of Planning is like dropping a penny into a bottomless well. Nevertheless, we might infer a fundamentally important point about the debate on inclusionary zoning embedded in the Inquiry’s Recommendation – that is, it would be good to have sounder evidence basis for the debate on this matter than the rent-seeking of the property development industry. We support the Recommendation.

Recommendation 12 – That Housing NSW in liaison with the Department of Planning and NSW Health identify and assess potential sites for additional Common Ground-type developments that have the necessary support structures available in the local area.

The Common Ground model of supportive accommodation has a number of positive features, the core of which is the ‘housing first’ approach.¹⁵ It is not the only model of supportive housing for homeless people in which this approach is used. Moreover, it is more suitable for locations where there are higher population densities, a certain threshold of availability of support services, and where medium or high-density dwellings are prevalent. The NSW Homelessness Action Plan commits to provision of models of supported accommodation suitable for different target groups.¹⁶ In this context, we do not think the Common Ground model should necessarily be preferred over other supportive housing responses.

Recommendation 13 – That Housing NSW establish regional advisory bodies, with representatives of local council and housing providers, to enable local solutions for growth in affordable housing: • in areas with appropriate existing physical and social infrastructure; • with appropriately targeted resources.

While this Recommendation has a worthy aim of seeking some ‘regional’ input into planning for affordable housing, we are wary about creating new structures and arrangements when there are already bodies that perform similar (if not exactly identical) functions as would be performed by the proposed ‘regional advisory bodies’. We are thinking of the Social Housing Forums that operate in southeastern New South Wales, convened and resourced by Housing NSW officers. The terms of reference for the Illawarra Social Housing Forum, for example, are to:

- discuss local area housing needs and issues,
- share information sharing and updates on social housing operations and activities,
- provide input into the Housing NSW Southern and Western NSW Housing Services’ housing assistance plan process, and
- determine possible sources of funding for social housing.

This model already provides a useful base to achieve what the Inquiry thinks necessary, with some expansion of the focus (from ‘social housing’ to ‘affordable housing’) and some expansion of membership (to include local governments). We are not aware of similar forums in other Divisions of Housing NSW. We believe that

extension of the southeastern NSW model to other regions of the state, appropriately modified, would serve the purpose envisaged by the Inquiry.

We are also aware that Housing NSW is establishing regional homelessness committees as part of implementation of the NSW Homelessness Action Plan. Since the Plan considers affordable housing as one of the responses to homelessness, there will inevitably be some overlap or duplication of the deliberations of these committees and other bodies auspiced by Housing NSW that consider affordable housing. That these regional homelessness committees are being established is a further reason, in our view, for not implementing the Inquiry's Recommendation in its stated form, but to extend a modified form of the Social Housing Forum to other parts of the state.

Recommendation 14 – That Housing NSW work with local government, not for profit housing organisations and tenant representatives to identify social cohesion programs which would benefit housing estate tenants, and make representations to specific government departments to ensure these programs are implemented.

The Inquiry report, when giving the background and context to this recommendation, seems to elide between the concepts of social inclusion and cohesion (Inquiry report, pages 90-92). In our supplementary submission (answers to questions-on-notice) to the Inquiry, we indicated our understanding of the concept social cohesion in a way that differentiates it from social inclusion. We referred to the definition by the sociologist, Tony Vinson, who suggests it is a dynamic with three components:¹⁷

- social and support networks, including access to social support in times of need;
- social participation, as the obverse of social isolation and being cut off from relationships, providing friendship and company; and
- community engagement, including volunteering which draws people to work together for the benefit of others.

On this understanding, there can be neighbourhoods or communities that are socially excluded (i.e. exhibiting the characteristics of social exclusion, such as poverty, limited access to jobs, limited access to education and training, etc.) but are quite or very cohesive, with strong 'bonding social capital'. This social cohesion can limit the negative effects of disadvantage, such as unemployment, limited education and poor health.¹⁸

There is some skepticism in the academic literature on social cohesion and poor neighbourhoods as to whether public servants and welfare workers can effectively move in and conjure up social cohesion among the poor.¹⁹ We think it might be better for governments and nongovernment organizations to work on some of the external, structural factors that negatively impact on people's capacities to develop positive subjectivities and sociality. For this reason, we suggested to the Inquiry that Housing NSW was right, in its Building Stronger Communities initiative, to have these outcomes for its regeneration work on public housing estates:

- better urban environments
- appropriate services in the places where they are needed
- better social environments
- jobs, skills and high levels of employment

One of the aspects of this initiative that we think is particularly important is the work of the Learning and Employment Coordinator.

In England, the importance of there being local economic opportunities in disadvantaged areas has been put in the forefront of regeneration by the *Transforming places, changing lives* document of May 2009.²⁰ We think the governmental economic development boards – now being rebadged as Regional Development Australia – should be asked to play a bigger role in regeneration of disadvantaged neighbourhoods where there are concentrations of social housing. The (former) Greater Western Sydney Economic Development Board has a number of community economic development programs, e.g. Liverpool Youth Jobs, Airs Slingshot Program. In the same vein, the Green Street initiative at Bidwill, announced by the Minister on November 29, encourages training and employment in landscape and gardening services.

The Building Stronger Communities initiative is moving towards its final year of funding (2010-11). We think it is important that it be evaluated before its closure, so that any lessons can be applied to other locations (or the same locations) and appropriate submissions can be made within government for further Consolidated Fund funding for this initiative or its offshoots.

We note that the Recommendation refers to Housing NSW making representations to other government departments to ensure social cohesion programs that would benefit public housing tenants are implemented. Now that the Community Services agency has replaced the Area Assistance Scheme with the Community Builders Funding Program, this program – while not specifically targeting public housing tenants – should meet the need that the Inquiry identified. The program funding guidelines squarely address community capacity-building, cohesion and resilience.²¹

Recommendation 15 – That Housing NSW review its eligibility criteria for tenancy in registered community housing to provide greater flexibility and a broader social mix, and in consultation with local government, establish target percentages for each income group – very low, low and moderate income households.

We do not support Housing NSW's eligibility and access policy required of community housing providers it subsidizes through community housing agreements, where the income eligibility limits for community housing providers' social housing correspond to those of public housing.²² Our opposition is based on a perception of community housing, while at core a social housing product, as a variant social housing product to that of public housing. Because community housing providers have a small stock portfolio and, in principle, a greater capacity to be more responsive to individual customer's needs, we think they should have a greater capacity to adapt their product: this would include more flexibility about who is eligible for their social housing and specifically how low an income a low-income household must have to be eligible. While there would be some revenue advantages for the provider in such flexibility, this is not the reason we support a disconnect between the eligibility criteria for social housing provided by Housing NSW and the social housing provided by community housing providers. Rather, it is to provide more *choice* for *consumers*. We believe that choice could be provided by community housing providers without diverting them from having a fundamental role in providing nonmarket housing to very-low and low-income households.

We do not believe community housing providers should be required to establish target percentages for different income groups (very-low income, low-income, moderate-

income). The Inquiry seems to have been influenced by the practice of the City West Housing Ltd on this matter. We have commended this practice ourselves, including in our submission to the Inquiry. However, City West has adopted this practice *of its own accord*, and it is part of its role as a provider of both social and intermediate housing in regeneration areas where housing for 'key workers' is a concern. To insist that community housing providers apply the eligibility policy of one government trading enterprise (City West Housing) is as inflexible as insisting that community housing providers apply the eligibility policy of another government trading enterprise (Housing NSW). The *Community housing eligibility and access policy* states that 'Affordable housing supply should be allocated in accordance with the *NSW Affordable Housing Guidelines* across all three income bands: very low, low and moderate. The allocations should aim to balance the needs of households in housing stress with the requirement to generate sufficient income to meet finance and other operating costs'.²³ We agree with the policy on this matter.

We do not see why local governments should be involved in this matter. While some few of them have their own intermediate housing or social housing, they can set their own income-eligibility policies, free of the strictures of state government. The massive majority of local councils that do not have affordable housing schemes have no or limited expertise in the management of intermediate and social housing.

Recommendation 16 – That the Minister for Fair Trading refer an inquiry to the Standing Committee on Social Issues into caravan/residential parks, and in particular caravan/residential parks as an affordable housing option and the impact of their closure on permanent residents.

Such an inquiry might be able to draw together assessments of the various government interventions in this submarket. While Fair Trading has regulatory oversight on consumer protection matters, the Department of Planning regulates land-use planning, Housing NSW assists residents displaced by closures and uses this housing type for temporary accommodation, and Treasury gives some tax concessions (land tax). There is no coordinated, proactive vision for the future of this housing type, as part of a statewide housing strategy. We support the Recommendation.

Recommendation 17 – That Housing NSW undertake a review of boarding houses in New South Wales, specifically: • the number of boarding houses that have closed due to redevelopment; • ascertaining what, if any, financial incentives and assistance is required for boarding house owners to provide affordable housing now and in the future, and examine methods of protecting the tenancy rights of boarders, including but not limited to legislative possibilities to amend the Residential Tenancy Act 1987.

We believe it is a legitimate role for Housing NSW to take a lead role in reviewing the supply of boarding houses, as a type of affordable housing available to low-income people. Housing NSW has already done a study that canvassed most of the matters indicated by the Inquiry, in 2006-2007, but the report from that review has not been made public despite many requests by us.

The Department of Planning, NSW Treasury, the Disability, Ageing and Home Care agency, also have direct interest in this matter, since they currently manage assistance programs and regulatory interventions that impact on supply.

The matter of protecting the tenancy rights of boarders and lodgers falls within the jurisdiction of NSW Fair Trading, not Housing NSW. The draft *Residential Tenancies*

Bill 2009, currently on public exhibition, does not propose to cover ‘agreements under which a person boards or lodges with another person’. The Tenants Union of NSW has proposed that a regulatory mechanism be established ‘occupancy agreements’, which would be applicable to residents of boarding and lodging houses and to residents of crisis accommodation services.²⁴ We suggest this model is a useful one to explore and have more public debate about, but such debate should be facilitated by NSW Fair Trading not Housing NSW.

Notes

¹ The Australian government targets on homelessness that the Inquiry believes should be the basis for state targets on affordable housing address homelessness only. The targets set by the Commonwealth for the numbers of affordable housing dwellings to contribute to reducing homelessness are set in the white paper, *The road home: a national approach to reducing homelessness* (2008, pp.48-50). This document indicates a national target of 58,500 dwellings, comprised of 50,000 dwellings by 2012 subsidized with incentives under the National Rental Affordability Scheme (with a further 50,000 incentives to be made after July 2012 'if demand remains strong'), up to 2,700 dwellings under the 'A place to call home' scheme, between 1,600 and 2,100 dwellings by the end of 2011-2012 under the Social Housing National Partnership, and up to 4,200 new dwellings over 10 years under the National Partnership on Remote Indigenous Housing.

² Housing affordability can be promoted by governments through a number of means, one of which is provision or encouragement of market and nonmarket housing products that allow low-moderate income households to spend no more than 30% of their income on recurrent housing costs (affordable housing). Housing affordability can also be promoted by reducing the costs in the supply of housing (for any of its components, e.g. land, building construction costs, regulatory processes, taxes) and by reducing poverty barriers to sustainable housing costs for consumers (e.g. with rent assistance, mortgage assistance, and other social security measures and taxation expenditures).

³ NSW Government, *A new direction for NSW: state plan*, Premier's Department, 2006, p.127.

⁴ Housing NSW, 'National Rental Affordability Scheme', 26 October 2009, <<http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NRAS/>>, viewed 28 October 2009.

⁵ Chloë Stothart, 'Red alert', *Inside Housing*, prod. Ocean Media, 13 March 2009, <<http://www.insidehousing.co.uk/story.aspx?storycode=6503669>>, viewed 13 November 2009.

⁶ Stothart, 'Red alert'. This concern is *not* over-emphasized by Stothart in this news report. The regulator (the Housing Corporation, predecessor to the Tenant Services Authority) had produced a report in 2007, *Unlocking the door*, which encouraged housing associations to leverage to finance more social housing.

⁷ Vivienne Milligan, Nicole Gurran, Julie Lawson, Peter Phibbs and Rhonda Phillips, *Innovation in affordable housing in Australia: bringing policy and practice for not-for-profit housing organisations together*, AHURI Final Report no.134, Australian Housing and Urban Research Institute, Melbourne, 2009, p.75.

⁸ Social Housing Taskforce (Ian Carter, chairperson), *More than a roof and four walls*, final report, June 2009, p.64.

⁹ Robert Mowbray and Nicholas Warren, *Shared-equity home-ownership: welfare and consumer protection issues*, Shelter Brief no.33, 2007; Jon Eastgate, *Sustainable homeownership for low-income households: context and policy options*, Shelter Brief no.40, 2009.

¹⁰ Simon Pinnegar, Hazel Easthope, Bill Randolph, Peter Williams and Judith Yates, *Innovative financing for homeownership: the potential for shared equity initiatives in Australia*, AHURI Final Report no.137, Australian Housing and Urban Research Institute, Melbourne, 2009.

¹¹ NSW Federation of Housing Associations, 'Submission to the Commonwealth government's review of Australia's future tax system', March 2009.

¹² According to advice from the NSW Federation of Housing Associations, the possible areas of conflict of interest specifically for tenant directors (as opposed to other housing association directors) are: (i) tenant board members being involved in decisions that affect their personal tenancy, e.g. arrears, transfer requests, neighbour disputes, priority on repairs/improvements, employment, anything where tenants use their position as Board members to get preferential treatment; and (ii) confidentiality, e.g. knowing a neighbour's personal information.

¹³ NSW Federation of Housing Associations, 'Tenant board members #1 – the issues', Across the board (factsheet), 2003; Adam West, *Tenant participation good practice guide*, NSW Federation of Housing Associations, Surry Hills, 2008, p.11

¹⁴ Hill PDA, 'City of Sydney affordable housing levy – peer review', Sydney City Council, Sydney, November 2008; PPM consultants, 'City of Sydney affordable housing levy – impact analysis', November 2008.

¹⁵ Reynolds, Felicity, 'Common Ground', *Around the House*, no.79, December 2009, pp.12-13; Felicity Reynolds, 'Houselessness actually: evidence for housing first', *Parity*, vol.22, no.9, October 2009, pp.48-49.

¹⁶ NSW Government, *A way home: reducing homelessness in NSW*, August 2009, p.19.

¹⁷ Tony Vinson, *Community adversity and reliance: the distribution of social disadvantage in Victoria and New South Wales and the mediating role of social cohesion*, Jesuit Social Services, 2004, pp.32-33.

¹⁸ Tony Vinson, M Rawsthorne and B Cooper, *Dropping off the edge: the distribution of disadvantage in Australia*, Jesuit Social Services, Richmond and Catholic Social Services Australia, Curtin, 2007.

¹⁹ For example, James DeFelippis, 'The myth of social capital in community development', *Housing Policy Debate*, vol.12, no.4, 2001, pp.781-806, and Martin Mowbray, *Beyond community capacity building: the effect of government on social capital*, Observatory PASCAL Hot Topics paper December 2004.

²⁰ Department for Communities and Local Government, *Transforming places, transforming lives: taking forward the regeneration framework*, London, May 2009.

²¹ Community Services, *Community builders program guidelines 2009*, Ashfield, September 2009.

²² Housing NSW, *Community housing eligibility and access policy 2009-2010*, July 2009, Appendix 1.

²³ Affordable housing is defined in this document by reference to a state government program: 'Housing for very low to moderate income households in line with the NSW Affordable Housing Guidelines.' (p.4) The NSW Affordable Housing Guidelines apply to a number of specific affordable rental housing programs managed through Housing NSW's Centre for Affordable Housing.

²⁴ Tenants Union of NSW, 'Occupancy agreements', Surry Hills, n.d. (c.2006).