



Future Directions for Social Housing in NSW



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A message from the Minister

NSW's social housing system was created after the Second World War for working families with low incomes. In the 1950s, 73% of people using social housing were couples with children.

Today the social housing system supports a very different demographic. It is a safety net for the most vulnerable in the community – including the elderly, people with a disability or severe and chronic mental health illness, carers with long term caring responsibilities and those experiencing drug and alcohol misuse and domestic and family violence.

However there are people in the social housing system who could, over time and with the right opportunities, become independent and no longer require government support. This includes families with children, young people and job seekers.

The NSW Government wants social housing to be a vehicle for breaking disadvantage. We want to encourage residents in social housing to be aspirational, not generational.

Our reforms will see us working in partnership with all levels of government, not-for-profit housing providers, the private sector and social housing tenants to deliver more housing with better support services.

It is a future in which all the agencies with a vital interest in the life outcomes for social housing residents - including Health, Education, Justice, Planning and Environment, Industry and Family and Community Services – collaborate and are held accountable.

It is a future where there are expectations and accountability for new and existing residents of social housing.

This strategy will support innovative ideas and projects including the Premier's Innovation Initiative for social housing and the Social and Affordable Housing Fund to facilitate up to \$1 billion of new social and affordable housing.

Social housing is a vital service underpinning the social good of NSW. This ten year strategy encompassing the NSW Government's reforms is about more than properties. It is about people.

Brad Hazzard

Minister for Family and Community Services
Minister for Social Housing

Executive summary

Future Directions for Social Housing in NSW sets out the NSW Government's vision for social housing over the next 10 years.

This strategy will drive better outcomes for tenants including helping those who are able to transition out of social housing.

It looks at the whole continuum of housing – from homelessness to the private market.

It provides focused support to help people avoid long term social housing tenancies, while also recognising the role stable housing plays in the lives of people who are not able to live elsewhere.

Future Directions is underpinned by three strategic priorities:

- More social housing
- More opportunities, support and incentives to avoid and/or leave social housing
- A better social housing experience.

This will achieve the following outcomes:

- Increase successful transitions out of social housing by 5%
- Increase the proportion of young people who successfully move from specialist homelessness services to long term stable accommodation by 10%.

For this to be successful the NSW Government will collaborate with the private sector, the not-for-profit sector and all levels of government to create a social housing system which is sustainable and responsive.



By 2025, Future Directions will seek to transform the social housing system in NSW from one which is dominated by public sector ownership, control and financing of assets and provision of services, and in which tenants have little incentive for greater independence and live in circumstances that concentrate disadvantage, to a dynamic and diverse system characterised by:

- a greater involvement of private and non-government partners in financing, owning and managing a significantly expanded stock of social and affordable housing assets;

- b expanded support in the private rental market, reducing demand on social housing and the social housing wait list
- c more competition and diversity in the provision of tenancy management services through the expanded capacity and capability of community housing providers
- d housing assistance being seen as a pathway to independence and an enabler of improved social and economic participation for tenants living in vibrant and socio-economically diverse communities.

To achieve these goals, Future Directions will implement the three interconnected strategies set out in this submission:

- 1 significant expansion and redevelopment of stock through partnerships with private sector developers and finance;
- 2 transferring significant tenancy management responsibility to non-government housing providers; and
- 3 “wrap-around” services to support tenants build their capabilities and take advantage of the economic opportunities in our strengthening economy.

In addition, Future Directions will be supported by the Social and Affordable Housing Fund, which will implement innovative approaches to private and non-government sector contributions (in the form of financial investment or land) to grow the stock of social and affordable housing.

Future Directions will move the social housing system to a situation where government supports private and non-government sector initiative and innovation as opposed to one in which government dominates the landscape.

The provision of social housing will be just one part of an individualised and holistic approach to breaking disadvantage for our clients – including health, education, and employment support:

- There will be more social housing better designed to meet tenants’ needs, more effective alternatives to social housing, and more pathways out of social housing, especially for children, young people and their families
- There will be shorter average tenancies and more people ‘graduating’ from social housing as a result of skills and employment we have helped them acquire
- More clients will use private rental assistance to get them through difficult periods, rather than going on the waiting list
- Children of social housing tenants’ school performance will improve
- Young people who have grown up in social housing will increasingly move into independent housing, using the education, skills and employment we have helped them acquire

- Those in our community who are most disadvantaged are assisted to live in a safe and stable home environment
- There will be more community, private sector, and Commonwealth involvement in the system and we will all work together to support disadvantaged people
- More people in social housing feeling safer and participating in their local community.

A new direction

Social housing exists to help those in need. But providing subsidised housing also has the potential to entrench disadvantage. After getting a social housing tenancy, there is an incentive to avoid losing eligibility for that benefit, so sometimes people avoid improving their skills and gaining work. As a result, the system that aims to relieve poverty can end up trapping people in poverty.

This strategy refines the focus on need. It identifies two broad groups of social housing tenants:

- The 'safety net group': people who require support for an extended period of time
- The 'opportunity group': people who can be helped to become more independent so they no longer require social housing and government assistance.

The new approach to social housing clients in the opportunity group will not come at the expense of those in the safety net group. The frail aged and people living with a disability or a serious mental illness will continue to be supported.

Future Directions will be testing a number of new locally based approaches. This includes a more collaborative and joined up approach to service delivery, across government and non-government organisations, with a view to achieving positive outcomes for social housing tenants and those on the waiting list.

Social housing definition: Rental housing provided by not-for-profit, non-government or government organisations to assist people who are unable to access suitable accommodation in the private rental market. Social housing includes public, Aboriginal and community housing, as well as other services and products.

More social housing

Demand for social and affordable rental housing is increasing. An increasingly unaffordable private rental market for people on low incomes, responses to homelessness and fewer social housing vacancies have driven the growth in the waiting list, which has now reached 60,000 households.

As a result at the same time, people are staying in social housing longer. The average length of a social housing lease is becoming longer, with more than 50% of people in social housing holding a lease for 10 years or more.¹

The challenges for the 'opportunity group' to transition to the private rental market have become more prevalent at the same time as more 'safety net' clients are being accommodated with longer term housing needs.

Simply increasing the supply of social housing without doing anything to mitigate demand, will not deliver a sustainable and responsive system. Likewise just relying on rental subsidies will not support the safety net group. We need to make the best use of our social housing properties to get the best access and the best value for tenants and for our State.

The NSW Government is committed to a large scale building program to deliver new social, affordable and private housing. This will bring with it significant economic activity estimated at \$22 billion in housing construction to the State.

The NSW Government has recently launched Communities Plus - a new approach to delivering integrated communities and improved social outcomes. Communities Plus will be an ongoing program that seeks non-government and private sector partnerships to redevelop Land and Housing Corporation sites throughout metropolitan Sydney and regional NSW.

The NSW Government has recently announced the Social and Affordable Housing Fund (SAHF) which will provide ongoing financial support to deliver access to 3000 social and affordable houses in its first tranche. This is fulfilling the Government's commitment to introducing innovative financing mechanisms into the social housing system.

The NSW Government will:

- Transfer management of government owned dwellings so that the community housing sector either owns or manages up to 35% of all social housing in NSW
- Engage the non-government and private sector to deliver up to 23,000 new and replacement social housing dwellings
- Continue to introduce measures that ensure social housing meets the changing needs of tenants, such as better utilisation of social housing
- Implement innovative financing mechanisms.

¹ Internal FACS data (2014)

Actions:



1.1 Increase redevelopment of Land and Housing Corporation properties to renew and grow supply

In partnership with the private sector Land and Housing Corporation will fast-track redevelopment of its social housing portfolio. The new social housing developments will be modern, look the same as neighbouring private dwellings and be close to transport, employment and other community services.

The redevelopment program includes both small-site redevelopments as well as larger redevelopments and will create opportunities for innovation through partnerships with the private and non-government sectors. These partnerships will incorporate tenancy management and engagement, both of which are essential to achieve community integration.

Over the next 10 years the NSW Government will:

- a Deliver redevelopment projects on Land and Housing Corporation sites throughout NSW through Communities Plus
- b Align redevelopment projects with UrbanGrowth priority renewal areas
- c Work with planning agencies and authorities to ensure appropriate rezoning is possible
- d Ensure large redevelopments target a 70:30 ratio of private to social housing to enable more integrated communities (generally with an increased number of social housing where practicable).

The building program will have several different elements which include neighbourhood scale, medium scale and major urban transformation redevelopments. The sites selected will be offered to the market through Communities Plus and will have good amenity, access to transport, employment and educational opportunities.

For example the eight hectare Ivanhoe Estate at Macquarie Park (currently with 259 social housing dwellings), will be transformed into a high quality integrated community with more than 1800 private, 556 social and 128 affordable housing dwellings.

“Communities Plus will be at the forefront of encouraging people in social housing to be aspirational, not generational. Many of the new social housing units will be used to trial innovative programs that link housing assistance to participation in education, training and local employment opportunities to promote independence”

- Brad Hazzard, Minister for Family and Community Services and Social Housing.

Implications for existing tenants

The building program involves the redevelopment of existing social housing dwellings, requiring temporary tenant relocations. FACS will work closely with communities to avoid unnecessary disruption to tenants' lives.



1.2 Increase the capacity of community housing providers and other non-government organisations to manage properties

The NSW Government will transfer management of government owned dwellings to community housing providers and other non-government organisations through a competitive process. Within 10 years the community housing sector will manage up to 35% of all social housing in NSW. The NSW Government will create contracts with:

- a Longer term leases to be determined on a location by location basis
- b Requirements that community housing providers work toward achieving, measuring and reporting on how tenant outcomes have improved through the Social Housing Outcomes Framework including meeting the Premier's/State targets
- c Requirements that community housing providers will assist with relocating tenants to free up properties required for redevelopment.

The Aboriginal Housing Office (AHO) will continue to work closely with Aboriginal Community Housing Providers (ACHPs) to maintain its ongoing commitment of ensuring that Aboriginal people in NSW have equal access to, and choice in, affordable housing.

1.3 Innovative financing and social impact investment models

The NSW Government will work with the private sector to identify innovative financing options that can be applied to the social housing system and provide a stable income stream. This includes:

- a Implementing the Social and Affordable Housing Fund and Premier's Innovation Initiative
- b Facilitating private sector investment in social housing such as:
 - Using social impact investments to provide incentives for housing providers to improve outcomes for social housing tenants
 - Investigating opportunities for ground leasing (an agreement where the lessee is permitted to develop a piece of property during the lease period, after which the land and all improvements are turned over to the property owner) and other structures as a way to promote investment from financial institutions such as superannuation funds.

Social impact investment

Social impact investment is an emerging approach to tackling social challenges that brings together capital and expertise from across the public, private and not-for-profit sectors.

By harnessing the innovation of the non-government sector the NSW Government will deliver better outcomes for the most vulnerable people in our community, including those living in social housing.

The NSW Office of Social Impact Investment has been established to grow the social impact market and has delivered Australia's first two Social Benefit Bonds, seeking to deliver better services and results for families at risk.

Building on the successful launch of these bonds, the NSW Government is committed to finding other opportunities to use social impact investment to deliver better services and results.

1.4 Better utilisation of social housing properties

There are many houses across the social housing system that are not being optimised with the under-occupancy rate currently at 14%.

The NSW Government will reduce under-occupancy by:

- Test a range of initiatives to address tenant under-occupancy
- Building more smaller, fit-for-purpose dwellings to match the needs of new and future tenants
- Re-designing the allocations process to ensure a better fit between tenants and properties. For example if only 3 bedroom properties are available we will place a single person in a private rental headleased property and retain the larger property for a family until such time as a suitable one bedroom unit is available for the single person.

“I am very happy and thankful to have such a nice place to live in. I feel living here has given me a lot of satisfaction as I am treated like any other resident who has bought their home - there is acceptance here. It is ideal living for an older person on their own. I have made many very good friends even though I have very little money. I feel I have picked up after losing everything”

Social housing tenant from south eastern Sydney



More opportunities, support and incentives to build housing independence

There are many barriers to building independence and to leaving social housing. These include access to education, finding work and having affordable housing options to transition to.

These challenges can be more effectively tackled through better integration of government services. This requires FACS to work jointly with all levels of government and the private and non-government sectors.

A Social Housing Outcomes Framework will be developed to define and measure client outcomes and provider performance against Future Directions. All social housing providers, whether non-government or government, will be accountable and measured under the Social Housing Outcomes Framework.

The NSW Government aims to:

- Increase the number of households successfully transitioning out of social housing by 5% over three years
- Improve the educational outcomes of students living in social housing
- Reduce the number of children growing up in social housing who take on their own social housing tenancy
- Increase the proportion of young people aged 15-24 who successfully move from specialist homelessness services to long-term accommodation by 10%.

To achieve these targets the NSW Government will:

- Increase the use of private rental assistance products by 60% by 2025 to help households avoid or leave social housing – increasing support from 27,000 assistances in 2015 to 37,000 in 2025.
- Increase educational and employment opportunities for young people and families with children
- Hold all providers (government, non government and private) accountable for the social and economic outcomes for people in the social housing system
- Encourage development of more affordable rental housing to act as a stepping stone out of social housing, or a diversion from entering the system
- Remove disincentives for tenants to get employment
- Explore options to better utilise Government lands for social and affordable housing
- Develop an improved evidence base, focused on clients and social housing assistance outcomes.

Actions



2.1 Remove work disincentives

Participants in the social housing consultation held in late 2014 and early 2015 identified a number of disincentives for people to enter the workforce. Among these was the risk of losing eligibility for social housing, as well as Commonwealth payments or concessions if they find work.

The NSW Government will:

- a Review FACS' housing policies to examine disincentives to work, and remove as many as possible
- b Commence an independent review of different social and affordable housing rent models in 2016. The review will identify options to minimise disincentives in the current income based model. It will also consider possible changes to eligibility criteria whilst ensuring social housing remains affordable
- c Continue to work closely with the Commonwealth Government to ensure that tax and welfare settings do not discourage people in social housing from seeking educational and employment opportunities.



2.2 Education and employment

Education and training are important pathways to employment, enabling people to leave social housing. The NSW Government will focus on improving educational outcomes for children, and employment opportunities for young adults and jobseekers, so they can successfully transition out of social housing.

The NSW Government will:

- a Change allocation processes so tenants can be placed in, or relocated to, areas where there are better educational and employment opportunities. This process will be trialled and evaluated
- b Introduce Personal Support Plans. These plans are a partnership agreement between a client and housing provider where a client commits to work towards agreed realistic goals in exchange for tailored supports and services. The plan builds their capacity to engage in paid employment. This work builds on the success of similar approaches utilised in the private market, such as the Youth Private Rental Subsidy established in Hunter region in 2012
- c Provide opportunities for employment for people in social housing through the new maintenance contract by collaborating with the private sector to develop tenant participation plans

- d Extend the Careers in Caring program to an additional four locations, to support social housing tenants to access training and employment in the disability and aged care industries
- e Invest \$2 million toward the establishment of new early childhood centres in social housing areas.



2.3 Private rental assistance

The NSW Government provides a range of social housing assistance products to help people in the private rental market so they don't fall into social housing or homelessness. The Commonwealth Government supports people in the private rental market through Commonwealth Rent Assistance. However, for low income households living in higher cost housing markets, additional support is required.

The NSW Government will support 60% more people into the private rental market by 2025. This will help them to either avoid entering into, or to transition out of, the social housing system.

FACS will also work with the Department of Fair Trading to examine ways to make the private rental market more suitable for people on low incomes.



Boosting private rental products

New initiatives include:

- Introduction of a new medium term rental subsidy, Rent Choice, to support households to sustain a tenancy in the private rental market. Priority client groups include:
 - Young people transitioning to independent living, including those leaving Out of Home Care
 - Adults with low incomes who have suffered a destabilising event such as retrenchment or illness
 - Adults with persistent low income who are prepared to commit to improving employment outcomes.

The subsidy will be available for up to three years and will require clients to engage with education and/or employment and relevant supports. Personal Support Plans will be implemented to monitor client progress and encourage improved outcomes. Approximately 2,500 families will receive this each year by 2025.

The NSW Government will broaden eligibility for access to Start Safely. Start Safely is a rental subsidy for people escaping domestic or family violence. This subsidy is available for up to three years and incorporates quarterly reviews to help clients regain independence. The expansion is expected to increase the number of families getting assistance under Start Safely from approximately 2000 to 3500 each year.

The NSW Government will also promote the uptake of existing products:

- Private Rental Brokerage Services, with specialist support to:
 - build skills and capacity of clients with complex needs to access and maintain a private rental tenancy through ongoing case management linked to Personal Support Plans
 - monitor clients' progress for up to 12 months after the subsidy and support services have been transitioned
- Rent Start products - one-off financial assistance to support households to compete in the private rental market. Products include:
 - Advance Rent: a grant payment for two weeks rent
 - Bond Loan: a loan of up to 75% of bond for private rental or 100% for those in crisis
 - Rental Arrears: up to four weeks rent to prevent eviction
- Bond Plus - a product that supports tenants facing significant financial hardship. It is expected to grow from approximately 2000 to 6000 clients over the next 10 years. It supports tenants facing significant barriers to securing a tenancy in the private market by providing a financial guarantee to landlords/agents of up to \$1,500 for tenant damage and or unpaid rent over and above the rental bond. Currently of all guarantees provided only 1% are claimed.

2.4 Affordable rental housing as a stepping stone

Affordable rental housing improves the effectiveness of the social housing system.

In this context, affordable housing refers to housing that is provided at a discount to market rent, for example, 80% of market rent. These properties are likely to have been developed with assistance and planning incentives from the NSW and/or Commonwealth Governments, or cross subsidy from the sale of private dwellings.

Affordable housing may be owned by private developers, private organisations, local governments or community housing providers but is usually managed by not-for-profit community housing providers.

Affordable housing is an ideal stepping stone for people in social housing who, with the right support, may have the capacity to enter the private rental market. It is targeted at low income households but is managed more like a private rental property. Importantly, it is also open to a broader range of incomes than social housing, so households can earn higher levels of income and still be eligible. In this situation affordable housing can act as a diversion from social housing, by accommodating people in housing stress who would otherwise seek social housing assistance.

Affordable housing will be a feature of the Social and Affordable Housing Fund and Land and Housing Corporation redevelopments.





2.5 Collaboration and accountability

Across different government agencies, we support many of the same clients.

For many of the actions outlined in this strategy cross-agency ‘joined up’ services that focus on the social wellbeing of social housing clients are critical.

Areas for whole-of-government collaboration include:

NSW Department of Education	<ul style="list-style-type: none">• Commissioning a joint research project to determine the extent that living in social housing explains under performance, beyond that which is explained by socio economic status
NSW Department of Industry	<ul style="list-style-type: none">• Increasing promotion of free TAFE scholarships to people under the age of 30 in social housing. There are 50 000 scholarships available each year for 4 years• Working jointly to identify Crown Land which may be suitable for current or future social housing needs in the State Land Stocktake (under the Crown Lands Review)
NSW Health	<ul style="list-style-type: none">• Delivering a Home Visiting for Mothers and Babies program in social housing areas• Improving alignment between social housing and mental health systems at a local level• Collaborating with non-government providers of psycho-social supports to assist in the successful relocation of long-term mental health patients who have been living in institutionalised settings, and are eligible for social or affordable housing• Working together on the Housing and Accommodation Support Initiative (HASI) to target support to vulnerable people and improve housing and mental health outcomes• Partnering on identified safety projects that have a domestic or family violence focus• Improving and expanding private rental assistance products to support people to access and maintain private rental housing• Delivering trauma informed training to deal with clients fleeing domestic and family violence as well mental health first aid training for social housing staff• Collaborating on the provision of drug and alcohol treatment for social housing tenants, particularly for young people• Co-locating, where possible, mental health teams within FACS districts

<p>Department of Planning & Environment</p>	<ul style="list-style-type: none"> • Working with the Land and Housing Corporation to determine appropriate planning mechanisms to assist the acceleration of redevelopment on identified sites • Working with FACS to identify options to work with the Commonwealth and local governments to increase affordable housing supply, including using surplus Commonwealth and local government land
<p>Department of Justice</p>	<ul style="list-style-type: none"> • Exchanging data and evidence, aligning programs and building on FACS' officer level linkages with the Crime Prevention area of Justice • Justice officers to conduct safety audits in nominated social housing locations and support FACS' assessment of issues and planning • Planning transitions for people coming out of correctional services into the social housing system • Strengthening and forming partnerships with police at a local level to support the development and implementation of local safety projects
<p>Local Government</p>	<ul style="list-style-type: none"> • Strengthening district level partnerships with local councils to support development and implementation of local safety projects • Working with councils to enable redevelopment and promote affordable housing growth
<p>Commonwealth Government</p>	<ul style="list-style-type: none"> • Introducing automatic rent deduction, to reduce the risk of families and children becoming homeless • Continuing discussions on tax and welfare settings that demotivate people in social housing to seek educational and employment opportunities • Delivering of this strategy based on the Commonwealth maintaining its level of funding for social housing and homelessness

A better social housing experience

A NSW Government priority is to improve service delivery across all of the public service. NSW's social housing tenant satisfaction levels, particularly for public housing tenants, trail those of other jurisdictions.

The NSW Government will take the following steps to improve client satisfaction levels in customer service, amenity and safety:

- a Increasing customer satisfaction level for the public housing system to 75% (up from 65%) to be met by 2020, and maintained until 2025
- b Creating a housing system that is flexible and responsive to different needs, ensuring everyone gets a better service at each point in the housing assistance journey
- c Improving effectiveness and efficiency of ongoing maintenance through implementation of a new maintenance contract.
- d Replacing old housing stock and adopting a contemporary approach to housing design
- e Introducing a range of measures to support safe communities and help tenants to sustain stable tenancies.

Actions



3.1 FACS customer service

Currently, people applying for social housing must visit FACS offices in person and complete a cumbersome paper-based application.

Over the next year FACS will offer tenants more choice and flexibility in how they communicate with us. We will provide more opportunity to use technology whilst retaining the option for face-to-face discussions for those who need this. These changes will improve access to services for customers, especially in rural areas. In addition, they will improve staff productivity through better mobility and automation of high-volume administrative tasks.

More ways to access housing assistance

Easier access to housing assistance

- Phone-based applications
- Online access to housing assistance and for updating account details
- Electronic appointment system for interviews
- Customer apps for information and service access
- Email option for receiving information currently sent by mail

More options for 'self service'

- ePay: online tool for rent and water account inquiries and payments
- eRepair: online tool for tenants to lodge non-urgent maintenance requests
- Self service kiosks for Rentstart Linkpoint, and other private rental assistance products

Fostering our customer service culture

- Online customer service training course for housing staff, including cultural competency training
- SMS/email options for customer feedback
- Outstanding client service awards for staff, with client input
- New short, SMS-based customer satisfaction survey
- Mental health and domestic and family violence training

Enabled by technology improvements delivered through the Housing Connect Program

3.2 Better maintenance and community amenity

As part of improving the experience of social housing tenants we will improve how we contract maintenance.

We will:

- a Drive better value from the new maintenance contract through an open benchmark pricing approach which incentivises efficiencies
- b Require maintenance contractors to provide employment and engagement opportunities for tenants
- c Implement the \$20 million community improvement fund. Local councils, non-profit groups and private sector organisations have been invited to apply for funding of up to \$50,000 for projects which improve community infrastructure or facilities, enhance open spaces, improve safety, increase accessibility for older people or people with disability, or facilitate integration between the social housing and broader community.
- d Strengthen district level partnerships with local councils to support the development and implementation of local safety projects.





3.3 Safe, stable communities

The majority of social housing tenants are good neighbours and law-abiding people. However, there are a small number of tenants whose antisocial and illegal behaviour puts the safety of their neighbours at risk and this impacts the broader community.

The new antisocial behaviour policy aims to balance the responsibilities of tenants and the rights of their neighbours and the broader community, with the need to support tenants to sustain their tenancies.

Key features of the policy include:

- A 'one strike' policy where serious breaches of a tenancy agreement will result in direct application to the NSW Civil and Administrative Tribunal (NCAT) for termination of a tenancy
- A 'three strike' policy that could result in termination, if three strikes are validly issued to a tenant within a 12-month period
- Acceptance of Neighbourhood Impact Statements by NCAT to give the community and neighbours a voice in the Tribunal process.

If antisocial behaviour arises because of mental illness, our first response is to engage health and social support services to assist the tenant. We are experienced in working with clients with complex needs and will continue to engage with health and support services to assist the tenant, wherever possible.

The NSW Government supports sustaining tenancies wherever possible and will:

- a Introduce public housing rental bonds for all new tenants through an approach that mirrors the private market rent bond scheme, reinforcing tenant responsibility in regard to rent arrears and tenant damage, as well as helping to prepare them for transition to the private rental market. To commence during the second half of 2016, the bonds will be applied to new leases and will be equivalent to four weeks market rent, capped at \$1,400. Tenants will be able to pay the bond in installments over two years, which will be administered by the Rental Bond Board
- b Work with the Commonwealth and other states and territories to investigate an automatic rent deduction scheme for new social housing tenants receiving welfare payments. The aim of the scheme is to increase stability of payments from social housing tenants, with a view to preventing homelessness as a result of rental arrears or other housing charges. Under the new system Centrelink will automatically pay rent and other charges to social housing providers, mirroring the streamlined and more contemporary rent collection practices in the private sector.



3.4 A “place-making” approach to building communities

Approximately 40% (41,000 dwellings) of social housing in NSW are located in concentrated housing estates. While a range of social housing estates function relatively well, many estates experience high levels of crime, unemployment, domestic violence, tenancy management problems, poor educational outcomes and associated child protection issues. These experiences can be passed on through multiple generations, reinforcing the cycle of disadvantage.

The NSW Government will introduce Place Plans that will focus on:

- Better access to opportunities such as improved educational outcomes and pathways to training and jobs. This includes building life skills, resilience and community engagement to break down stigmas and foster community leadership
- Timely access to effective and coordinated services such as integrated case management
- Building a stronger and safer community with a positive identity
- Supporting Aboriginal community healing and activities to foster community pride
- Improved physical environment in social housing areas, including infrastructure and community facilities such as working with council and residents to improve the appearance of homes, streets, parks and community facilities.

Four districts are currently scoping and investing in place-based projects to strengthen social housing communities in Kempsey, Griffith, Moree and Eden.

The Place Plans will be rolled out in early 2016.



3.5 Regional options

People living in regional areas have different needs to those living in urban areas. Eighteen out of twenty estates that have been classified as 'highly disadvantaged' by the NSW Government are located in regional and remote areas.

To assist with asset decisions, a framework will be developed to focus on:

- Renewing and reconfiguring the regional portfolio
- Expanding the types of houses built, including secondary dwellings and market testing other cost effective housing delivery options, such as dual occupancy dwelling.

The NSW Government will:

- a Implement a program of acquisitions to replace existing dwellings and expand supply in major regional centres that have good access to services and employment
- b Work jointly with NSW Department of Industry to identify Crown Land which may be suitable for current or future social housing needs particularly in rural and regional areas in the State Land Stocktake (under the Crown Lands Review)
- c Investigate options for the use of shared equity loans*, with a focus on regional areas.

*Shared equity loans

Shared equity loans may be an effective tool to increase home ownership in regional areas where commercial lenders are unwilling to take on the full mortgage risk, particularly in areas with poor prospects for long term capital growth and relatively low wages.

Shared equity loans offered by the Western Australian Government to Aboriginal households in remote areas, linked with other supports such as education in financial literacy and mentoring, have been used.

Programs using a combination of shared equity mortgage products alongside a strengths-based approach to support families into home ownership could work well in NSW regional areas where people face similar challenges. This sort of program could provide a realistic transition path to independence.

Future Directions

These whole of government reforms provide initiatives and stepping stones to transform the current social housing system. This is an exciting time for social housing in NSW, with opportunities for partnerships and innovation to create a system that will be nimble and responsive, where we test, evaluate and adapt to continuously improve. This is a ten year plan, but it is just the beginning. These reforms will help break the cycle of disadvantage by reducing homelessness; providing more housing and support for those needing social housing and providing more support and incentive to help people divert from or successfully transition out of the social housing system.

To learn more and keep up to date with the future of social housing in NSW, visit www.socialhousing.nsw.gov.au.





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