

## **SOCIAL INCLUSION INITIATIVES**

Policy Papers by John Mant

[jm@johnmant.com](mailto:jm@johnmant.com)

### **Initiative One**

#### **Turning public housing area teams effectively into ‘community housing’ organisations**

##### The problem

State wide centralised departments are no longer the right type of organizations to be managing social housing estates.

The State housing authorities were established in the 1940s as public works organizations designed to build tracts of housing for sale or rent to households in employment. Now they administer welfare housing increasingly rented to only those most in need (many of whom are single member households), during the time they are in need.

This fundamental change in role has resulted from the very large subsidies supporting home ownership, the increased use of rental subsidies as a means of assisting renters and a reduction in capital funds for public housing. These policy changes started in the 1960s.

Tragically, despite the increasing evidence that the role of public housing would become increasingly residual, the housing authorities continued to create large-scale estates. (Claymore at Campbelltown, one of the worst social exclusion examples, was built in the late 1970s notwithstanding the 1973 CW/State Housing Agreement said there were to be no more ‘large scale fringe estates’.)

In every city and in many towns, there are public housing areas that have high degrees of social exclusion. The current further tightening of means testing is exacerbating this situation, as well as sending the authorities broke (as tenants who can pay a higher rent are moved out).

##### What has been done to fix the situation?

There have been a number of policy responses:

- Several decades after they should have, the authorities finally ceased building large-scale estates.
- Overtime, most authorities have changed their organizations from public works oriented structures to ones more appropriate for roles of asset and estate management. Most have set up localised multi-skilled area teams to administer groups of houses and tenants.

- Some efforts have been made to ‘renew’ estates with increased expenditure on maintenance and upgrading and the establishment of special community development teams who work for a limited period to increase the social capital in the selected estates.
- Some estates are being redeveloped with a proportion of the new housing being sold to the general market.
- Housing authorities have played a greater role in arranging support services for tenants; that is, they have played a wider role than that of a mere landlord.
- A little more care has been taken to allocate tenancies so as to reduce the potential for social conflict.
- The management of some estates, or parts thereof, have been handed over local community housing associations<sup>1</sup>.

### What could be done to increase social inclusion?

#### *Affordable Housing Policy Generally*

In terms of general housing policy there is much to be done to increase the amount of affordable housing and reverse the increasing extent of means testing of social housing tenants. The latter is especially important to reduce the danger of a greater increase in social exclusion in both the estates and community housing.

#### *Increase Role of Community Housing Associations*

In Britain, where there was a greater proportion of total housing stock in public housing, the solution has been to build up the capacity of the long established, not-for-profit, housing associations and to transfer large amounts of the public housing stock (including titles) from councils to those associations. These transfers have been accompanied by money for renewal and high level, whole-of-government, support.

In Australia, the public housing is managed by State, rather than local, governments. The public housing authorities have only slowly embraced the community housing sector. For many years, and probably still, they were seen as competitor suppliers of social housing. This hostility was reinforced by the manner in which the Commonwealth, rather than encouraging fundamental change in the nature of the State authorities, forced them to establish community housing associations through the use of tied grants<sup>2</sup>.

---

<sup>1</sup> The transfer of some 30 houses at Claymore, an estate built at Campbelltown in the late 1970s, to Argyle Community Housing is the classic example. Houses that were virtually uninhabitable have been turned into a viable community where there is a waiting list. Crime incidents have gone from 60 to virtually zero. The Association has gone on to become a major supplier of community housing in its area.

<sup>2</sup> In the 1970s the State Housing Authorities generally were unreconstructed post-war bureaucracies carrying out their roles of building and renting houses to families. The post-war generation and social change led to demands for change. Instead of re-writing the Commonwealth/State Housing Agreement

After twenty years of stand-off, the States authorities generally have adopted a policy of encouraging the development of housing associations, passing enabling legislation and expanding the sector by grants and the transfer of management of additional housing stock. A recent NSW Plan aims to see the number of houses being managed by the associations increase from 13,000 to 30,000. (By contrast, there are some 130,000 houses managed by Housing NSW.)

*Turn public housing effectively into community housing*

Housing authorities in the last decade have moved from being public works organizations with rent collectors, to asset management organizations with area teams which have been given a degree of autonomy over the management of a number of houses.

My experience (in NSW) with these area housing teams is that many would like the same freedom to manage as the community housing organizations have achieved.

During my workshops with housing teams I like to play the game of “What if you were the community housing organization for your area; what would you do differently?” Inevitably the responses are excited and imaginative - especially if the rules of the game allow titles to the houses to be transferred to provide some collateral for raising additional funds.

Reality is a letdown. What seems possible during the game disappears when faced with the reality of being part of a team that is four or five levels of management below the Minister who is personally responsible for every action taken by every officer across the whole State. Uniformity and risk aversion are the rules; not experimentation and local decisions for local circumstances.

*But what is the difference between a housing team and the staff of a community housing organization?*

With the important exception of financial management, essential there is no difference between a public housing team and the staff of a community housing association, at least so far as the functions are concerned.

Both are responsible for a number of social housing units. Both allocate off a central register. The same tenancy laws apply to protect both public and community housing tenants. Both are accountable for funds spent on the houses. (Unless, of course, in

---

and forcing organisational change on the Authorities, activists influenced the Federal Government to impose specific purpose grants to the States to require them to support alternative ways of delivering publically funded housing, such as community, emergency, aboriginal, and co- operative housing. These programs were seen as additional activities by most Authorities. For example, being basically public works organizations, while the Authorities were not prepared to stop building new houses as additions to their public housing stock, they were prepared to buy existing houses for these additional programs. The activists staffed the new community based organizations and, in some Authorities, even staff new branches within the Authorities. Fundamental change was not undertaken however, and the community based delivery alternative continues to this day as an ‘add-on’ to the basic role of Public Housing. Thus it was that short term small advances, left a long term legacy of competition and, at times, hostility.

the case of public housing, there is a central and not a locally accountable maintenance program.)

The major difference is that the staff of the one are in a large centralised hierarchical organization and belong to public service unions, while staff in the others belong to small organizations with individual boards and belong to community service unions.

That there appears to be such a distinction between the two ways of managing social housing is largely a result of history and industrial issues, not the functions or the enthusiasm of the workers.

So why not allow public housing teams to become community housing organizations, if they (and their tenants) want to? Give them a local board to take responsibility and allow them to operate within the rules applying to community housing bodies. Increase or supplement their financial management skills. Transfer titles, possibly, at least in the first instance, to a central trustee body, which can provide for security to be available for additional capital funds raised from the private sector in the appropriate cases. As new organizations obtain the necessary experience the central trust could transfer titles to those organizations.

Only those teams who wanted to change need do so; they would have to bring their tenants with them. Instead of public housing staff resisting localisation and independence, maybe they would encourage it.

Two things stand in the way of such a decentralisation of public housing management – union coverage for staff and the size of the asset base of each State. Both of these can be solved, as they should be, if they stand in the way of a better service to tenants, more socially inclusive communities, potentially more affordable housing stock and better jobs for housing staff.

#### *Transfer title to community housing associations*

Britain has transferred title and the result has been the attraction of significant private sector funding.

There is no valid reason why titles should not be transferred to an appropriate trust body, which could hold them for the benefit of the associations. The failure to do so to date has already seen many opportunities to increase stock forgone through the use of private funds. (Twenty years ago a charity wanted to provide a \$1 million very low interest loan, with more on offer, to housing coops. The offer was conditional on a transfer of title to a trust. The Housing Authority would not make the transfer and the offer was withdrawn.)

#### *Turn State Public Housing Authorities into policy/monitoring departments*

If, progressively, the public housing teams were given their freedom, the role of the Housing authorities and their Ministers would switch from day-to-day direct administration of a large housing portfolio to regulation and monitoring and a concern for housing policy generally. They would regulate a number of decentralised, localised self governing not-for profit bodies, which take clear responsibility for

providing housing in circumstances where social inclusion and self help were central roles for housing management.

State Ministers could then be properly Ministers for Housing, rather than Ministers for Managing Public Housing Units.

## **Conclusion**

Public housing estates are areas of major social exclusion. This is the consequence of declining stock at a time when allocation policies have been regularly tightened.

While concentrated programs of estate renewal can improve social capital, they are short term and are additional to the normal estate management regimes of public housing departments. After an improvement, the old regime returns. And not all estates receive special attention.

Total redevelopment can be a solution, especially where there can be significant increases in densities, however, there is considerable disruption to households and existing social capital and the process takes time. We have yet to see if the current projects are financially worth doing. Redevelopment is only a solution at the margin, as it would take many years to have much of an effect.

Most States finally have proposed an increase in the percentage of houses managed by community housing associations but, again, this is only a solution at the margin. It will take time to develop those new organizations and the increase, though substantial, is from a small base.

If a substantial and fast improvement in social inclusion is sought then the answer is to encourage public housing area teams to obtain the consent of their tenants to establish themselves effectively as community housing associations. All that would change is that, in the place of layers of expensive senior management, the area teams would be directly responsible to a local board and to the same regulatory regime as the current housing associations.

A participatory program of change should be instituted with public housing staff and with tenants hopefully to achieve, within general policies to ensure equity of access, efficiency and probity, the rapid transfer of public housing dwellings to the management of not-for-profit housing bodies, run by those staff with a high degree of autonomy and tenant involvement in localised management. The equity in the housing assets should be available to enable housing managers, in appropriate situations, to lever additional funds on the value of those assets

Of course, this solution should also be accompanied with a totally rethink of the Commonwealth State Housing Agreement and the Rental Assistance Scheme.

John Mant

31 December 2007

[jm@johnmant.com](mailto:jm@johnmant.com)



