

ORDINARY MEETING 31 MARCH 2010	25
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ISSUES PAPER INTO SOCIAL HOUSING IN THE CAIRNS REGION

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RECOMMENDATION:

That Council:

- A. Notes the report; and**
- B. Supports the provision of public housing where it is consistent with the desired outcomes of the planning scheme and with the needs of the clients accessing the housing.**

INTRODUCTION:

This report has been prepared in response to a request for Council officers to develop an issues paper in relation to the State Governments commitment to increase public housing in the Cairns Region.

The current increase in the provision of social housing is in response to the Federal Government's implementation of the \$6.4 billion Social Housing Initiative which aims to increase the provision of social housing in Australia over a period of three and a half years.

This report provides an overview of social housing from a National, State and Local perspective.

BACKGROUND:

At the Finance and Administration Committee Meeting on 17 March 2010, Council requested that Council officers develop an issues paper in relation to the State Government's commitment to increase public housing in the Cairns Region.

Subsequent to the issues paper being presented to the March Ordinary Meeting, Council will formulate a position that will be communicated to the Minister for Housing.

COMMENT:

The commentary provides an overview of social housing from a National, State and Local perspective.

National Context

The National Partnership Agreement (NPA) on the Nation Building and Jobs Plan (NBJP) was agreed at the Council of Australian Governments (COAG) meeting on 5 February 2009. As part of this agreement, COAG agreed to the implementation of a \$6.4 billion Social Housing Initiative over three and a half years.

The specific objectives of the Social Housing Initiative are as follows:

- (a) to increase the supply of social housing through the construction of new housing and the refurbishment of existing housing;
- (b) to provide increased opportunities for persons who are homeless or at risk of homelessness to gain secure long term accommodation; and
- (c) to stimulate the building and construction industry, both through funding additional dwellings and increasing expenditure on repairs and maintenance to retain jobs in the construction industry.

The Social Housing Initiative comprises two elements. Element one provides funding for new construction while element two provides funding to support the repair of existing social housing dwellings.

Element one is being undertaken in two stages. Stage 1 provided funding for the construction of social housing projects that were in the development pipeline and were able to be completed before 30 June 2010. Stage 2 involved a competitive process to identify suitable proposals in the market for the construction of new social housing

Key Requirements

The agreement set out the key requirements against which proposals for the construction of new social housing were assessed:

- (a) increase the supply of social housing dwellings within a jurisdiction;
- (b) have regard to reforms listed in the report to COAG in December 2009;
- (c) increase the allocation of housing to people with highest needs on public housing waiting lists;
- (d) facilitate or support the transition of persons who are homeless or at risk of homelessness to secure, long term accommodation;
- (e) adhere to universal design principles that facilitate better access for persons with disability and older persons;
- (f) constructed dwellings are environmentally sustainable; and

- (g) promote activity in the short term using a variety of procurement arrangements, including spot purchases of house and land packages and purchases 'off the plan'.

State and Territory Reforms

As part of the initiative the States and Territories have committed to progress a number of reforms including, but not limited to:

- Implementation of support arrangements to assist social housing tenants to transition from social housing arrangements to affordable private rental and home ownership as their circumstances change.
- Reducing concentrations of disadvantage through appropriate redevelopment to create mixed communities that improve social inclusion.
- Better social and economic participation for social housing tenants by locating housing closer to transport, services and employment opportunities.
- Improved tenancy management and maintenance benchmarks for social housing.
- Improved efficiency of social housing including better matching of tenants with appropriate dwelling types and the introduction of rent-setting policies that reflect the type of dwellings occupied by tenants.
- Introducing contestability in the allocation of funds to encourage a range of new providers and create diversification in the not-for-profit sector to enhance the ability of providers to offer housing options to a broader range of client types.
- Better use of government owned land to provide more affordable housing opportunities for low income earners.

Queensland Context

The Queensland Government Department of Housing & Homelessness (the Department) define the term social housing as the provision of housing and housing related services to people in need.

Social housing is a service funded by the Queensland Government and is provided on the basis of matching the most appropriate level of housing service assistance for the duration of need.

Social housing is secure and affordable rental housing for low to moderate income families and individuals, in particular, those who have difficulties accessing housing in the private market. The term public housing relates to social housing stock owned and managed by the Department.

The Department and community providers deem an area suitable for social housing if the dwelling offered for tenure and its location match the client's needs.

Not all social housing has major shopping facilities, schools or major services located close by and the dwellings offered for tenure would be offered to and taken up by clients deemed able to maintain a successful tenancy at this location.

This variety of property types in a range of locations supports the desire for people to remain within neighbourhoods they were brought up in, have connections to or are close to essential or supportive services. The Department supports building socially inclusive and participatory communities.

The Department defines the term target group in regard to social housing as:

“A group of people with a particular characteristic or set of characteristics which a particular community service or programme seeks to assist. Target groups may relate to population groups or communities, families or households or individuals. Characteristics may include age, cultural identity, geographic location or specific needs.”

Social Housing comprises the following types of housing and housing assistance:

- Public housing stock
- Aboriginal and Torres Strait Islander housing stock
- Long term community housing stock (community based registered providers such as Ozcare, Access Housing etc)
- Crisis accommodation
- Other providers of affordable housing stock

Through its Crisis Accommodation Program, the Department provides funds to community organisations and local governments to assist people who are homeless or at risk of homelessness, in crisis and/or in need of transitional support in the move towards independent living.

The Department also offers non housing stock assistance to applicants for social housing assistance in the form of:

- Rent assistance schemes
- Bond Loans schemes

Both of these schemes offer help in finding and securing accommodation in the private rental markets.

One Social Housing Framework

In 2006, the Queensland Government, through the Department of Housing, introduced a set of reforms to improve connections between housing providers within the social housing system to ensure it operates as one system. The aim was to create a more efficient and responsive social housing system and support the integrated provision of a broad range of housing assistance for people on a low income.

This 'one social housing system' includes all products, services and programs provided, funded or subsidised by the Department ranging from high subsidy assistance such as rental housing to other products such as bond loans to rent a home in the private market. Public rental housing, Aboriginal and Torres Strait Islander rental housing and community housing are now all provided through the one system.

Under the 'one social housing system' eligible applicants are offered assistance that best responds to their particular need – for the duration of that need. If their needs change over time, so does the form of housing assistance offered. As part of this reformed social housing system, pathways are also provided through and from social housing into the private rental and home ownership markets.

Through the implementation of the 'one social housing system' the Department utilises processes that provide greater assistance to matching social housing clients with the most appropriate housing in the area. Should a client require a certain type of housing in a certain area or need to be supported due to a specific and noted prerequisite, then that client now has their circumstances case managed to provide them with accommodation that is the best fit to their circumstances.

In simple terms, the clients are matched to accommodation and not given the 'first cab off the rank' as was the case before the introduction of the 'one social housing system'. Clients may be at the head of the wait list but if their specific needs cannot be met by entering into tenure or accepting accommodation that is immediately available, then that client will remain on the wait list until a suitable dwelling is available. The Department has a vested interest matching clients with an accommodation type in a suitable location that will produce a secure and successful tenure arrangement. Inappropriately placed clients, whose tenure cannot be successfully maintained, would have to be re-assessed, temporarily re-housed and re-entered on to the wait list before new accommodation could be issued.

Through the new system, clients can access all providers (Department and community) through the one application and have their needs examined as a 'best fit' option. For example, a client requiring a high level of support would not be placed in a dwelling that is not close to the service that is required to support that tenancy, a client with access issues would not be placed in a dwelling where they cannot move freely and a client requiring a live-in carer would not be offered a one bedroom accommodation.

Cairns Regional Context

Latest Herron Todd White indicates the trend vacancy rate for houses stood at 3.9% during January 2010, while units recorded a trend vacancy rate of 5.6% and the market overall 4.8% vacancy rate.

Data from the Department indicates median private rental rates have generally increased between 30% and 60% between 2003 and 2008 which is similar to the picture seen across Queensland.

In 2003, approximately 53% of the private rental stock in Cairns was deemed affordable for low income households. By 2008, the supply had decreased to approximately 24% of available private rental stock.

In 2007, 34% of Centrelink clients who rented privately within the CRC area, paid over 30% of their income in rent and were deemed to be in housing stress. This is a similar percentage seen across Queensland.

Social housing dwellings are located in most areas of Cairns. Stock consists of 1, 2, 3 and 4 bedroom dwellings, studio apartments and units.

Recorded at the Far North Queensland Area Office for Housing and Homelessness (Cardwell to Lockhart River) there are 2,178 applications to the wait list for social housing. Within this figure, there are currently 800 applications (on the wait list for social housing) in the CRC area.

Current Projects for Social Housing in Cairns

A search of information currently held by Council indicates that new projects are proposed for a number of areas across the region. This information is on projects where contracts have been finalised and may not capture all future projects. A list of the number of dwelling units, which includes single dwelling houses, duplexes and multiple dwellings, by suburb is provided in Attachment 1. The sites have generally been identified by the department due to their consistent zoning or the fact that existing approvals were in place.

Under the *Sustainable Planning Act 2009*, public housing is exempt development. The State is responsible for undertaking an assessment of the project against the relevant planning scheme to determine if it considered consistent or not.

Where a project is deemed to be consistent with the planning scheme, the State must advise Council about the project before development starts. Where a project is deemed substantially inconsistent with the planning scheme, the State must advise Council about the project and notify the community.

Although Council has no role as the assessment manager, officers provide comment to the Department on each proposal provided to Council on its merits against the planning scheme and relevant policies. Any inconsistencies with the planning scheme are identified and are generally related to the following issues:

- Screening the development - Mitigating any potential visual and noise impacts – via appropriate setbacks, improved landscaping, appropriate fencing, air-conditioning screens on upper floors and highlighting any overlooking or privacy issues to neighbouring properties.
- Parking issues - seek to make the department fully aware of any such issues so that they can better frame the development in its immediate surrounds
- Protection of Council infrastructure – ensure the development adequately takes into account the location of sewer mains and drainage lines within lots.
- CPTED outcomes - Lighting and passive surveillance
- Streetscape Context - detailing any issues with how the development may fit into the greater streetscape.

Profile of social housing clients

There is no 'typical' client accessing social housing. Current clients are found from all areas and from all situations, for example:

- Individuals/families on in employment but with low incomes unable to meet market rent
- Lone parents with or without employment who are unable due to low income to meet market rent
- Women and women with children escaping domestic violence
- Single persons following divorce or death of a spouse or partner and now unable to meet market rent
- Lone younger people following on from a period in care and unable to return to the family home
- Individuals/families who have been retrenched and are without work and can no longer afford market rents or who have lost their homes through mortgage debt accumulation
- Individuals in unstable employment, temporary or without regular/secure income unable to meet market rents
- Seniors on aged pensions
- Seniors on reduced incomes unable to meet market rent
- Persons with a disability or persons on a disability pension unable to work and who cannot meet market rents
- Persons who have a long standing illness and who are unable to work therefore unable to meet market rent
- Persons with an injury and who are unable to work therefore unable to meet market rent
- Persons with a personal care commitment and who are unable to work therefore unable to meet market rent

Contributing Factors for the Need for Social Housing

Homelessness

105,000 people were homeless last year or 1 in 200 Australians with 180,000 households on the public housing waiting list in Australia.

In Cairns, the homeless figure is 70 per 10,000 population and the majority of those people were deemed to be in 'secondary homelessness' i.e. people living in temporary or substandard accommodation rather than living on the street.

Domestic violence is a greater cause of homelessness than mental illness or drug abuse. Domestic violence affects 1 in 3 Australian women and more than half of all women with children who left their family home did so because of domestic violence. A quarter of Australia's homeless are children.

Where tenure links to positions of employment (live-in positions, caretaking or work provided such as on farms) or where tenants are renting by the week as in some boarding houses or staying with friends, homelessness can become a real issue when that tenure is removed. In situations such as these, unsecured tenancies place a burden on the holder to find new accommodation quickly when the arrangement breaks down or fails.

Affordability

Between 2003 and 2008, private rental housing affordability has fallen by a total of 29% (all types) in the Cairns area. The inability to secure an affordable private rental property can prompt rental clients to seek social housing.

Housing History

Persons who have previously defaulted on rent during a private rental tenancy agreement can receive a detrimental housing history entry. This entry will prevent them from entering into another private rental agreement. If these persons are unable to purchase a property, the social housing wait list is often the only remaining option.

CONSIDERATIONS:

Corporate and Operational Plans:

The relevant strategies from the Corporate Plan 2009 – 2014 include:

- Improve the capacity and wellbeing of valued areas of the community that traditionally have difficulty being heard.
- Implement an integrated approach to planning by Council and stakeholders.
- Effectively plan and respond to significant changes in the demographic profile of the region.
- Promote good urban design outcomes which are responsive to the region's tropical environment and unique character.

Statutory:

Chapter 9, Part 5 of the *Sustainable Planning Act 2009* deals with Public Housing.

Section 719 states that development is exempt development under the Act. The State must undertake an assessment of the project to determine if it is consistent with the relevant planning scheme.

If the project is considered to be consistent with the relevant planning scheme the Chief Executive must give the local government information about the project before development starts.

If the project is considered to be substantially inconsistent with the relevant planning scheme, then the Chief Executive must give the local government information about the project before development starts and publically notify the proposed development.

The State must have regard to any submissions received before deciding whether or not to proceed with the development.

Policy:

The FNQ2031 Regional Plan includes a policy on Housing Choice and Affordability. A key objective is to ensure a variety of housing options are provided to facilitate housing choice and affordability to meet diverse community needs.

The plan includes a land use policy which requires land use planning assessments for State land consider the potential for land allocations to deliver housing options and affordability outcomes that address gaps in community need.

As part of the preparation of the new planning scheme, Council will need to address the requirements of the State Planning Policy 1/07 Housing and Residential Development which includes the preparation of a housing need assessment. Local governments should ensure that planning schemes deliver an appropriate range and mix of housing relevant to the local and regional needs, including providing for vulnerable persons.

Financial and Risk:

If the State, or a statutory body representing the State undertakes development under Chapter 9, part 5 of the Sustainable Planning Act 2009, the State or body is not required to pay any charge for infrastructure under Chapter 8, part 1 for the development.

Sustainability:

Sustainability is a key theme of the Corporate Plan. Sustainability means meeting the region's present needs without compromising the ability of future generations to meet their own needs. This involves balancing environmental, economic, cultural and social needs.

Council has made a commitment to sustainability through its Corporate Sustainability Policy.

The Regional Plan states the provision of diverse and affordable housing options is an important social issue and a key challenge at a local, regional and national level. A range of housing options can help create more diverse communities and avoid social polarisation and displacement.

CONSULTATION:

The State Government is responsible for public notification for social housing projects that are considered to be substantially inconsistent with the relevant planning scheme.

There has been media on the community concerns regarding particular social housing projects in the Cairns region.

The Council report has been prepared jointly between Planning Strategies and Sport, Recreation and Community Development.

OPTIONS:

The issues report has been prepared to provide information to Councillors on social housing issues from a National, State and Local perspective. The report provides Council with information and data to make an informed position on the matter of social housing in the Cairns Region.

CONCLUSION:

The provision of diverse and affordable housing options is an important social issue and a key challenge at a local, regional and national level. The Federal Government has introduced the Social Housing Initiative as a catalyst for increasing the provision of social housing while also stimulating the construction industry in the wake of the global financial crisis.

The requirements of the agreement include developing housing that follows good design principals including sustainability and universal design. The initiative also seeks to ensure that concentrations of social housing are not created and instead social housing is integrated into mixed communities to improve social inclusion.

The State Government provides a social housing service which is based around matching the most appropriate level and form of housing with the clients need. The Sustainable Planning Act 2009 provides a process to allow the State to provide public housing. This involves an assessment of the project to determine if it is consistent with the relevant planning scheme. There has been an increase in the provision of public housing in the Cairns region in response to the initiatives of the State and Federal Government.

In the Cairns region, the supply of affordable private rental stock had decreased significantly and a large number of people are in housing stress, spending over 30% of their income on rent. The demand for social housing is increasing and the social profile of people in need is diverse.

It is recommended that Council support the increased provision of public housing where it is consistent with the desired outcomes of the planning scheme and with the needs of the clients accessing the housing.

ATTACHMENTS:

Attachment 1 – Summary of number of proposed dwelling units by suburb in the Cairns region

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Attachment 1 – Summary of number of proposed dwelling units by suburb in the Cairns region

SUBURB	NUMBER OF DWELLING UNITS
Babinda	1
Bayview Heights	1
Bentley Park	2
Earlville	55
Edmonton	25
Gordonvale	10
Kewarra Beach	1
Mooroobool	10
Mount Sheridan	4
Palm Cove	18
Parramatta Park	31
Trinity Beach	2
Trinity Park	21
Westcourt	16
Yorkeys Knob	8

Note: The information in the above table is based on the best available knowledge held by Cairns Regional Council and will not include future projects that have not be provided to Council at this time. Dwelling units comprise of a mix of single dwelling houses, duplexes and multiple dwellings.