

Julie Foreman  
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Tenants' Union of NSW  
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Ref SUB20/28028

Dear Ms Foreman,

*Julie*

### Response to Best Practice Report

Thanks for sharing the draft Best Practice report for the Social Housing Management Transfers (SHMT) on 16 January 2020. We appreciate the opportunity to review the draft report prior to publication.

We were pleased to see that your report noted that most tenants have transferred to the new landlord without undue disruption or other problems. Also that some have reported favourably on the contact and response they have received from their community housing provider over the transfer period. However the report indicates that the impact on some of the more vulnerable tenants has been adverse.

I can assure you that impact on vulnerable tenants is something we take very seriously and we will consider your suggestions in the design of future programs. From a DCJ point of view, we have received mainly positive feedback from all stakeholders and hardly any formal complaints during the implementation. Any complaints received post implementation have been resolved quickly by working with the relevant CHPs.

We believe that your research methodology and conditions of ethics approval may have skewed the tenant engagement to a small minority of tenants who were unhappy with the program. This should be more strongly stated in the report to ensure that the magnitude and scale of the issues reported to the Tenants Union are not overestimated by readers.

The report also brings in other policy issues that were not intended to be resolved by the SHMT Program. We recommend that these be separated from the impacts of the SHMT Program or removed from the report entirely. These include:

- No increase housing supply in NSW – increase in supply was not one of the objectives of the SHMT program. It is a stated objective of the Communities Plus Program.
- CRA maximisation - This too is not relevant only to this program. CRA capture has been the basis of a broader policy agenda of the State Government to encourage injection of funds into the social housing system. It has been one of the drivers of transfer of business to CHPs for many years. The appropriate funding of the social housing system is a much broader issue that both Commonwealth and State governments across Australia need to resolve.
- Funding for tenant organisations – this decision was part of a broader review of Tenant Participation Resource Services and how limited resources could be used more efficiently. This was not related specifically to the SHMT Program.

It should also be made clear that the report includes other system-wide issues that have been highlighted by (rather than being caused by) the SHMT Program. This includes:

- CHP management of arrears
- Security of tenure

### **DCJ response to recommendations:**

#### 1. Tenant empowerment and choice

DCJ is committed to meaningful engagement with tenants and tenant organisations. Despite enabling legislation to effect management transfer without tenant consent, DCJ committed to an extensive program of tenant forums and individual visits to ensure tenants were informed and were assisted during the transfer process. Robust tenant engagement by both DCJ and CHPs will continue to be a central feature of any future transfer program. It should be noted that large scale reforms such as the SHMT Program could not have been achieved effectively or efficiently without mandatory tenant transfer legislation.

#### 2. Program Design and Timing

##### a) Commonwealth Rental Assistance (CRA)

In response to the recommendation for a longer period required for CRA sign-up completion, I can assure you that discussions were undertaken with CentreLink and a 16 week period prior to transfer was agreed which was the maximum allowable time period for the submission of forms. Based on this, a comprehensive program of tenant engagement jointly carried out by CHPs and DCJ was planned and executed. Despite the challenges of explaining a fairly complex arrangement to tenants, all CHPs reported sign-up rates above 95% of CRA paperwork prior to transfer.

##### b) Single go live dates

We believe that single go-live date for contract commencement across an entire location despite its challenges went very smoothly. There were very few complaints in the early transfers and none at all in the latter ones. Considering more than 95% of tenants had already finalised paperwork before go-live we believe the issues experienced by tenants and CHPs on the first day were minimal. We acknowledge that for future transfers early and more comprehensive planning around a small cohort of highly complex tenancies is required to avoid issues at go-live and post transfer. This has been noted by CHPs as well.

#### 3. Policy alignment

The NSW Government's community housing policy settings allows for both consistency and diversity between public and community housing service delivery.

Rent, eligibility and access arrangements are consistent for both DCJ and CHPs, and the current review of DCJ community housing policies will update and confirm alignment of key delivery elements such as eligibility for social housing, treatment of income and rent setting. Although each CHP has its own policy regarding rent, eligibility and access, they are contractually obliged to base these policies on the requirements of the DCJ community housing policies.

CHPs do have discretion in tenancy management policy and practice. There is sometimes diversity in practice around some matters due to locational contexts and/or specific objectives of a particular organisation. This practice is clearly articulated in the CHP's policy and while it may vary slightly from other locations, the practice is consistent for all tenants of that provider. Even with this discretion, DCJ has observed there is still a high degree of policy alignment in tenancy management practices between DCJ and CHPs, as we all work towards the common goal of providing long-term, secure housing for people with a housing need.



It is also important to note that CHP independence from government, and the discretion this allows, is important for multiple reasons:

(a) CHPs are independent organisations not agents of government

CHP's status as entities independent and distinct from government is important for them to maintain their charitable/ Public Benefit Institution (PBI) status. The CHP business model is not viable without tax exemptions and other benefits that flow from the charitable status. Increasing government control over their business, decision making and policy settings jeopardises their PBI status. This is evident in some recent UK Audit Office rulings.

(b) Freedom to innovate and improve services for clients

The report's recommendation that that all CHPs have consistent policies undermines one of the main reason for strengthening alternative delivery mechanisms. Encouraging diversity and innovation are key objectives of the government's reform agenda. Forcing the standard public housing delivery model through absolute policy consistency negates one of the basic tenets the program.

Thank you again for the opportunity to review this draft report. I hope the above response is useful. We appreciate the positive role played by the Tenant's Union during the implementation of the Social Housing Management Transfers (SHMT) Program. Your feedback as part of this report on tenant impacts will guide implementation design of future programs.

Yours sincerely



Humair Ahmad  
**Director Community Housing & Pathways**