

16 September 2015

AUDITOR-GENERAL'S REPORT

Community Housing

The NSW Acting Auditor-General, Tony Whitfield, today released a report on community housing. The audit examines the Department of Family and Community Services' transfer of public housing to non-government community housing providers.

The Department has worked collaboratively with community housing providers and industry groups to develop the community housing sector. Although there have been some delays, it has managed the transfer of public housing reasonably well and has improved the sustainability of the sector.

Department close to goal of 30,000 homes managed by community housing

The Department is close to achieving its goal of 30,000 homes managed by the community housing sector by 2016–17.

At 1 June 2015, community housing providers in New South Wales managed:

- 28,353 properties, up from 15,624 at 30 June 2007
- 6,008 properties that have been transferred from government ownership to community housing ownership
- 20 per cent of the social housing portfolio.

Unclear whether outcomes for tenants have been achieved

It is unclear whether the Department has achieved its desired outcomes for tenants. For example, it wanted more flexible, tailored services for tenants and more resilient communities but it did not determine how it would measure these outcomes. However, tenants managed by the non-government sector are more satisfied than those in public housing managed by the Department.

Community housing sector now more sophisticated and sustainable

The community housing sector is now well-established and more sustainable than it was in 2007. The Department has worked collaboratively with the community housing industry to enhance the professionalism of the sector. Key initiatives included:

- developing an industry development framework
- funding peak organisations to provide training and other support
- introducing a regulatory code to set minimum standards for providers.

Social housing policy not yet finalised

The Department has not had a strategy for the community housing sector for a number of years, despite previous reviews recommending that a strategy be put in place. A social housing policy is currently being developed, which the Department advises will set a clear direction for the community housing sector.

The Department should develop performance measures for the outcomes it sets in the new social housing policy. This will enable it to monitor progress against its goals and determine whether the community housing sector is delivering value for money.

Contract lengths must support desired outcomes

Contracts for managing government owned community housing properties currently run for three years. In future, the Department should ensure that the length of its contracts with community housing providers align with the outcomes it sets in the social housing policy. Longer leases would make it easier for providers to obtain loans and give providers an incentive to invest in the properties they manage, which may help community housing providers to better deliver the Department's goals.

New asset portfolio framework in place but not yet publicly released

The Department has an asset portfolio framework, which it uses to make decisions about which social housing properties should be redeveloped or replaced. This framework should be publicly released, as it will give the public confidence that the Department has a strategy for managing its social housing portfolio. It will also enable community housing providers to align their ideas about redeveloping properties with those of the Department.

Further Information

For further information, please refer the report's Executive Summary or full report on the [Audit Office website](#).

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