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In compliance with Section 38E of the *Public Finance and Audit Act 1983*, I present a report to the Legislative Assembly titled **Department of Housing: Redevelopment Proposal for East Fairfield (Villawood) Estate.**

A C HARRIS

Sydney
January 1998

Performance Audit Report

Department of Housing

**Redevelopment Proposal for
East Fairfield (Villawood) Estate**

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Executive Summary

Executive Summary

The Audit

This audit examines the processes which led to the Government's decision to demolish and sell the East Fairfield (Villawood) housing estate at a cost of nearly \$32m gross (\$17m net). In doing so, the audit focuses on whether the decision process demonstrates that it is an efficient and effective use of government funds.

The East Fairfield Estate

The East Fairfield estate was built less than 20 years ago; won an award for its design and is located in an area of high demand for public housing. These are not the characteristics that one would expect to observe in an estate to be demolished.

However, the Department of Housing (the Department) reports that serious economic, social and environmental problems exist on the estate. Unemployment is high; income levels are low; crime, and the fear of crime, is a major concern. There are also problems with the design and construction of the buildings themselves.

The Audit Office recognises that there are substantial problems at the East Fairfield estate. However, data collected by the Department suggest that other public housing estates have many of these problems too. Indeed, on most of the indicators of housing stability used by the Department, the East Fairfield estate does not appear abnormal.

The Department contends that these indicators do not adequately reflect the scale of the problems on the estate. It argues that, the management of the estate is uniquely difficult because of threats to public safety, inappropriate design and deteriorating housing conditions. The estate has also received critical media coverage since serious public disorder occurred there in early 1996.

The Department's Response

After a number of small-scale initiatives had made little impact, in June 1996 the Department commissioned consultants to review longer-term options for the estate.

The consultants recommended demolition and sale as the only option that would achieve the Department's objectives. The Department recommended that option to the Minister who announced in July 1997 that the East Fairfield estate would be demolished and its residents rehoused.

Audit Concerns The audit raises a number of concerns about the decision-making process. Although demolition and redevelopment may have been the most efficient and effective outcome, The Audit Office is not able to confirm this from the evidence presented.

Audit found that the process used to arrive at this decision was not transparent, nor was it adequately justified by available evidence.

Project Assessment Government guidelines call for an economic appraisal to inform an agency's choice between competing projects in a consistent and rigorous way. An economic appraisal (a cost benefit analysis) was commissioned by the Department for the East Fairfield estate. It indicated that the demolition and sale option was a sub-optimal outcome.

However, economic appraisal was not the primary means used to choose between options in this case. The Department argues that economic appraisal methodologies are inadequate for evaluating housing projects, because they fail to capture the full costs and benefits to other agencies.

Rather, the decision to demolish the estate was justified using an assessment technique that compared options against a range of social, environmental and economic criteria. Such a justification implies that the wider social, environmental and economic benefits of the demolition and sale option would outweigh the costs, and would be more beneficial than the other options considered. The assessment shows little evidence to support this.

The public announcement of the decision stressed that the demolition was part of "a major new plan to fight crime and other social problems on the estate". The announcement also referred to income from the sale of land and to some savings expected to flow from the decision to demolish the estate. It did not mention, however, that such savings would be more than offset by the costs of rehousing and demolition.

Latest estimates put the total cost of the project at nearly \$32m with a net cost of \$17m. And this cost assumes that 100 of the households will be rehoused, at minimal cost to the project, in existing public housing as vacancies occur. This will also have an adverse impact on the public housing waiting list in Fairfield.

The Audit Office believes that a project such as this would need to be assessed against other uses of public funds before a decision to proceed is taken.

The Limits of the Solution Whilst the goals of redevelopment are understandable, the limits of the “solution” at the East Fairfield estate need to be recognised. It is a housing solution to a wider set of social, economic and environmental problems.

The implication that the Department alone can solve such problems is unrealistic, especially in an environment where the Department is expected to operate commercially and funding is tight.

There is little evidence so far that other agencies besides the Department have committed the level of long-term support necessary to address the wide range of economic, social and environmental problems on housing estates. The Audit Office is concerned that in the absence of joint plans or agreed resource commitments between agencies to sustain such communities, the Department is left only with “inhouse” solutions which may still not achieve all the benefits claimed.

In the meantime at the East Fairfield estate, the rapid depopulation and demolition of houses since the decision was announced means it is now impractical to consider alternatives to redevelopment.

Recommendations

It is recommended that:

Benefit Realisation	The Government implement a long term, multi agency (whole of government) approach to dealing with problems like those at the East Fairfield estate, including joint plans and action timetables, so that housing projects may achieve the intended benefits for residents and the community in general.
Cabinet Approval	Where the Department wishes to alter its approved program or introduce a new project which is important or affects other agencies, Cabinet approval should be sought for the change or for the project.
Appraisal Techniques	<p>The Department introduce appraisal and assessment procedures for projects like the East Fairfield estate, that identify the most efficient options and those that maximise outcomes for the State.</p> <p>The Department work closely with NSW Treasury to improve estimates of costs and benefits, where they agree that the recommended appraisal techniques fail to cater for major costs and benefits of housing investments.</p>
Communicating Decisions	Stakeholders be kept informed at relevant stages of a redevelopment project and in particular, be advised when a decision on redevelopment is made. Stakeholders may include tenants, the Office of Housing Policy, local government and other service providers.
Management Information	The Department establish a management information system that assists in the collation and analysis of asset condition and housing management data for each estate. This system should enable early identification of problems and benchmarking of tenant conditions.

Response to the Report from the New South Wales Department of Housing

Thank you for the opportunity to respond to the Performance Audit Report “Redevelopment Proposal for East Fairfield (Villawood) Housing Estate” prepared by The Audit Office.

The report rightly highlights the difficult environment in which the Department operates, and in particular, the expectations placed on the organisation that it cannot resolve on its own.

The principle outcome for the Department of The Audit Office’s Report was confirmation that the standard evaluation assessment processes currently available to Government agencies are not adequate for the complex social and physical problems experienced in such circumstances as the East Fairfield Estate.

The Treasury Economic Assessment Guidelines are well suited to determine the economic rationale for investment in roads or dams, but in their current form are of limited use in determining the relevant options of a community beset by many problems. As the report notes, the solution to these types of problems requires a whole of government response that links into the actions of many Government agencies.

There is no doubt that at the time that the decision to demolish the Estate was taken the community was in crisis. This situation has been confirmed by subsequent events detailed in Attachment 1 to this letter (*see Appendix 5.4*). This is an environment where, despite the best efforts of the Police, gangs and drug dealing flourish. Residents are intimidated and do not report crimes for the very real fear of violent reprisal, community support services are driven off the Estate by gangs who also fire bomb the Department’s Office on the Estate and threaten to kill my staff. In these circumstances, I would prefer to be criticised for having recommended taking action, based on the available information, than for forcing the Estate residents to continue to live in completely unacceptable conditions whilst the Department goes about collecting comparative data and developing an “appropriate” evaluation and decision making model. This is a situation where common sense and judgement must prevail over process.

During the course of preparation of the Report, the question was put to The Audit Office team “what alternative action would you have recommended” - the answer, as indicated in the Report, is that there is none.

In the Report, the cost of the demolition, sale and rehousing of the residents of the Estate is skewed as it does not take into account the substantial recurrent savings that will be gained by this Department and other agencies. The rehousing of the Estate residents across the Sydney region means an end to the direct and indirect costs incurred by many Government agencies at the local, state and federal level. The demolition of the Estate for the Police Service alone frees up considerable resources that were being tied up in an Estate that by its very design has proved to be 'unpoliceable'.

The lack of identified costs from other Government agencies as an input to the decision making process only reinforces the need for a better, whole of government, assessment model. In looking at the costs involved there must be a mechanism that takes into account the intangible costs present in communities. As an example, what costs can be attributed to the fear of crime? Such a fear has kept many residents of East Fairfield virtual prisoners in their own homes. The impact this has on health and well being and subsequent demands on health and community support services can only be guessed at.

Therefore, my key concern is the implication that an alternative was available to the Department that was not exercised. I cannot find any evidence that the retention and maintenance of a site which is poorly designed, is of poor fabric, which is highly stigmatised and where I cannot as a responsible landlord guarantee the security and safety of tenants, was an acceptable alternative. Indeed I believe there is sufficient evidence to indicate that this may have presented greater longer term financial risks to government.

The lessons to be gained on the East Fairfield Estate cannot be ignored and must be responded to. These lessons go beyond the Audit Report, however they do provide a perspective on the Report's recommendations. They include:

- the concentration of public housing into estates as was common practice in the 1960s and 1970s has not worked;
- the estates consume a disproportionate level of Government services;
- the design of these estates has often contributed to the social problems;
- the stigma attached to estates has jeopardised the residents' employment prospects;

- the solutions go beyond the ability of any one agency to deliver and a whole of government response to dysfunctional communities is essential.

The Department as a front line agency has been taking action to apply the lessons learnt from East Fairfield and other estates. These include:

- the development of an evaluation and assessment tool to aid future decisions in estates. This draft document has been recently given to The Audit Office and Treasury for comment and their assistance has been sought in refining its structure;
- establishing local Neighbourhood Advisory Boards (NABs), on estates to bring together residents, local councils and key government agencies including Police, Department of Community Services, Health, Housing and others. There are now 26 NABs across the State;
- the introduction of a Neighbourhood Improvement Program (NIP) to link physical and social improvements on the estates. The Program is informed by the Neighbourhood Advisory Boards and aims to integrate the estates into the wider community;
- interagency coordination improvement via:
 - ◇ service protocols and agreements with Police and Health;
 - ◇ regular Human Services CEO meetings;
 - ◇ introduction of Place Management at Campbelltown and Waterloo; and
 - ◇ initiating interagency Conference on Place Management.

In conclusion The Audit Office's Report is useful in that it serves to reinforce the need for a whole of government response to the rapidly changing needs of disadvantaged and dysfunctional communities. Furthermore, it highlights that the prevailing economic assessment processes have a limited capacity to deal with the reality of communities in crisis.

Signed
ANDREW CAPPIE-WOOD
DIRECTOR GENERAL
Date: 12 January 1998

1. Background

1.1 Introduction

Public Housing in NSW

The Department of Housing is the biggest provider of social housing in NSW, managing over 130,000 dwellings.¹ Nearly half of the properties are over 20 years old and some 26,000 are located in large estates.²

NSW also has high unmet demand for public housing. Nearly 90,000 households are on the Department's waiting lists. This level of demand is largely a result of changing social and economic conditions such as the relatively high cost of private rental housing, increasing households in need, and continuing in-migration.

These factors, coupled with reduced funding from the Commonwealth government in recent years, present a number of major challenges for the Department of Housing. It is faced with:

- increasing expenditure on maintenance and improvement to maximise the utility of ageing housing stock
- increasing reliance on rental income to cover these costs
- an increasing proportion of tenants receiving rental subsidies (currently 94%)
- continuing pressure to reduce the waiting list, but with little or no increase in resources to do so
- Governments' expectation of a housing system that can quickly and effectively respond to the changing needs of clients
- changing expectations and ideas in urban design and in what makes successful public housing (eg better integration, decreased density etc).

In response to these pressures, the Department has shifted emphasis from simply increasing the supply of public housing to using maintenance, upgrading and redevelopment solutions. This general approach is reflected in the Department's Housing Assistance Plan, Asset Strategic Plan and the South Western Sydney Regional Plan.

¹ Office of Housing Policy *Draft Response to the Senate Inquiry into Housing Assistance* 1997 p28.

² The Hon C. Knowles *Housing Policy Green Paper* 1995 p 4.

1.2 Neighbourhood Improvement Program

To address the needs of residents in large public housing estates the Government has developed a comprehensive Estate Improvement Program (also known as the Neighbourhood Improvement Program or NIP) to improve the housing and living environment on large estates.

By rectifying design defects, addressing safety issues, giving tenants more control of their housing and introducing different tenure options, the Government aims to remove the stigma from public housing estates and to ensure that they look and operate like other residential areas. The program relies heavily on tenant participation in estate matters and improvements such as enclosing walkways, enclosing open space into back yards, fencing, carports, landscaping and reorienting the houses back into the streets.

The program also offers the potential to sell off properties in the long run, in turn integrating private ownership onto estates as a means of stabilising the community and reducing social and economic imbalances.

These new programs present a formidable set of challenges for the Department. There is no causal relationship between social distress and living on a public housing estate. However tenants, and much of the press, public and politicians, see the Department as responsible for solving much of the social and economic problems on estates, through better housing.

The perception that the Department can achieve major social change through better housing on its own is unrealistic. But the Department, through the NIP, is contributing to a longer term solution by breaking down large, abnormal congregations of public housing by selling off estate houses to private owners.

In the short run, however, the challenge for the Department is to manage effectively its estates while dealing with new and increasingly complex tenancy issues. This is the context in which the recent decision regarding the East Fairfield estate was made.

The Problems at East Fairfield

The East Fairfield estate is a small public housing estate now containing 235 dwellings and over 900 residents. It is the smallest of the seven estates under the control of the South Western Sydney Region of the Department of Housing.

The estate is located in the Fairfield local government area which has the highest levels of demand for public housing in the region.

The estate was planned in the late 1970s as a redevelopment of two blocks of Housing Commission fibro dwellings. It was constructed in the early 1980s and fully tenanted in 1982. The mixture of houses and three and four-storey maisonettes, allowed a higher density than under the previous arrangement and in the surrounding neighbourhoods.

The estate uses a version of the Radburn design. Features of Radburn public housing estates are:

- separation of motor vehicles and pedestrian access
- large areas of internal open space connected by walkways
- houses facing open space with back doors facing the street
- housing constructed on superlots (not separate title) which makes subdivision and individual sale difficult.

Like other public housing projects of this type, the estate has been referred to as:

*...an excellent example of the schism that developed in the 1960s and 1970s between the architect's vision of a pedestrian-focused, village style community and the reality of how low-income communities organise and behave in such a space.*³

The East Fairfield estate demonstrates characteristics common to most public housing estates:

- high unemployment and low income levels
- large number of single parent households
- high levels of vandalism, crime and nuisance
- high levels of dissatisfied tenants
- high youth population
- poor physical design for community type and location
- lack of privacy
- inadequate maintenance of public areas.

³ F. Stanistic et al. *East Fairfield Study and Action Plan Final Report* November 1996.

But the East Fairfield estate has also been characterised, particularly in the press, as having unique problems associated with gangs and crime involving drugs and violence. This followed attacks on Police, Fire Brigade officers and members of the press in January 1996 and has continued subsequently as the chronology in Appendices 5.1 and 5.2 illustrate. Press headlines referring to it as the “Bronx” have given it a reputation arguably worse than any other estate.

The Solution

The East Fairfield estate was considered a problem estate even prior to the “riots” and media attention in 1996. In 1991, concern about crime on the estate prompted some improvements in security (fences and garage doors were added), although concerns about safety and security on the estate continued.

However, the East Fairfield estate was not included in the South West Sydney Region’s original proposal for Neighbourhood Improvement Program (NIP) funds for 1996/97.

Following the January 1996 “riot”, an amended bid for NIP funds was submitted by the Region and accepted by the Department, including \$1.05m for planning improvements to the East Fairfield estate.⁴

During 1996/97 a total of \$821,959 from NIP funds was spent on the estate. None of this money was spent on capital works. Rather it was used for short-term stabilisation measures: security patrols; place management; spot demolition of houses; security lighting; a temporary basketball court and the employment of a recreation worker.

At the same time, a study was commissioned by the Department to examine longer term options for the estate. This study did not recommend a NIP type solution but, rather, demolition and sale of the vacant site. As a result, the redevelopment of the East Fairfield estate is no longer funded under the NIP.

In the Department’s Asset Management Plan, redevelopment is generally envisaged only in low density estates where rebuilding at higher density would yield a greater return; or as a small part of neighbourhood improvement programs to open out the design. In light of this, the complete redevelopment of the East Fairfield estate, one of the newer and smaller estates, could be seen as a dramatic and expensive solution to the problem.

⁴ Department of Housing *Creating Vital Viable Communities* July 1996.

The Audit Office therefore examined the processes which identified remedies to the problems identified at the East Fairfield estate and the potential effectiveness of the solution. The next three chapters in the report summarise our findings.

1.3 Cost of the Audit

Direct salaries costs	\$ 79,249
Overheads charged on staff time	\$ 23,775
Value of unpaid overtime (at standard time rates only)	\$ 22,760
Printing (estimate)	\$ 7,000
Travel and incidentals	\$ 52
Total Cost	\$ 132,836

1.4 Acknowledgment

The Audit Office gratefully acknowledges the cooperation and assistance provided to the audit team by representatives of the Department of Housing, NSW Police and NSW Treasury.

2. The Decision Process

2.1 Introduction

In June 1996, the Department of Housing commissioned consultants to review options for the East Fairfield estate. The consultants concluded that the current design would never work and that no amount of refurbishment could result in a neighbourhood which would provide safety, security and a level of amenity comparable with other urban areas.⁵

2.2 The Decision to Demolish the Estate

Public Announcement

In February 1997, the Department accepted this conclusion in principle and the recommendation of the consultants to demolish and redevelop the site. The Department briefed the Minister accordingly. On 17 July 1997 a news release from the Minister for Housing announced that:

The Villawood housing estate will be demolished as part of a major new plan to fight crime and other social problems on the estate ... new accommodation will be found for the 223 families currently living on the estate ...

The land will be sold to Landcom which will introduce private housing and new street frontages ...

All proceeds from the sale of properties will be reinvested in public housing in other parts of NSW ...

This is the only written statement available to the public on the Minister's decision and its justification, so it is an important document. The Audit Office initially drew three conclusions from it:

- a decision had been made to demolish the estate and sell the land to Landcom
- the major justification for demolition was to fight crime and other social problems
- the sale would generate income not add to costs.

This interpretation corresponds with that of other agencies interested in the outcome - the Office of Housing Policy, Fairfield Council and the Police.

⁵ F. Stanistic et al. *East Fairfield Study and Action Plan Final Report* November 1996.

However, the Department of Housing has advised The Audit Office that:

- **no final decision has been made.**
Discussions continue with Landcom on the details of the redevelopment proposal, and revised costs are still to be referred to NSW Treasury for comment before a final recommendation is made to the Minister.
- **housing problems were the major factors**, rather than crime problems, prompting the Department's recommendation to demolish.

Audit Office also concludes that:

- **redevelopment will involve a significant cost.**
There will be no (net) proceeds to reinvest elsewhere, rather the reverse. Funds will need to be taken from other Regions to meet the costs of rehousing residents currently at the East Fairfield estate.

No Final Decision Made

The Audit Office accepts that a final decision on the detailed design of the redevelopment has not been made. However, there appears little question that a decision to demolish and sell, rather than to improve or refurbish, was made when the Minister made his July 1997 announcement.

This conclusion is supported by the fact that all tenants were immediately informed they would need to be rehoused. It was also supported by the Department's subsequent actions: by the end of October 1997, 31 houses on the estate had been demolished and another 40 were expected to follow shortly after, when they became vacant (together these comprise nearly a third of the total houses on the estate).

The Cost of Redevelopment

The Audit Office notes that the original estimates by the Department's consultants made clear that redevelopment involved significant net costs. These were mainly associated with the need to rehouse all the 235 tenants displaced.

However, the announcement by the Minister of the demolition of the East Fairfield estate stressed the potential savings from redevelopment through no longer having to provide security on the estate nor undertaking maintenance work or structural improvements on the houses. These savings exist but the announcement does not offset them against the total costs of redevelopment.

Latest estimates from the Department confirm the scale of that cost. Redevelopment is now estimated to have a net cost to the Department of Housing of around \$17m. A summary of the costs and savings of redevelopment are outlined in Table 1.

Table 1: Estimated Costs and Savings for the Redevelopment of the East Fairfield Estate⁶	
Capital costs and savings	Estimates
Rehousing cost*	\$20.6m
Written off value of Estate	\$11.3m ⁷
Total costs	\$31.9m
Likely site sale value**	\$5.2m ⁸
Once off benefits from refurbishment ⁹ and security / vandalism savings	\$8.3m
Savings from not undertaking drainage works	\$1m ¹⁰
Total savings	\$14.5m
Net Capital Cost to Department of Housing	\$17.4m

* The East Fairfield Study and Action Plan Final Report November 1996 estimated the cost of rehousing and redevelopment at \$26m. This has been decreased to \$20.6m on the assumption that only 135 dwellings will be required (approximately 100 acquisitions, 10 redevelopments and 25 headleases) as 100 households will be rehoused as properties become vacant in Fairfield.

** Draft East Fairfield Redevelopment Evaluation Report and Preliminary Business Plan Landcom 4.9.97. Land value adjusted to include costs of preparing the site for sale.

The major cost in the redevelopment option remains the relocation of all existing residents. In addition, the Department must be willing to write off the value of existing housing stock on the estate (estimated by the Department at \$11.3m) to make redevelopment viable.¹¹ These far exceed the annual savings from lower maintenance costs. The Audit Office estimates that it will now take more than 14 years for these savings to recoup the costs.

⁶ Sphere Property Corporation *Assessment of Early Exit Strategy* December 1996.

⁷ Department of Housing's estimate of the value of the East Fairfield estate. The Department has advised that the valuation is made on the basis of the current development of the site and is not based on a potential re-sale of the site as a vacant development site.

⁸ Landcom *East Fairfield Redevelopment Evaluation Report and Preliminary Business Plan* Draft 4.9.97 p3.

⁹ Refurbishment estimated at \$30,528 per dwelling in Landcom's *Draft East Fairfield Redevelopment Evaluation Report* September 1997 p5.

¹⁰ *ibid*, p 12.

¹¹ F. Stanisic et al. *East Fairfield Study and Action Plan Final Report* November 1996 p63.

In the meantime, to help fund the cost of rehousing tenants from the estate, \$5m has been transferred from the 1997/98 capital budgets of other Regions: Central (\$2m), Southern Sydney (\$2m) and Western Sydney (\$1m).

However, the longer term budget implications have not yet been assessed by the Department and it is unclear how funding of the project will continue.

**The Project
Assessment
Process**

Under current procedure, the Department's capital allocation for housing projects is reviewed and approved annually by Cabinet as part of the Housing Assistance Program (HAP), funded jointly by the Commonwealth and State governments.

Whilst individual projects are not listed separately, the supporting documentation to Cabinet and the subsequent budget papers provide an outline of the funds to be used. These papers also outline the key features of the program. The East Fairfield project was not referred to in any of these papers sighted by The Audit Office.

As a consequence of NSW Treasury guidelines, there is an expectation that in respect of individual projects over \$0.5m an economic appraisal will be carried out. There is also an expectation that these projects will demonstrate value for money.

In the case of the East Fairfield estate, the economic appraisal of the option chosen indicated that costs exceeded benefits. (The details of the option appraisal at East Fairfield are considered in more detail later).

The Department believes that current economic appraisal methodologies recommended by NSW Treasury are inadequate for evaluating housing projects, because they fail to capture the full costs and benefits to other agencies.

The Audit Office considers that under the circumstances outlined above, it would have been prudent for the Minister to seek Cabinet approval for the project.

Recommendation

It is recommended that where the Department wishes to alter its approved program or introduce a new project which is important or affects other agencies, Cabinet approval should be sought for the change or for the project.

**Impact on the
Waiting List**

The decision to redevelop the East Fairfield estate also has an impact on housing supply. Again, these impacts were not represented in the announcement of the decision to demolish.

In the case of the East Fairfield estate, redevelopment will reduce housing supply by 235 dwellings. This is very small in the context of the total public housing stock, but significant in relation to the public housing shortage in the Fairfield area. It is estimated that it will stagnate housing allocations in the area for two years. The impact on the waiting list for East Fairfield will be to increase the average waiting time for a dwelling from 5.5 years to 7.5 years.

Given the impact of the decision on both supply and demand, and the controversial nature of the project, The Audit Office is surprised that the Office of Housing Policy was not invited to comment on the proposal prior to a decision being taken to redevelop.¹²

Communicating with Tenants

Prior to the Minister's announcement that the estate would be demolished, residents were involved in discussing how the estate could be improved through the Neighbourhood Advisory Board. Mainly, the type of improvements discussed were cleanups and how to use vacant land. They were also kept informed of estate and Departmental activities through regular newsletters and flyers.

Some residents also attended workshops run by the consultants to discuss options for the estate including demolition. Consultants also attended Neighbourhood Advisory Board meetings to discuss the options.¹³

However, residents were not informed of the decision to demolish and redevelop the estate before it was announced in the press. Residents first learned of the Minister's decision through the media.

The Department recognises that this was not an ideal arrangement but has stressed the difficulties in informing all residents simultaneously with the press announcement, given the communication difficulties on the estate and the intense press interest. It did follow up the announcement quickly with letters to residents explaining the decision and has interviewed residents regarding rehousing preferences since.

Recommendation

It is recommended that all stakeholders be kept informed at relevant stages of a redevelopment project and in particular, be advised when a decision on redevelopment is made. Stakeholders may include tenants, the Office of Housing Policy, local government and other service providers.

¹² The Office of Housing Policy is located in the Department of Urban Affairs and Planning. The role of the Office is to direct resources and to provide strategic advice to government to achieve the best housing outcomes for people in NSW.

¹³ F. Stanistic et al. *East Fairfield Study and Action Plan Final Report* November 1996 p10.

3. The Methods Used to Evaluate Options

3.1 Introduction

In June 1996, the Department of Housing commissioned consultants to review options for the East Fairfield estate. The Department asked the consultants to look at four strategies for the site (maintain status quo, improve existing dwellings, refurbishment and redevelopment or total redevelopment ie. demolition).

They did so, in consultation with the Department of Housing, using two approaches:

- economic appraisal (cost benefit analysis)
- assessment against social and environmental, as well as economic, criteria.

3.2 The Appraisal Process

Economic Appraisal

Economic appraisal is commonly used to analyse systematically all the costs and benefits associated with the various ways of meeting an objective.

The NSW government has published its own guidelines on economic appraisal techniques and expects them to be used to inform decisions on capital works, even if they are not the sole determinants of such decisions.¹⁴

An economic appraisal (cost benefit analysis) was used by the Department's consultants to compare the options for the East Fairfield estate. The results of the analysis of the options by the consultants and the Department are summarised in Table 2 over.

The consultants recommended, and the Department accepted in principle, a modified form of Option 4 (demolish and redevelop) referred to as the Preferred Strategy (Option 5) in Table 3. There have been some minor amendments to this option following discussions with Landcom to form the Department's Agreed Strategy as announced by the Minister (ie. total redevelopment occurring over 2 years with 5% public housing).

¹⁴ NSW Treasury *Guidelines for Economic Appraisal* 1997 p(i).

Option 5 has a benefit/cost ratio (BCR) of 0.72 ie. the estimated benefits are only 72% of the estimated costs. According to government guidelines for economic appraisals, a project is considered to have potential only if its BCR exceeds 1. Where projects are mutually exclusive, the guidelines would also indicate that the project with the highest BCR should be chosen.¹⁵ From the analysis, this would have been the Improvement Option (Option 2).

Table 2: Summary of Initial Options Examined for the East Fairfield Estate¹⁶

Option	Description	Cost Estimate	BCR
1. Maintain Status Quo	Routine maintenance to the buildings as now plus provision of community services.	\$0.2m pa.	Not calculated
2. Improvement without Redesign (as NIP)	Neighbourhood improvements including de-radburnising some properties and retitling houses to enable disposal (possible to separate title houses/lots especially on the perimeter).	\$6m	1.85
3. Refurbish and Redevelop	De-radburnisation (as per Strategy 2) and changes to layout through the introduction of new access streets.	\$36m	0.41
4. Demolish and Redevelop	Progressive redevelopment of the estate using a mix of private and public sector involvement. Introduces new streets to create a normal pattern of street frontages and demolitions.	\$46m	0.74

Table 3: Recommended Options for the East Fairfield Estate

Option	Description	Cost Estimate	BCR
5. Preferred Strategy ¹⁷	Comprehensive long term redevelopment of the whole site together with interim works in selected areas. Estate developed by a joint venture with the private sector over 5 years with 25% public housing.	\$46.5m	0.72

¹⁵ NSW Treasury *Guidelines for Economic Appraisal* 1997, p 57.

¹⁶ F. Stanistic et al. *East Fairfield Study and Action Plan Final Report*, November 1996 p 52-57.

¹⁷ The redevelopment strategy announced by the Minister is the preferred strategy (Option 5) but with total redevelopment over 2 years with 5% public housing. Estimated gross cost \$32m (net \$17.4m).

The option preferred by the consultant and the Department was not the one with the best BCR. The difference is the unquantified benefit that the Department saw in the demolition and sale option (the only sustainable long-term solution according to the Department) over the improvement option.

The Audit Office identified a number of limitations with the estimates used by the consultants to arrive at the costs and benefits of each option. This was particularly the case for the improvement option, where the costs of refurbishment were substantially underestimated, and in the estimating of benefits generally.

However, the audit is more concerned that the normal cost-benefit analysis seems to have been ignored in assessing this proposal, in favour of an alternative, and less rigorous, assessment.

Social and Environmental Assessment

This alternative assessment used 32 environmental, economic and social criteria. The consultants scored each option against these criteria, as the Evaluation and Assessment Matrix in Appendix 5.3 illustrates. The Audit Office has a number of concerns with this approach.

- **None of the criteria is weighted.** Scores against criteria such as *to improve car storage* or *minimise the Department's investment on the site* appear to be given equal importance.
- **It is unclear how some scores were arrived at.** For example, on the criteria *minimising Department of Housing investment and risk* Option 4 (subsequently Option 5) scores more highly than Option 2 even though Option 4 costs over \$40m more.
- **The results of the assessment for this project cannot be compared against those of other projects.** The Department advised that the Assessment Matrix is not part of a standard approach to project assessment.

Conclusion

Economic appraisal was not the primary tool for comparing options during the decision process. Rather, the decision to demolish the estate was justified on the basis of wider social, environmental and economic benefits. The value of these benefits were neither captured by the cost benefit analysis nor argued out by detailed reasoning.

If the Department considers economic appraisal is inadequate to assess the merits of housing projects like the East Fairfield estate, then the Department needs to improve the estimates of costs and benefits used in its calculation. Decisions could be further supported by an alternative appraisal tool which is suitably rigorous. The social, environmental and economic matrix approach used in this assessment does not, in The Audit Office's view, meet this requirement.

Recommendation **It is recommended that the Department:**

- **introduce appraisal and assessment procedures for projects like the East Fairfield estate, that identify the most efficient options and those that maximise outcomes for the State, and**
- **work closely with the NSW Treasury to improve estimates of costs and benefits, where they agree that the recommended appraisal techniques fail to cater for major costs and benefits of housing investments.**

A Whole of Government Response

If there are extra benefits in the demolish and redevelop option for the East Fairfield estate, then many of them arise from reducing the social and economic, as distinct from the housing, problems on the estate. Many of these benefits are only likely to be realised by the combined efforts of many State agencies, and of Commonwealth, and local agencies as well.

This is certainly the theme of current policy guidelines which see a whole of government approach as a prerequisite to improving the problems on housing estates.¹⁸

There is little evidence so far that other agencies besides the Department have committed the level of long-term support that will be necessary if the full benefits claimed for the demolish and redevelop option are to be achieved. There is no joint plan between state agencies there, let alone between different levels of government.

Recommendation **It is recommended that Government implement a long term, multi agency (whole of government) approach to dealing with problems on estates like those at the East Fairfield estate; including joint plans and action timetables, so that housing projects may achieve the intended benefits for residents and the community in general.**

¹⁸ The Hon. C. Knowles MP *Housing Policy Green Paper* December 1995 p 18.

4. The Reasons for Demolition

4.1 Introduction

Demolition of individual properties or “spot demolition” has periodically occurred on public housing estates to improve the circumstances of housing tenants.¹⁹ The East Fairfield project however, is unique in that it involves the demolition of an entire housing estate. Because East Fairfield is a small island estate, total redevelopment is seen by the Department to be more feasible than on other, larger, Radburn estates.

There are essentially three factors cited by the Department as grounds for justifying demolition of the East Fairfield estate. These are crime and public safety on the estate, the condition of the dwellings (asset management) and housing management problems.

The Department stresses that the last two factors were the major triggers for the decision to demolish. These two factors however, were not referred to in detail in the Minister’s announcement. Demolition was justified primarily as a means of dealing with public safety concerns resulting from criminal activity on the estate:

*Gang activity has left residents fearing for their safety ... the design of the estate - with its open areas and laneways - has provided a haven for criminal activity which is well organised and well entrenched.*²⁰

Increased media attention over recent years has heightened community awareness of these problems.

This chapter examines the three reasons for demolition, starting with crime and public safety and followed by asset and housing management. Particular emphasis has been placed on the information that was available to assist in decision making, and how the problems at the East Fairfield estate compare with other estates.

¹⁹ Correspondence from the Minister for Housing to The Audit Office 31.10.97.

²⁰ Minister for Urban Affairs and Planning Minister for Housing News Release *Crime Hot Spot to Be Demolished* 17 July 1997.

4.2 Crime and Resident Safety

Recorded Crime Although crime was used as the major justification for demolition in the public announcement, data on recorded crime for estates was not easily obtainable. However, available statistics suggest that the crime rate at the East Fairfield estate is similar to Airds, where large scale demolition is not being contemplated. The following comparison is with Airds which is being reconfigured as part of the NIP.

Table 4: Crime Rates (recorded crimes per 1000 pop)²¹

Crime category	East Fairfield Estate		Airds ²²
	1995		1994
Crimes against persons	84		87
Crimes against property	44		48
Other crimes	23		21
Total	151		156

Note: Crime statistics for individual estates are not available from the Police. This data has been extracted from special police reports, hence the different base years. The Audit Office was only able to obtain data on Airds for the purposes of comparison. The Department considers Airds to be a problem estate as well.

Scale of Criminal Activities The Audit Office recognises that recorded crime may be a poor indicator of total criminal activity; of the severity of crime; and of threats to public safety. Representatives from both the Police and the Department of Housing point to numerous incidents on the East Fairfield estate which give a different indication of the scale of the problems they face, and the resources they need to respond to them. The following case study illustrates this.

²¹ Figures exclude graffiti and located property.

²² Figures reported in J. Stubbs *Social Cost Benefit Analysis of Department of Housing NIP Case Study for Airds* 1996, Table 4 p23.

Case Study: Criminal Activity on the Estate

One morning in 1996, Fairfield Police received a call for assistance from the East Fairfield housing estate where an assault was in progress.

The police who responded to the call were attacked and an officer radioed for assistance. Twenty eight vehicles responded to the call.

Police officers located the suspect in the backyard of one of the dwellings. They attempted to arrest the suspect but were hindered by about 10 other people who threatened them with assault. One person even attempted to pull the suspect from the police. Five of these persons were eventually arrested for violent disorder. They were taken to the police station where 19 charges were laid. A total of 12 police officers were involved in the arrest. Four of these officers were assaulted with two sustaining injuries.

Source: Fairfield Police records

Fear of Retribution

Police indicate that there is potential for under-reporting of criminal activities on the estate due to fear of retribution or further harassment. Many tenants feel threatened.

... I'm afraid for the lives of myself and my family. We have nothing to steal but they might take the lives of my family. I don't open the door and when I'm out I still worry about the safety of my children at home ...

Quote from woman who said she made sure the house was never unattended.²³

...There are some residents who no-one can manage....A lady neighbour spoke to them and they smashed her windows. [There is] drinking and drug-taking in the stairwell, urinating in the stairwell.

Quote from resident.²⁴

The East Fairfield estate, however, is not the only estate where threats to public safety are, or have been, a major concern of tenants. Departmental and independent studies of crime on estates indicate that fear for personal safety is a recurring theme of estate life.²⁵

²³ Fairfield Community Resource Centre *Resident Needs Assessment, East Fairfield Housing Estate*, 1996 p 4,8.

²⁴ *ibid.*

²⁵ J Stubbs, *Social Cost Benefit Analysis of NSW Dept of Housing's NIP - Case Study Airds*, 1996 p 24
Community Resource Centre *Balancing Bonnyrigg, Community Crime Prevention Strategies*, 1997 p 24.

So, crime and fear of crime are major concerns of residents of public housing estates generally, and are not unique to the East Fairfield estate. This suggests that, if they alone are used to justify demolition, then other estates would qualify as well.

4.3 Estate Design and Crime

Policing Difficulties

Although the levels of crime recorded are not exceptional, the policing problems on the estate are regarded as severe by both the Police and Department of Housing. They attribute this largely to the design of the estate.

Table 5: Policing Problems

Design problems	Impact on policing
Alleyways, passageways and inadequate lighting	provides escape routes
Common area	hard to secure
Cul-de-sacs	surveillance and patrol restricted

The Audit Office accepts that estate design, by inhibiting effective policing, has increased the opportunity for crime to occur and increased the difficulty in apprehending criminals. Police report that the estate has become a safe haven for organised criminal activities involving both residents and non-residents.

Agency Response (Police)

These difficulties have prompted an exceptional commitment of resources by the Police at East Fairfield, especially since the bonfire incident in January 1996, in order to address security issues on the estate.

Table 6: Policing Strategies Since 1996 Unique to the Estate

Calls for police assistance	Police respond with 2 cars rather than 1. Police cars never left unattended
Calls for Fire Brigade assistance	Police accompany the Fire Brigade when called to the estate
Executing search warrants	Police report that up to 10-12 officers are needed to execute search warrants at the estate (twice as many as normal)
Beat patrols	Weekly patrols of estate by beat police in numbers, not individually or in pairs
Reports to Minister for Police	Monthly reporting to Minister on police initiatives on the estate

Agency Response (Housing)

The Department of Housing has also implemented strategies to try to address the security problems on the estate. Such strategies are reported to have had positive outcomes on other estates, but have had little impact on the East Fairfield estate.

Table 7: Public Safety Strategies for the East Fairfield Estate	
Security lighting	\$30,000 worth of security lighting installed only to be shot and destroyed within 24 hours (and not replaced).
Security guards	Full time guards contracted to patrol the estate. Annual cost nearly \$300,000. Vandalism and harassment still occur despite their presence. Overall, security costs are higher than on any other public housing estate.

4.4 Demolition and its Effect on Crime

The Ministerial announcement of the redevelopment of the East Fairfield estate emphasised its impact on the crime problems of the estate. Under the headline “Crime Hot Spot to be Demolished” it states:

... the Villawood housing estate will be demolished as part of a major new plan to fight crime and other social problems on the estate ... the decision will end the trouble in one of Sydney’s most notorious crime hot spots.

The Audit Office accepts that demolishing the estate and rehousing its tenants can be expected to reduce criminal activity at the East Fairfield estate. However, there is general agreement between researchers, and shared by local practitioners, that redevelopment itself will not reduce crime overall; it will just shift it to a different location.

... in all national contexts deviancy exists before and after rehousing. It may well be slightly ameliorated by improved housing conditions...but the critical point is that there is no simple connection between environment and behaviour ...²⁶

A lower crime rate in one area may be offset by a higher crime rate in another area when those responsible are transferred elsewhere.²⁷

²⁶T Lee *Urban Planning for Crime Prevention: Some Social Consequences of Public Housing Programs* 1979, p 19-21, quoted in Social Cost Benefit Analysis of NIP J Stubbs op cit 1996 p28.

²⁷ J Stubbs *A Social Cost Benefit Analysis of NIP*, 1996, p4.

This is further evidenced by the response to the Department's attempt to remove crime "hotspots" from the estate. Spot demolition of houses where trouble occurred only served to relocate criminal activities to another part of the estate.

Although, demolition and redevelopment is unlikely to reduce overall crime in the Fairfield area it should eliminate the specific policing problems on the estate itself. The Department's objective to provide safe and secure housing may be realised if tenants can be rehoused and dispersed in safer neighbourhoods. The Department of Housing and the Police may also be able to reduce the level of resources devoted to public safety and security in the area.

4.5 Asset Management

Estate Construction

The Audit Office accepts that there are a combination of asset problems at the East Fairfield estate. These are:

- The poor materials used in construction
Calsil bricks (better suited to internal feature walls) and fibro have been used in construction. As a result many properties suffer water penetration and damage. It has been estimated to cost on average \$30,000 to bring these buildings to a habitable standard compared to NIP improvements on other estates costing on average \$3,000 per dwelling.
- Site drainage
Areas on the site are prone to flooding in heavy rains. Cost of fixing site drainage has been estimated at \$1m.
- Superlots
Like all Radburn estates, it is expensive to split the superlots and services into separate title with street access. This is further complicated at the East Fairfield estate because all houses have been set at a 20% angle to the street frontage making reconfiguration more expensive.

The Department stress that these problems are unique to the East Fairfield estate and are the major factors in justifying demolition.

Expenditure on Maintenance

The Department has also indicated that high maintenance levels were a factor in justifying demolition of the estate. The Minister's press release refers to the increasing costs of maintenance and repairs should the estate remain as is.

The Department’s current management information systems are unable to provide a comparison of housing condition and maintenance expenditure by estates. So, whilst maintenance levels now and in the future may be higher at the East Fairfield estate than elsewhere The Audit Office is unable to substantiate that claim, nor the scale of the difference.

4.6 Housing Management

Housing Management Indicators

Each region in the Department of Housing compiles data for estates on a variety of indicators to inform housing management decisions. Although the Department considers that the conditions at the East Fairfield estate are extreme, a comparison of these indicators for estates in the South West Sydney Region suggests that the East Fairfield estate is not exceptional.

Table 8: Housing Management Indicators for South West Sydney 1995/96²⁸			
Indicator	Vacancy Rate	Rental Arrears	% Vacancies (> 7 weeks)
Lowest	East Fairfield (8.9%)	Warwick Farm (47.5%)	Minto (20%)
East Fairfield	lowest (8.9%)	third lowest (53.2%)	second highest (45.5%)
Highest	Claymore (22.2%)	Claymore (74.3%)	Claymore (47.9%)

In 1995/96, the East Fairfield estate ranked at number eight out of nine estates on these three key departmental indicators (1 being the most problematic, 9 being least problematic). Claymore was consistently the most problematic estate, on these indicators, in the South West Sydney Region.

The situation had changed slightly the following year. After the bonfire and other incidents in early 1996 at the estate, its “vacancies longer than 7 weeks” increased above all other estates, reflecting the large number of offers made before a tenant accepted a house there. Despite this, the indicators show that the East Fairfield estate is not the most problematic estate in the region.

²⁸ Data on the East Fairfield estate was available only for these three indicators. Data for other indicators such as number of rejections/offers, rehousing requests was not available for individual estates.

Indicators	Vacancy Rate	Rental Arrears	% Vacancies (> 7 weeks)
Lowest	Bonnyrigg (7.9%)	Warwick Farm (32.8%)	Bonnyrigg (22.2%)
East Fairfield	second highest (17%)	fourth highest (40.2%)	highest (67.5%)
Highest	Claymore (22.4%)	Claymore (55.6%)	East Fairfield (67.5%)

If housing management problems at the estate are extreme, then the indicators the Department has used are inadequate on their own to give early warning, nor do they provide an accurate picture of the conditions on an estate.

According to the Department, tenants from non-English speaking backgrounds do not always report crimes or complain about housing conditions rendering most indicators invalid. The Department reports that a high proportion of such tenants reside on the East Fairfield estate and that housing indicators do not provide a true picture of estate conditions.

The scale of many of the problems on estates only come to light as a result of active estate management (place management teams on site) rather than the monitoring of indicators. In these circumstances, major problems could exist on other estates (where place management teams do not exist) of which the Department is not fully aware.

In the case of the East Fairfield estate, it appears that the media attention and the ministerial summit rather than the Department, identified the need to commit additional resources to improve estate management and security, and elevated the estate to a high priority category.

Conclusion

The information currently available to the Department to assess the scale of problems on their estates does not provide sufficient evidence that the problems at the East Fairfield estate are substantially more serious than elsewhere, to justify demolition.

This may be more a reflection of the inadequacy of the information rather than any lack of severity in the conditions faced by tenants. However this makes it difficult for the Department to demonstrate the efficiency and effectiveness of its housing management and investment decisions.

Recommendation **The Department of Housing establish a management information system that assists in the collation and analysis of asset condition and housing management data for each estate. This system should enable early identification of problems and benchmarking of tenant conditions.**

5. Appendices

Appendix 5.1

Summary of Major Events at the East Fairfield Estate 1996	
December 1995- January 1996	<ul style="list-style-type: none"> • Annual Xmas bonfire on the estate. Local gang attack Fire Brigade staff throwing bricks, rocks and bottles. Gangs also threaten television crews. Activities on estate covered extensively by radio, television and press.
January 1996	<ul style="list-style-type: none"> • Ministerial Summit on Crime in Public Housing Estates. Aimed to develop a coordinated response to the problems on estates. • Police to accompany fire brigade on all calls to the estate. • East Fairfield estate included as a late amendment to Region's bid for NIP funding.
March 1996	<ul style="list-style-type: none"> • Police introduce 2 car policy for response calls to the estate. • Stubbs Report on Social Cost Benefit Analysis of Neighbourhood Improvement Program in Airids.
May 1996	<ul style="list-style-type: none"> • Police introduce weekly beat patrols of estate.
July 1996	<ul style="list-style-type: none"> • Proposal for the Neighbourhood Improvement Program for 1996/97 includes a study and action plan to examine potential outcomes for the site. \$821,959 NIP allocation used for place management, security, demolitions, basketball court and recreation officer (ie. no upgrading of any kind).
November 1996	<ul style="list-style-type: none"> • East Fairfield (Villawood) Study and Action Plan recommends staged redevelopment of site (demolition of dwellings) over 5 years.
December 1996	<ul style="list-style-type: none"> • Minister, in consultation with Landcom, suggests exit East Fairfield estate in shortest practical time. Study undertaken by Sphere Group on implications of early exit. Report considers exit possible in two years.
January 1997	<ul style="list-style-type: none"> • NSW Bureau of Crime Statistics and Research Report on Public Housing and Crime in Sydney (also referred to as the Weatherburn Report). Suggests that there is no relationship between crime and estate design. • Neighbourhood Place Management Team established at the estate to address problems.
February 1997	<ul style="list-style-type: none"> • Department of Housing approach Landcom to examine feasibility of redevelopment.
March 1997	<ul style="list-style-type: none"> • Demolition of 8 dwellings in Chard Way due to fires.
July 1997	<ul style="list-style-type: none"> • On 17 July Government announce proposal to redevelop Villawood site within two years in partnership with Landcom. Tenants to be rehoused in two stages. • East Fairfield estate removed from NIP on announcement of redevelopment. Capital funds (\$5 million) transferred from other regions to finance the project. • Letter to tenants advising them of the redevelopment proposal.
September 1997	<ul style="list-style-type: none"> • Draft East Fairfield Redevelopment Evaluation Report and Preliminary Business Plan prepared by Landcom. Outlines joint venture with the Department. • A total of 35 dwellings demolished. 218 remain.

Appendix 5.2

Summary of Major Events at the East Fairfield Estate- Pre 1996	
1946	The Housing Commission constructed 89 detached fibro cottages on two suburban blocks in East Fairfield.
1975	Housing Commission decision to redevelop some of its older housing in smaller parcels.
1976	East Fairfield estate designed by Phillip Cox and Partners based on the Radburn planning principles (ie. front doors to dwellings are accessed from a network of pedestrian pathways, dwellings face inwards towards a central common area).
1980-81	Estate redeveloped with a total of 253 villa, townhouse, apartment and maisonette style dwellings replacing the fibro cottages.
1982	Tenants move into redesigned East Fairfield estate. Estate is fully tenanted.
1990	Safer Neighbourhood Project initiated by Fairfield Council to examine residents' fears and perceptions of crime on the estate and the surrounding area.
1991/1992	Department undertook an extensive fencing program including re-orientation of some dwellings (front to back), closure of some walkways and provision of individual letter boxes.
1992	Mant Report into the Department of Housing. Since this review the Department has sought to change from a house-building organisation to a more client focused organisation matching housing stock to client needs.
1994/1995	Pilot Neighbourhood Improvement Program (NIP) commenced in Campbelltown (Airds and Macquarie estates) and Waterloo. Program aims to remove the stigma associated with public housing estates by improving estate design and to ensure better integration into neighbouring communities.
July 1995	UTS Villawood In Front Report provided to department. Project brief to students was to provide a strategic plan for the East Fairfield Estate incorporating asset management strategies, physical redevelopment and rehabilitation strategies and proposals for tenant involvement in the management of the estate to improve the quality of life on the estate.

Appendix 5.3

East Fairfield Options Evaluation Criteria and Assessment Matrix				
	1	2	3	4
ENVIRONMENTAL CRITERIA				
Model public private integrated development	○	○	●	●●●●
Meets design standards	○	○	●	●●●●
Improve pedestrian access	●	●	●●●	●●●●
Improve address/identity	○	●	●	●●●●
Improve car storage	○	●	●●●	●●●●
Reduce open space ambiguity	○	●●	●●●	●●●●
Reduce perceived density	○	●	●●	●●●●
Create more street frontages	○	○	●●●	●●●●
Maximise range of plan types	○	●	●●	●●●●
Encourage ESD	○	●	●	●●●●
Consistency with official planning policies	●	●	●	●●
Allow compatible land uses	○	●	●●●	●●●●
Minimise impacts on surrounding area	○	●	●●	●●●●
Stage ability to stand alone	●●●	●●●	●●●	●●
SOCIAL CRITERIA				
Integrate Dept. population into wider community	○	●	●●●	●●●●
Encourage sustainable demographic mix	●	●	●●	●●●●
Encourage comm. initiative and management	●●	●	●●●●	●●●
Structure for support during transition	○	○	●●●●	●●
Appropriate. urban design for multiple-cultures	○	●	●●	●●●●
Maintain provision of public housing in region	●●●●	●●●●	●●●	●●
Encourage sustainable social environment	●	●	●●●	●●
Create a safer community	○	○	●●	●●●
ECONOMIC CRITERIA				
Minimise Dept. investment	●●●●	●●	●●●	●●●●
Minimise Dept. risk	●●●●	●●	●●	●●●●
Promote private sector investment	○	●●	●●●	●●●●
Improve Dept. asset value	●	●●●	●●	○
Reduce perceived private sector risk	●	●●	●●●	●●●
Encourage out-sourcing of services	●●	●●	●●●	●●●●
Encourage re-titling of properties	○	●●	●●●	●●●●
Maximise site generated revenues	○	●	●●	●●
Create new employment opportunities	○	●●	●●●	●●●●
Minimise maintenance and life-cycle costs	○	●●	●●●	●●●●

ASSESSMENT KEY:
 ●●●● Excellent
 ●●● Good
 ●● Average
 ● Poor
 ○ Not Improved

OPTIONS KEY:
 1 Maintain Status Quo
 2 Improvement without Redesign (NIP)
 3 Refurbish and redevelop
 4 Demolish and redevelop

Source: F. Stanisic et al East Fairfield Study and Action Plan Final Report November 1996, Table 3, page 51.

Appendix 5.4

Attachment to the Response of 12 January 1998 by the Director General, NSW Department of Housing

Examples of incidences of vandalism and violence since announcement of the redevelopment of the East Fairfield Estate

- September/October 1997; Department of Housing site office 10/11 Tone Way attacked for the third and fourth time. (Previously March and May 1997). Vandalised, firebombed and eventually completely destroyed.
- August 1997; family in Polden Way terrorised by a gang of young people with baseball bats and guns. Shots were fired.
- August/September 1997; Department of Housing and security staff received death threats. Police advised Department of Housing staff to work off the estate for safety reasons.
- August 1997; a gang terrorised a family in Tone Way apartment with rocks and bricks.
- August 1997; contractors refuse to attend the estate after hours or without security protection.
- 17 October 1997; Employee Assistance Program Consultants for Department of Housing conclude that staff are not safe carrying out their duties on the estate.
- 25 September 1997; residents and staff attending an outside informal residents meeting attacked with rocks and bricks.
- 22 October 1997; main electrical box in Polden Way firebombed and an apartment burnt out.
- July - December 1997; regular reports of deliberately lit fires in vacant properties - Polden Way, Chard Way, Wells Way, Hercules Street, Normanby Street and Tangerine Street.
- July - December 1997; Graffiti removed off walls daily.
- 28 October 1997; repair contractor and staff attacked with rocks and bricks while carrying out urgent repairs.
- July - December 1997; security employed to supervise families while moving out of the estate, as removal trucks attacked by gang members. Furniture stolen, cars damaged and houses vandalised.
- August - December 1997; gang members and outsiders vandalise and steal from vacant properties within hours of becoming vacant; hot water systems, kitchens, carpets, windows, doors, bricks, and fencing are stolen.
- December 1997; Department of Housing car windows broken while on the estate.
- 24 December 1997; Christmas Eve bonfire riot escalated out of control. Vacant dwellings and cars set alight.

Performance Audit Reports

Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
Department of Housing	<i>Public Housing Construction: Selected Management Matters</i>	5 December 1991
Police Service, Department of Corrective Services, Ambulance Service, Fire Brigades and Others	<i>Training and Development for the State's Disciplined Services: Stream 1 - Training Facilities</i>	24 September 1992
Public Servant Housing	<i>Rental and Management Aspects of Public Servant Housing</i>	28 September 1992
Police Service	<i>Air Travel Arrangements</i>	8 December 1992
Fraud Control	<i>Fraud Control Strategies</i>	15 June 1993
HomeFund Program	<i>The Special Audit of the HomeFund Program</i>	17 September 1993
State Rail Authority	<i>Countrylink: A Review of Costs, Fare Levels, Concession Fares and CSO Arrangements</i>	10 December 1993
Ambulance Service, Fire Brigades	<i>Training and Development for the State's Disciplined Services: Stream 2 - Skills Maintenance Training</i>	13 December 1993
Fraud Control	<i>Fraud Control: Developing an Effective Strategy (Better Practice Guide jointly published with the Office of Public Management, Premier's Department)</i>	30 March 1994
Aboriginal Land Council	<i>Statutory Investments and Business Enterprises</i>	31 August 1994
Aboriginal Land Claims	<i>Aboriginal Land Claims</i>	31 August 1994
Children's Services	<i>Preschool and Long Day Care</i>	10 October 1994
Roads and Traffic Authority	<i>Private Participation in the Provision of Public Infrastructure (Accounting Treatments; Sydney Harbour Tunnel; M4 Tollway; M5 Tollway)</i>	17 October 1994
Sydney Olympics 2000	<i>Review of Estimates</i>	18 November 1994
State Bank	<i>Special Audit Report: Proposed Sale of the State Bank of New South Wales</i>	13 January 1995
Roads and Traffic Authority	<i>The M2 Motorway</i>	31 January 1995
Department of Courts Administration	<i>Management of the Courts: A Preliminary Report</i>	5 April 1995
Joint Operations in the Education Sector	<i>A Review of Establishment, Management and Effectiveness Issues</i>	13 September 1995

Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
	<i>(including a Guide to Better Practice)</i>	
Department of School Education	<i>Effective Utilisation of School Facilities</i>	29 September 1995
Luna Park	<i>Luna Park</i>	12 October 1995
Government Advertising	<i>Government Advertising</i>	23 November 1995
Performance Auditing In NSW	<i>Implementation of Recommendations; and Improving Follow-Up Mechanisms</i>	6 December 1995
Ethnic Affairs Commission	<i>Administration of Grants (including a Guide To Better Practice)</i>	7 December 1995
Department of Health	<i>Same Day Admissions</i>	12 December 1995
Environment Protection Authority	<i>Management and Regulation of Contaminated Sites: A Preliminary Report</i>	18 December 1995
State Rail Authority of NSW	<i>Internal Control</i>	14 May 1996
Building Services Corporation	<i>Inquiry into Outstanding Grievances</i>	9 August 1996
Newcastle Port Corporation	<i>Protected Disclosure</i>	19 September 1996
Ambulance Service of New South Wales	<i>Charging and Revenue Collection (including a Guide to Better Practice in Debtors Administration)</i>	26 September 1996
Department of Public Works and Services	<i>Sale of the State Office Block</i>	17 October 1996
State Rail Authority	<i>Tangara Contract Finalisation</i>	19 November 1996
NSW Fire Brigades	<i>Fire Prevention</i>	5 December 1996
State Rail	<i>Accountability and Internal Review Arrangements at State Rail</i>	19 December 1996
Corporate Credit Cards	<i>The Corporate Credit Card (including Guidelines for the Internal Control of the Corporate Credit Card)</i>	23 January 1997
NSW Health Department	<i>Medical Specialists: Rights of Private Practice Arrangements</i>	12 March 1997
NSW Agriculture	<i>Review of NSW Agriculture</i>	27 March 1997
Redundancy Arrangements	<i>Redundancy Arrangements</i>	17 April 1997
NSW Health Department	<i>Immunisation in New South Wales</i>	12 June 1997
Corporate Governance	<i>Corporate Governance</i>	17 June 1997

Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
Department of Community Services and Ageing and Disability Department	<i>Large Residential Centres for People with a Disability in New South Wales</i>	26 June 1997
The Law Society Council of NSW, the Bar Council, the Legal Services Commissioner	<i>A Review of Activities Funded by the Statutory Interest Account</i>	30 June 1997
Roads and Traffic Authority	<i>Review of Eastern Distributor</i>	31 July 1997
Department of Public Works and Services	<i>1999-2000 Millennium Date Rollover: Preparedness of the NSW Public Sector</i>	8 December 1997
Sydney Showground, Moore Park	<i>Lease to Fox Studios Australia</i>	8 December 1997
Department of Public Works and Services	<i>Government Office Accommodation</i>	11 December 1997
Department of Housing	<i>Redevelopment Proposal for East Fairfield (Villawood) Estate</i>	January 1998



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Australia

Postal Address

GPO Box 12
SYDNEY NSW 2001
Australia

Telephone (02) 9285 0155
Facsimile (02) 9285 0100
Internet <http://www.audit.nsw.gov.au>
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