

A stocktake on transfers of public housing to new landlords

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National Housing Conference 2017
Sydney Nov 29-Dec 1

Overview

- Defining transfers
- Recent transfer programs
- Transfer objectives & outcomes so far
- Trends in transfer processes & models
- Title transfer: an outstanding issue
- Session discussion points

What is a 'transfer'?

- In this context, a change of social housing landlord
- Typically in Australia:
 - From public housing authority to community housing (not-for-profit) entity (or Aboriginal community housing entity)
 - Management responsibility (not the asset) is transferred (some exceptions)
- Beginnings in NSW mid-1990s – vacant or new dwellings
- Ministerial agreement for larger scale transfers 2009
 - Aspirational target of 65:35 mix of public : community housing landlords by 2014
 - Mostly to be achieved via tenant transfers (est. no. > 80,000 at that time)
- Slowly scaled up since
 - c. 29,000 existing tenancies transferred/identified for transfer by end 2017

Recent transfer programs

State	Transfer program	Location(s)	Homes	Lease years	Status
NSW	Management transfer	3 metro & 6 non-metro locations	13,677	20	New landlords announced Oct 2017
Victoria	Aboriginal Housing	State-wide	1,522	Title transfer	3 phases 2016-18
	Management transfer	State-wide (small & larger parcels)	4,000	> 5 years, TBA	Ongoing 2017
Queensland	Logan Renewal Initiative	Logan	4,700	20	Cancelled 2016
SA	Better Places Stronger Communities	Adelaide (2 parcels)	1,080	3 + 20	Completed 2015
	Renewing Our Streets and Suburbs (ROSAS)	State-wide (7 parcels)	4,000	20	Completed Sept 2017
Tasmania	Better Housing Futures	Rokeby, Bridgewater, Launceston, Devonport	3,915	10 +5 + 5	Completed 2014 500 land title transfers 2016

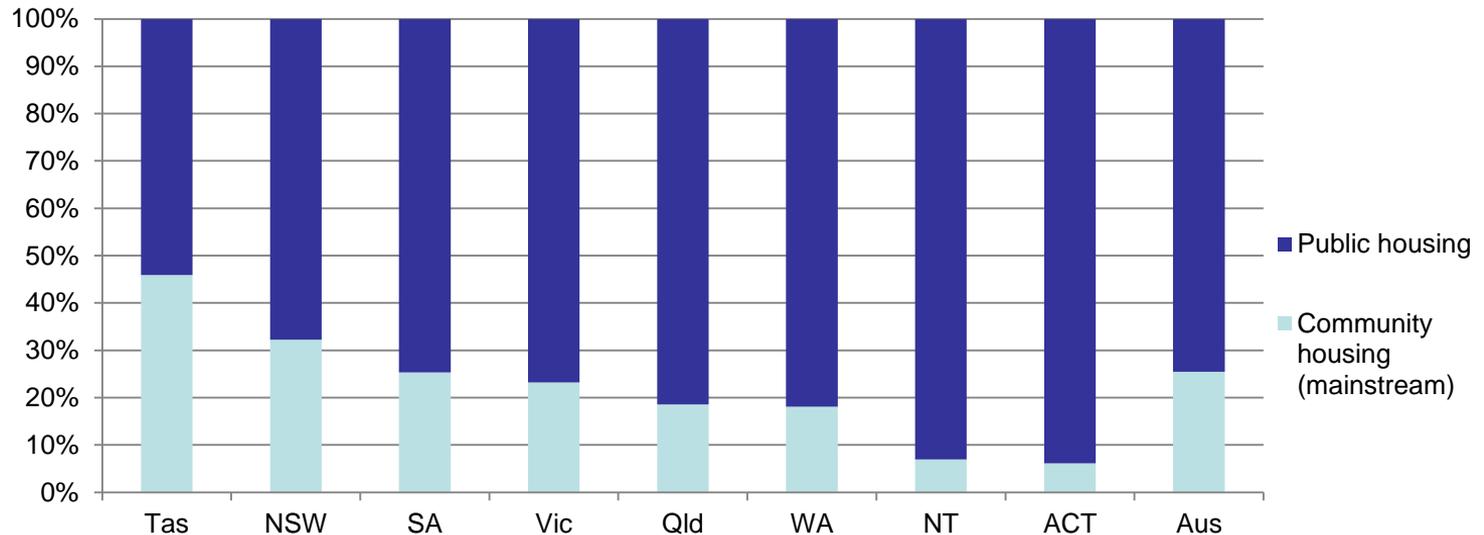
Why are we transferring tenancies?

- A more diversified & contestable social housing system
 - To drive 'commerciality, flexibility & innovation' (Plibersek 2009)
 - Broader context of public sector out-sourcing
- Maximising rent revenues via CRA (all) in order to (variously)
 - Enhance property condition (all)
 - Accelerate estate renewal (NSW, SA, Tas)
 - Improve social housing services (all)
 - Improve life outcomes for tenants (NSW)
 - Leverage new supply (Tas)
- Community housing sector capacity-building (all)
- Self-determination (AHV, Vic)

Who are the new landlords?

- 15 'Tier 1' CHPs have received transfer packages to date
 - 11 long-established (1980s) CHPs
 - Newer entrants Mission Australia Housing (NSW, Tas); Anglicare (SA); Centacare Evolve Housing (Tas); Junction & Women's Housing (SA)
- Successful bidders mostly from home state or partnerships/mergers involving an interstate & a local provider
- Leading to rapid increases in CHP scales & broader geographic reach
- No UK-style corporatised models so far
- No for-profit providers

Estimated social housing landlord mix by 2019



Aspects of recent transfer models & processes

- Larger parcels
 - place-based (whole-of-location) rather than scattered (except Victoria?)
- Longer ‘head-leases’
 - but can be terminated
- Govt. expectations: wider social outcomes but limited supply
- Some flexibility and varying rules on who will be housed in future
- Little tenant agency during transfer process but pre- & post-transfer tenant engagement plans
- Landlord change following redevelopment
 - e.g. C+ NSW est. 3,300 additional CHP-managed dwellings
- Competitive bidding processes
 - reputedly costly
- Complex ongoing contractual obligations – constraining flexibility?

Title transfer: an unresolved issue



■ Status

- C/W Govt. supported 2009
- Previous Vic. Govt. supported subject to CHP performance
- NSW Opposition supports
- AHV and Tasmanian precedents (2016)
- Also 2008/12 SHI 'transfers'

■ State Treasury concerns

- Credit rating risk: but ratings agencies have already allowed for 'encumbered asset'
- Budget impacts: but long-term 'finance' leases will attract similar accounting treatment (as title) in public accounts (Tas. precedent)

■ Privatisation concerns

- Further erosion of political control
- Preservation of housing
- Privatisation of jobs/essential services (Queensland)

■ CHP risks

- Contrary to efficient & optimal asset management/renewal
- Constrained balance sheet & thus organisational solidity/credit worthiness
- Material policy change

Discussion points

- Should Canberra have a strategic view on public housing transfers?
- What do recent transfers tell us about how CHPs manage tensions between viability of deals/contracts & delivering on their missions?
- To what extent do long-term system viability concerns remain?
 - Is it time for a universal fit-for-purpose national housing allowance?
- How can long-term security of social purpose be best assured?
- How can tenant engagement be strengthened from the outset?

References

- Pawson, H., Martin, C. Flanagan, K. and Phillips, R. (2016) *Recent Housing Transfer Experience in Australia: Implications for Industry Development*, AHURI Final Report no. 273, Melbourne: AHURI
- Pawson, H., Milligan, V., Wiesel, I. and Hulse, K. (2013) *Public housing transfers: past, present and prospective*, AHURI Final Report no. 215, Melbourne: AHURI