



COMMUNITY HOUSING COUNCIL OF SOUTH AUSTRALIA INC.
(CHCSA)

SPECIAL BRIEFING OF THE SOUTH AUSTRALIAN HOUSING REVIEW
STAGE 2

PUBLIC SECTOR REFORM IN DFC

HELD ON FRIDAY 12TH MAY 2006,

PAYNEHAM LIBRARY COMPLEX, CORNER O.G. ROAD AND TURNER AVENUE,
FELIXSTOW.

KEY NOTE SPEAKER: MR PETER SMITH, DEPUTY CHIEF EXECUTIVE, DEPARTMENT FOR
FAMILIES AND COMMUNITIES

FROM: 11.30 AM – 1 PM.

DISCLAIMER

This is a verbatim record of the presentation by Mr Peter Smith. While every attempt has been made to ensure accuracy and completeness of comments the CHCSA cannot guarantee that this is a wholly true record of what was said. Should you have any queries about these comments please do not hesitate to contact the CHCSA for clarification.

CHCSA Executive Officer Mr. Ciarán Synnott welcomed representatives from the Community Housing Sector to the briefing. Mr. Peter Smith was thanked for his time in attending.

Peter Smith commenced his presentation by acknowledging the land that we meet on today is the traditional lands for Kuarna people and that we respect their spiritual relationship with their country.

OVERVIEW OF THE REFORMS

The Public Sector Reforms initiated within the Department for Families and Communities (DFC) is part of the wider set of *Sector* reforms that are occurring in Government. The reforms are not just in Housing. There is a keenness to have a more effective Government, which is also more responsive in the Community Sector.

BROADER AGENDA

As Government has the task of Governance, you have to ask the question, "So what are the outcomes of Government from the Review through the key building blocks; SA Strategic Plan (SASP), Government has an interest in reducing the level of housing stress by providing more housing?"

By teaming the current DFC Governance points of reference, Peter outlined four objectives. Current DFC Governance as outlined in the tabled document ("Public Sector Reform in DFC")¹ are;

- Seven separate agencies in Housing and Disability
- Served South Australia well but now a need for more integrated approaches
- Limited Ministerial control yet full Ministerial accountability
- Potential to harness efficiencies across the system (ie. Admin, house types, construction)
- Inefficiencies, for example multiple offices in small towns
- Inefficient decision making, for example multiple waiting lists in disability services
- Minister requested development of DFC Governance Principles and application of these to drive reform

From this, Peter was able to provide us with four Objectives of the DFC from this Review. They are;

- 1) Affordable Housing
- 2) Addressing High Needs
- 3) Independence
- 4) Keeping people safe (Community Development)

Peter added that the Review commenced May 2005.

On considering the DFC Governance Principles, Peter was able to state and outline each as follows;

Seven DFC GOVERNANCE PRINCIPLES

- 1) MINISTERIAL ACCOUNTABILITY
- 2) CHIEF EXECUTIVE ACCOUNTABILITY
- 3) **CITIZEN/CUSTOMER CENTRED SERVICES**
- 4) **VOICE OF THE CITIZEN**
- 5) COMMUNITY SECTOR PARTNERSHIPS
- 6) OPERATING COMMERCIALLY TO DELIVER PUBLIC VALUE
- 7) PROCUREMENT FLEXIBILITY

Ministerial accountability

Because Minister Jay Weatherill is accountable to the community for the delivery of efficient and effective services that respond to the needs of community, it was important to develop a Vision for the Community Housing Sector. A larger, viable, effective Community Housing Sector plays a role in Affordable Housing. Due to the way the Sector is structured, there is interest in making it stronger, larger and more viable in South Australia. The Vision for Community Housing, is tied to other things in the Commonwealth States Housing Agreement. From the Housing Review, we had the election and the Minister, who is taking a wider public role. (*The Housing Review came back in December 2005.*)

¹ The document "Public Sector Reform in DFC" by Peter Smith.

The findings, as stated in the Public Sector Reform in DFC document state;

“Current governance, legal and administrative arrangements if not changed, represent a ‘moderate’ short term risk and ‘medium to high’ long term risk to achievement of the government’s reform agenda”

It also stated that;

“Bold policy reform must be supported by ongoing organizational modernization”

It was proposed that Community Housing would undergo reform not only in the area of governance but also in terms of policy setting and how we look at the housing system.

The key areas as part of the Public Sector Reform (page 2) include;

- Citizen centric Government
- Need for efficient service and for resources to go to State priorities (SASP)
- DFC Governance principles
- Reform of DFC: our next steps
- Future of DFC: connected service centers
 - Disability Services SA
 - Housing SA
 - Families SA

Rhetorically, Peter asks “*What should Government be there for?*” Government is there to build strong and inclusive communities.

What is known of the current DFC Governance is;

- there are seven separate agencies in Housing and Disability

In the DFC, there are currently four Housing Agencies;

- 1) HOMESTART
- 2) ABORIGINAL HOUSING
- 3) SACHA
- 4) SAHT

We are also dealing with ageing housing stock which needs to be reconfigured. With four Housing Agencies making decisions in terms of satisfying housing need, they may not get it right. So it was decided to make it more efficient.

As the Minister is accountable when things go wrong, and not the members of the Board, Minister Weatherill’s position is that *governance* should be targeted so as to get it right.

By using the example of Port Augusta, where there are four offices for housing, four sets of everything, for example; cars, customers etc., this is inefficient for everybody. There are at least four government waiting lists and the same people are most likely on all of them.

By taking in the 7 Governance Principles (see page 5, 3.Citizen/customer centered services & 4. Voice of the Citizen) we find that Housing is around 'Institutions'. In the State Housing Plan, it asks for action across the whole board.

Peter went on to comment on "How do we get Equity across the system with a common Standard of housing for everyone?" How do we get housing available for people with disabilities that is also appropriate for them? We have systems already in place, there is no need to throw the baby out with the bath water. Community Housing works.

Six Boards have been removed out of seven and bring them into Divisions of the DFC. The Boards were a voice for the Sector, and there is concern that the voice will be gone.

The 5th Principle, recognizing the non-government sector is the best place to deliver services at the local level. People like this process. They are more flexible and best to provide these services.

Peter continued by adding that there is need to have a single planning list. Before Government can invest/fund, they need to guarantee the integrity of their investment. It is acknowledged that Government should have a 'safety net role'.

Principle 6, Operating commercially to deliver public value which states 'Public enterprises operating commercially to deliver social goods need to have the necessary level of independence to foster commercial enterprise and deliver a return on investment. In these cases the application of sound commercial practices will maximize value to government and to the community without diminishing accountability.

In terms of Debentures – How do we grow, get equity? By borrowing against the *asset* they can **grow**. It is encouraged in a sensible way. Clearly, there are **inefficiencies** in how Community Housing is managed in this State. With over 4,000 properties and 120 separate *Agencies*; *is this a sensible number?* We respect the **value** of local government models but it is about *Housing Outcomes*. There is a *balance* to be had on this issue. In its safety net role, effective Government governance arrangements are those that enable public enterprises to deliver on their mandate as determined by the government without undue indifference, at arms length, but with transparency and disclosure protocols embedded that mitigate risk and protect the public interest.'

Peter stated that Homestart, as one of the four Housing Agencies, will not be touched as they are operating commercially.

Principle 7, Procurement Flexibility, we want to be flexible enough not to go to Treasury every year to ask for money for the next year etc., We still need to have a Trust Model and the South Australian Housing Trust (SAHT) is the Asset Owner.

Returning to the Voice of the Citizen (Principle 4), as there was a concern raised by a Representative at SACHA Board on this. It is important to have a voice in Management, Advice and Advocacy. The problem is the Citizen advocating for the Citizen. Our need is to separate an Advocacy Role for the Citizen and the Management. Community Housing Associations and Co-operatives do this. That is why in the proposals for Aboriginal Housing, there is a model for an Aboriginal Community Housing Association. This is the creation of a Community Housing Association.

Also, Advisory structures are to be looked at, for example, the Community Housing Council of South Australia (CHCSA). There are no statements that the CHCSA is to go. That project is going to take longer and the role may be stronger for the CHCSA.

We need to consider a Funder/Regulator role for Government. If we take away the Board, we need to improve and make stronger the Advisory Structures.

In reference to Advocacy, advocacy issues are also to be looked at as part of the Housing Review Stage 2 Project.

Peter provided an analogy beginning with the view of the Citizen in the middle. This is known as “Peter’s *Onion*”. This diagram is found on page eight (of the tabled document). The Citizen is in the Inner Ring. We cannot be stable in the Community if you have nowhere to live IN the Community. Through Affordable Housing, personal support (such as High Needs housing), the next part is child and family safety. Reference made to 'Maslows Hierarchy of Needs'. Personal support services, welfare services, neighborhood centers when people are safe and secure. The outer ring is about the communities being self-sustained. Government wants to build communities to sustain themselves over time. This is important because we have to make it easier for the Citizens to access the ‘*onion*’. We do this by a connected Service Centre. In Port Augusta, we call this ‘Housing SA’.

We will move all these services into one place. There are over 400 services throughout the State at present, perhaps there will be 40 in 4-6 years.

Peter briefly read out points of the Features of the DFC Service Centre (see page 9)

- Single point of entry for all DFC customers, within the DFC service centre
- Highly trained customer service officers at the first point of contact
- Common customer service charter and standards with excellent customer service
- A modern colourful and welcoming Government office and efficient use of space
- Energy efficient with 5 star green rating
- Citizens with complex problems will be provided with service guides (Disability and Housing which is not in public housing)
- Common assessment methods and tools that enable connected service
- Single case management methodology for the customers that need it
- Capacity to accurately gather, non-identified data for community planning
- Clearly defined roles, functions and responsibility for outcomes between DFC and our community partners
- Shift of low value transactions to E-channels over time
- A single electronic e-Reference suite

Citizens with complex problems will be provided with service guides. This is about being efficient for our ‘*Customers*’. Applying via SMS or the Internet and utilizing other methods of technology.

Peter continued with the Proposed Structure on page 9 for Building Housing SA.

He said that Housing is all the current Aboriginal Housing and Trust, under 'Housing SA'. There will be a Trust, but no Board. It will be known as the South Australian Affordable Housing Trust

(SAAHT). In all new housing developments, 10% will be Affordable Housing, and 5% Special Needs Housing.

On page 10, the diagram outlined where SACHA and other Housing Offices, Boards of Management were positioned. Peter added that the current SACHA, is the Funder and Regulator and is responsible for Service Development. He also made mention of the separation of this role. Also, Mr Brendan Moran (General Manager, SACHA) is to be moving on to Housing SA North.

So, what does this mean for SACHA? (refer to diagram on page 11).

- Debentures will be transferred to SAHT. (6 months once legislation is changed). Once this is done, all the assets will be owned by the Trust
- The New Funding Agreement will not change ('they don't think')
- Roles of CHOs will not change. They are valued partners
- SACHA Board will contract with Peter Smith and will not be made up of SACHA Staff
- Assets Services Division - there will be a team of experts that know Community Housing (from SACHA)

Also on page 11, it is asked, "What does this mean for Community Housing?" Peter mentioned a few;

- **The creation of the Office for Community Housing (OCH)**
- OCH to be Funder, Regulator and Enabler of Community Housing as per legislation
- All current legal structures of regulation (ie Funding Agreement) of legislation remain the same
- Amendment of the SACCH Act 1991 to reinforce the focus of Government on regulation and monitoring of the Community Housing Sector
- Current title arrangements to remain the same (ie OCH's have title to properties)
- Debentures to be transferred from SACHA to SAHT
- Some functions and staff of SACHA to be transferred to other parts of the Housing Portfolio
- Access to Community Housing services to be broadened through the operation of Housing SA consistent with the new Community Housing Application System
- **Creation of new Aboriginal Housing Association to be facilitated and regulated by the OCH**
- Possible opportunity for mentoring with existing Housing Associations
- All SACHA's existing priority projects will continue to proceed under OCH (Vision for Community Housing, Comhouse Review, GST Audit etc...)
- Peter emphasised "Business as Usual"

Presentation completed. Applause.

QUESTIONS from the floor;

1. Member questioned why the Notice for today's briefing was an "Urgent Notice"?

C. Synnott - This was to advise Sector Members to register to their attendance ASAP to assist the CHCSA in managing this event. In knowing the Sector and how it operates, it can take up to two months to get organisations to get together for an event.

2. Member asked whether Co-ops will be joining up?

Peter responded that we don't know the answer as yet. We have 45, 000 Housing Trust properties. We are disadvantaged in SA because we have a much higher housing stock than in other states and with the CSHA (Commonwealth States Housing Agreement), we get half the CRA (Commonwealth Rent Assistance) than other States. We think that we have to do several things.

- Reduce Public Housing stock to a level we can sustain. Without selling all properties.
- Reducing outcomes in Public Housing. The Minister said he wants to re-configure the stock. 15,000 - 20,000 properties in Public Housing (rough ball park figure). IF you take it out, you have to create these outcomes elsewhere. You cannot just take it out. The place to create this is by Growth in the Community Housing. You can get GST benefits, and attract CRA. You can add this to the subsidy model. Not about should you. Either through Co-ops or Associations. The other thing to do, for example, 30 thousand in Public Housing, what do you do with the Housing Trust? The Minister's response is the Affordable Housing Trust to take care of that role. And going back to what it was there for. Low Income, Affordable Housing. If you want to grow the Community Housing Sector, these assets will need to be manageable and viable.
- Peter indicated that it should be about QUALITY of service and MANAGEMENT and about COST. The best quality and value of services of Customer and Assets is the best cost. For some Associations to get this quality, there will be higher costs. Benchmarking and performance, and how to get there, for some it may be *amalgamation, joining, or supporting*. Up to us to measure Performance and Quality.

3. Graham Ross - Inter Church Housing; We have been struggling hard to get the Government in place as a partner to get more Housing. We are joyed about the State Housing Plan which talked about improving partnerships with the Sector and Government. What works against the plan is the actual draft Facilitation Agreement which has been adopted by the Affordable Housing Trust. This is a strategy of the trust and not a partnership.

Ciarán Synnott added Facilitation is just not delivering. Many groups are disappointed as to where it is at.

- Peter added that if there are hurdles in the way, or a hurdle, it needs to be understood why it is there. And to help to get over it or we don't have a partnership.

4. Where are the 20,000 units for housing coming from?

The Housing Trust has 45, 000. We take it from SAHT and move into Community Housing.

- 5. How long is this going to take before we start seeing some benefits? Eg, housing on the ground?**
 Started a project with what is the Project/Vision. Role of Community Housing, modelling and \$, to get the Minister to agree. 5 months. Perhaps after Christmas and have a 5 year strategy of this.
- 6. Matt Fisher (CHCSA Snr Policy Officer) - In terms of 40 Housing SA Service Points, and DFC Service points, each of these offices to service a Community or Region, so the interest in how many would you see in the Metro area and whether you have a picture in your mind of perhaps of the range of Housing Providers fitting into this Regional Service provision model?**
- I don't know. Not just the location but the business of it. How it works together, eg, Mt. Gambier. Once this has been built, then we will know.
- 7. Ruth - The Women's Housing Association - Questioned 'Churning' with innovation with Housing SA. Clients going from Community Housing and the Aboriginal Housing. Is this new process going to save money? Is this to be efficient?**
- Peter replied that we should look at the *onion*. One of the features is the single case management approach with the clients with high complex needs. Sitting with whomever it needs and connecting up to deal with this. About getting it better for the client and not about efficiency.
- 8. Matthew Woodward - MACHA - what kinds of communication within the Sector etc?**
- The single case management (looking in Victoria), it's about business processes. Mt Gambier pilot, then metro area.
- 9. Member asked what will happen to Comhouse?**
- The Review of Comhouse is underway under the SACHA Vision Project.
- 10. Member wondered how will it be decided which Housing Trust housing gets transferred?**
- The tenant has the choice. About setting up the process where the people have the choice. After working it out for the Aboriginal Housing.
- 11. Member asked what would be the benefit of Housing Trust going to Community Housing?**
- It is about choice. How will it be decided which housing Association they want? This will be worked out later.
- 12. Kasey Groothedde - Paris Flat Housing Co-operative - with new legislation, with changes to Associations and Co-ops Act, what are they?**
- At this stage, there has been nothing said on this. In essence, SACHA staff and Trust have always been DFC employees.

13. Julia Hennekam - Northern Suburbs Housing Co-operative - is there discussion about money being put out to NGOs providing the services? For successful housing, there are services needed. Currently they are limited. Is there money going to make these services which are lacking to be able to cater to these needs?

- Discussion with Treasury to not throw everything into Health & Education. We are putting a strong argument for our portfolio.

14. How much does this reform save the Government?

- Estimated \$ - can't say. Must go to Cabinet and then he will let us know. Difficult to answer as there are several proposals.

15. Are they giving you extra?

- Although they've put in costings, that cannot be answered.

16. Lynn Vears - MACHA - SACHA initiated a pilot program with the Trust for tenants to go to Community Housing. Properties were upgraded. How many are to be sold?

- Obviously have to sell, to maintain conditions.

17. Ciarán Synnott - why wasn't the Sector, through the Peak, involved in the development for the Vision for Community Housing Project?

- Peter replied - that role of Sector Development currently sits with SACHA.

18. Matt Fisher - Advocate for environmental issues as to how these housing services are being delivered.

- It sits with Assets Services to achieve the objective in construction, exercises and housing objective. Who's to do it, not sure. Amenity, standard and efficiency.

19. Christine - PERCH - do you have a role for Mental Health?

- Supported Accommodation task force, the CHAIS, looking at State Plan to target reaching.....
- Discussion paper is being developed and will be available by September 2006

Ciarán Synnott concluded that these conversations will continue at the Regional Forums. Occasionally, we will hold these Forums etc. CHCSA E-Bulletin. Please fill in the question sheet papers and return. Thank you.

Closed 1.15PM.