



*Breaking Housing and
Affordability Barriers*

FAIRFIELD HOUSING TASK FORCE

Fairfield Housing Taskforce: 2008 Housing Interaction Forum Report and Update.

September 2009

The Fairfield Housing Taskforce is supported by:

Fairfield Migrant Resource Centre, Fairfield City Council, Housing NSW, SLASA, St George Community Housing, Hume Community Housing, Bonnyrigg Partnerships, Vietnamese Women's Association of NSW, Cambodian-Australian Welfare Council of NSW Inc, Timorese Australian Council and Resolve FM.

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Executive Summary

The Fairfield Housing Taskforce was established in response to growing housing needs emerging in the Fairfield Local Government Area. This paper provides a summary of the historical development of the Fairfield Housing Taskforce, and the need to host the Fairfield Interaction Housing Forum in July 2008.

The Fairfield Interaction Housing Forum was targeted at workers who regularly engage with local residents that are struggling to meet their housing needs. The Forum hosted two workshops, affording local workers an opportunity to raise issues of concern based on their professional experiences. These workshops proved very productive, by identifying a vast array of challenges for the Fairfield Local Government Area, particularly recognizing the “housing crisis” for many residents. The Fairfield Housing Interaction forum identified a number of recommendations for future strategies to address the growing housing crisis.

It is hoped that this paper will be a valuable tool to enable local services to advocate for improved services, increased resources and the development of practical strategies at a local level to improve service delivery to those who are often the most vulnerable and disadvantaged within our community.

1. Background to Fairfield Housing Taskforce

The Fairfield Housing Taskforce was established in March 2008 in response to growing concerns amongst local service providers. Housing affordability issues have been raised repeatedly through the Fairfield Migrant Interagency and other local networks.

There has been an increase in the frequency and number of media articles that identify the growing challenges for residents on lower incomes, both for the private rental market and those with mortgages (see Annexure A).

Local workers also noted the worrying trend about limited types of housing stock, to meet the needs of the types of families residing in Fairfield City, but also the poor state of disrepair of many rental properties. There was recognition of a decreasing availability of affordable housing stock, creating greater demand for social, public housing and crisis housing.

A number of local agencies met to form the Fairfield Housing Task Force, as a practical strategy to address the abovementioned issues and the growing inequities in housing affordability for residents of the Fairfield LGA. The Fairfield Housing Task Force was formed as an independent group of professionals that could work collaboratively with the local community, identify emerging issues and develop some practical strategies for the Local Government Area.

The Fairfield Housing Task Force has the following aims:

- To work collaboratively
- To communicate and consult
- To develop strategies
- To inform and educate
- To influence policy and decision makers
- To monitor and undertake research
- To advocate

2. Background to Fairfield City

The Fairfield Local Government Area spans some 104 kilometers across Sydney's South West and is comprised of 27 suburbs; there is a population of approximately 180 000 people. It has one of the most vibrant and diverse populations, not only in NSW, but Australia nationally. Fairfield local council reports that people from 133 birthplaces have made the region their home – 55.6% of residents were born overseas and of this number, 95% are from a non English speaking nation. A total of 73.5% of residents speak a language other than English at home.

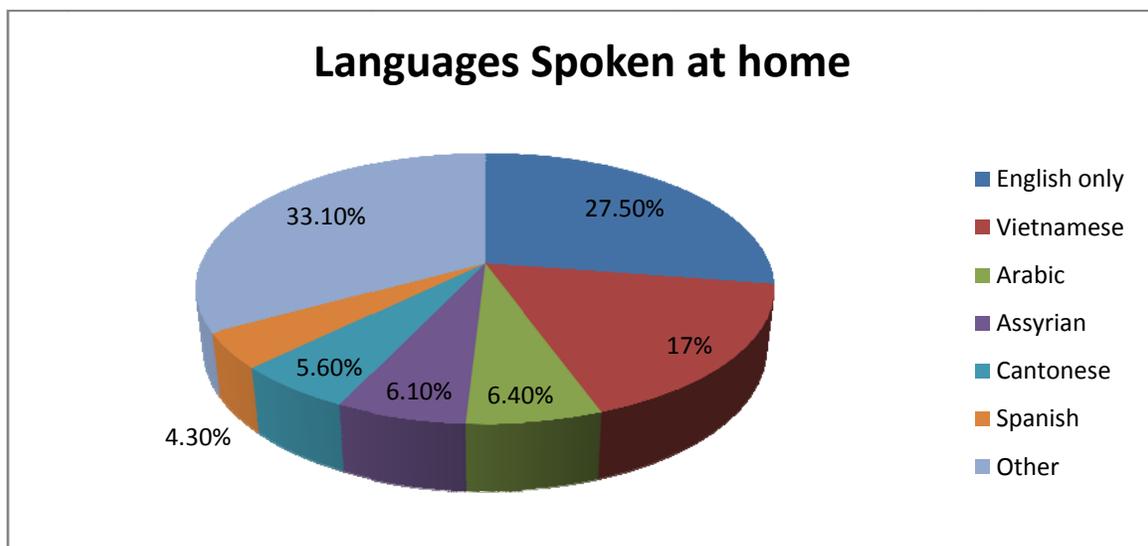


Figure 1. Overall 73.5 percent of the population speak a language other than English at home. This data was drawn directly from the Australian Bureau of Statistics (ABS) 2006 census which while accurate may have altered somewhat when considering the settlement patterns over the ensuing 28 months.

From January 2004 to December 2008 approximately 9364 new arrivals were settled in the Fairfield LGA. This is according to Department of Immigration and Citizenship data and does not account for those who may have moved into or out

of the area. The majority of these people- 5182- arrived under the Family Stream, 3440 were Humanitarian Entrants and 742 came under the Skilled Migrant Program.

This diversity is a great strength that lends itself to a vibrant melting pot of culture and language. The overall intercultural harmony experienced is a tribute to each and every one of the government and non government agencies, service providers and perhaps most of all individual community members. More so, when considering that many Fairfield residents peacefully live alongside those who may have once been considered 'the enemy' in their countries of birth.

Indeed while there is much cause for optimism in the city of Fairfield it is unrealistic to not acknowledge the existing challenges. The current economic crisis whilst experienced nationally (and of course internationally) is perhaps felt more succinctly by Fairfield residents who have a median weekly income of \$319- compared to \$461 in the state of New South Wales overall, and \$466 in wider Australia. Approximately one quarter (25.5 per cent) live in households classified as low income –that is, on a collective weekly income of less than \$500.

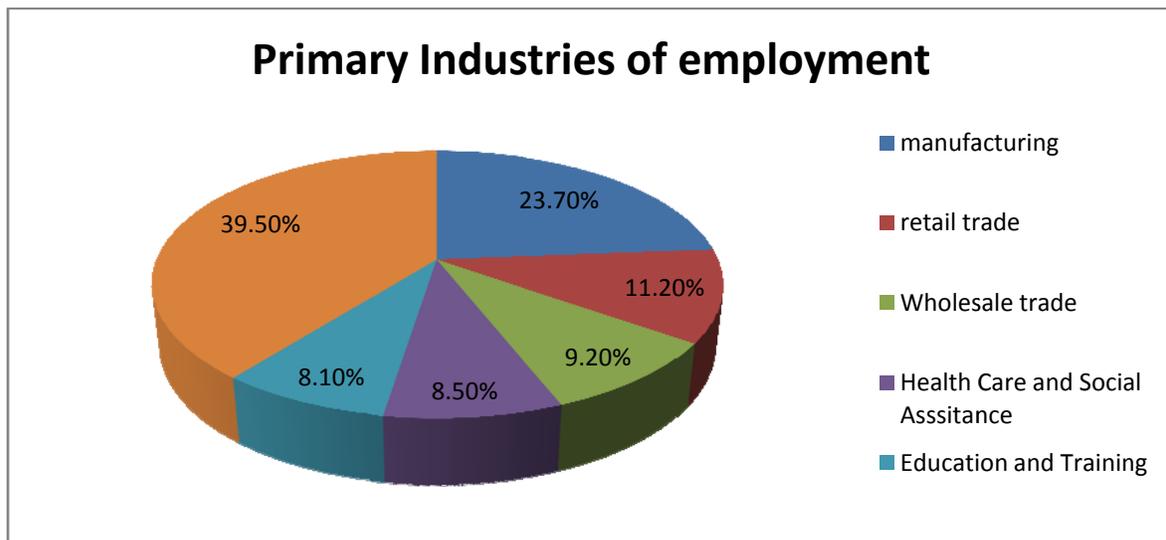
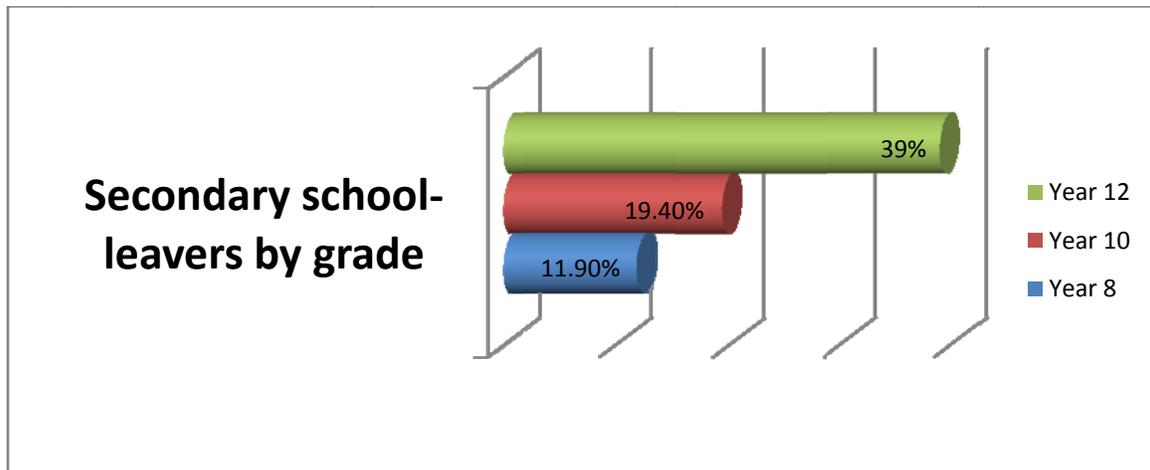


Figure 2. The primary industries of employment were: manufacturing; retail trade; wholesale trade; healthcare and social assistance and education and training, followed by: construction; food and beverage service and transport, postal and warehousing (in that order). This data was drawn directly from the Australian Bureau of Statistics (ABS) 2006 census.

Unemployment stands at 10.5%, more than double the national average of 5.2%, with only 73,267 people deemed to be employable. Of these, approximately 22.1% are employed part time, and 60.2% are employed full time. Between 2001 and 2006, there were 1,125 less people in the labour force; almost a quarter were employed in manufacturing (23.7%). Almost half of these people working in manufacturing were born overseas. It is likely that this trend will continue with the

area exhibiting a higher than average rate of new arrivals and secondary school incompleteness, narrowing the range of potential employment opportunities.

The 2006 Census revealed that 11.9% of students left school before completing Year 8. 19.4% of students completed Year 10 and 39% completed Year 12. Each of these indicators is lower in comparison to Sydney. Only 25.6% of residents had post school qualifications, with 60.8% of residents having no formal qualifications.



The 2006 SEIFA Index of Relative Socio- Economic Disadvantage score was 876, well below the average score for Australia and Sydney and is one of the lowest rankings in the State. A recently published report by Griffith University titled "Suburban Scars: Australian cities and socio-economic deprivation" identifies the growing level of disadvantage across the Fairfield LGA, with 23 of the 27 suburbs now living in deprivation.

Fairfield currently rates amongst the top three LGA's facing the highest mortgage repossessions. This can be attributed to higher rates of poverty, larger families, low asset ownership, and higher rates of single parent households - 21.4% compared to 15.8% nationally.

Supreme Court data reveals that there was a 270% increase in the number of writs issued in the three years between 2003-2006. Average monthly mortgage repayments for the Fairfield LGA were \$1500, whilst the national average is \$1300. 27.5% of households had high mortgage repayments (\$2000 per month or more) whilst 21.5% had low mortgage repayments (less than \$950 per month). The median monthly housing loan was \$1500 compared to \$ 1300 for Australia. 2006 Census data revealed that 32.3% of the population owned their home, 37% were purchasing and 29.2% were renting.

Social housing makes up 7.5% of the total housing in Fairfield, compared to 4.8% for the Greater Metropolitan Region, whilst real estate agents manage 50.5% of the total rental stock available. 1.2% of residents report high rental payments of

\$450 per week or more with 26.8% making low rental payments of less than \$140 per week. These figures must be understood in terms of the higher than average percentage of public housing stock which artificially boosts the number of low payment rental stock that seems to be available.

Overcrowding is also becoming an increasing issue amongst residents. Census 2006 indicates over 40% of households comprised of more than 4 persons with a decrease in the number of 1 and 2 person households. This trend has increased with service providers frequently reporting elevated difficulty in securing adequate, affordable housing for newly arrived families. Many of these families are composed of larger than average numbers in comparison to their Australian born neighbors.

In light of this data it is apparent that Fairfield LGA residents are amongst the most vulnerable in an increasingly volatile housing market.

(Note All figures and statistics unless otherwise stated have been drawn from 2006 census data and can be found at the Australian Bureau of Statistics website)

3. Fairfield Interaction Housing Forum

About the event

The Fairfield Housing Interaction Forum was held at the Fairfield Community Centre Hall on the 31st July 2008. The aim of the Forum was to bring together a range of workers that provide services to residents of the Fairfield LGA. The Forum was an opportunity to discuss housing issues and emerging trends across the City, and consider possible strategies that may alleviate some of the challenges being faced by residents. The Forum had a focus on both home owners and renters, and those who are homeless or facing homelessness.

The Fairfield Interaction Housing Forum was promoted via local networks and email databases. There was a diversity of services represented at the Forum, which is reflected in the robust discussion and recommendations made within the two workshops. Approximately sixty people attended the Forum.

There were two keynote speakers, who presented an overview of the critical issues and challenges that their services were experiencing. Participants then had the choice to participate in one of two workshops: *Bridging Information and Service Gaps in Housing* or *Housing Crisis and Advocacy*.

4. Keynote Speakers

4.1

Housing Paper July 31, 2008.

Between a Brick and a Hard Place.

Ricci Bartels, Fairfield Migrant Resource Centre

I am here today to provide an overview of the housing crisis as it is experienced by residents in Fairfield LGA.

Hardly a day goes by, where we don't hear of interest rate rises, rental increases, lack of housing stock and home repossessions. These are not just phenomena experienced in Fairfield. Housing stress is felt throughout Australia and its capital cities.

Housing stress is defined as paying more than 30% of household income on accommodation either through mortgage payments or rent.

I recently attended the Housing Stress Forum organised through Jason Clare, Federal Member for Blaxland, held in Bankstown. Hats off to Jason as this was a wonderful initiative. The Forum provided a panel of experts covering assistance provided through various arms of government and non-government organisations for people under mortgage/housing stress and other financial hardships. The Federal Minister for Housing braved the meeting with between 300 to 400 people, largely residents. The salient messages of the Forum were:

1. Make sure you do not over extend your financial capacity – Take stock of what you earn and how much you spend, keep your cash flow under control before making major financial commitments.
2. Recognise the problem early and seeking Financial Counselling and other assistance early not when the Mortgage is about to be foreclosed or eviction notices are at the door step.

These messages do provide very sound advice and the stalls provided a plethora of very useful information Legal Aid, NSW Housing, Banking Ombudsman, Financial Counselling Services, Office of Fair Trading and so on. In addition Jason Clare and his staff put together a really useful resource – the “*Debt Relief Information Kit*”.

I learned about support services and options to assist with Mortgage Stress I never knew about and so this was a good experience and a Forum well worth

attending. Yet I felt a level of unease at the end and spoke to Jason about this and I know he will forgive me if I try to unpack my unease around the housing crisis— specialist service gaps, shrinking rental market and spiraling rent increases, increased interest rates, drop in property values, aggressive and predatory mortgage brokers with loan packages offered to prospective property buyers.

The Housing Crisis is very complex – Australia has a growing population 21,181,000 constituting a 1.6% increase as at June 08 (ABS). Population growth in conjunction with slowed up housing development, a rental market with record low vacancy rates, renegade banks which now choose to ignore the Reserve Bank of Australia as the key regulator of interest rates constitutes a recipe for disaster with foreboding consequences - families forced into bankruptcy and homelessness, more home repossessions and more “forced sales” to try and yield a better price than Bank repossession sale would, and lower to middle class plummeting into poverty.

The reason for today’s Housing Interaction Forum is to try and get an understanding on the real impact of mortgage stress and rental crisis experienced by residents and what this means in terms of drop in living standards and risk of homelessness whether renting or buying homes.

Fairfield’s population is approximately 180,000 residents. Whilst this number is fairly stable from Census to Census we continue to be the largest settlement point for refugees and humanitarian entrants in Australia. In the period 2002/03 to 2006/07 Fairfield has received 8106 new settlers. This puts tremendous additional strain on private and social rental stock and spikes rent rates.

Fairfield’s stable population total also means that as residents move away from Fairfield they are replaced by new residents, in part through newly arrived immigrants and refugees.

Resolve FM is the Accommodation provider for ACL IHSS consortium and its data confirms Fairfield as a popular settlement point. Between October 2005 and April 2008 Resolve FM has settled 2226 Refugee and Special Humanitarian Program families into long term accommodation. The highest number 375 families (16.8 %) were settled in Fairfield.

Suburb	Total No. of Families Settled
Fairfield	375
Auburn	247
Liverpool	208
Blacktown	173
Lidcombe/Berala	85

- ❖ Fairfield's vacancy rate hovers between 0.7 and 1%.
- ❖ The increasingly tighter supply of rental properties and increased demand has seen increases of over 15% in rental prices hitting low income families and there are no immediate signs of any relief. In fact some sources forecast an annual rent increase of 10% in the Sydney rental market for each year over the next three years. (Jason Anderson, senior economist with analyst BIS Shrapnel),
- ❖ Whilst it is illegal now to hold Rental property auctions there continues to be anecdotal evidence of this occurring in a much more covert way.
- ❖ The residential rental market has adopted a take it or leave attitude on rents and conditions of properties. Again clients report appalling conditions of properties rented at exorbitant rates. The demand is so high and mobility options of tenants to move to another tenancy severely restricted, that tenants prefer to put up with poor conditions for fear of eviction.
- ❖ Low income families reliant on Centrelink payments are provided with eviction notices – because landlords want to reclaim properties upon expiry of leases in order to raise rents which they assess a Centrelink tenant will not be able to pay. The landlord needs to give 60 days notice for this purpose, which is often not enough time to find another property, although changes to the tenancy agreement seeks to increase notice to 90 days. Rent Start is generally only available every 12 months which leaves tenants who are evicted by market forces and not through any fault on their part will not get adequate, if any, assistance if they are forced to move within the 12 months if any. ¹
- ❖ Some landlords renting properties for \$ 300 and over are asking for 6 weeks bond and 4 weeks rent. Rent Start only provides 4 weeks bond and 2 weeks rent – leaving the client to come up with an extra minimum of \$1200, plus moving costs, connection of utilities etc. ²
- ❖ Emergency Relief provisions for low income families are highly inadequate with this new and expanding crisis. Emergency Relief providers are overwhelmed. Emergency assumes acute periods of financial hardship requiring assistance – we see more and more clients that are in a chronic situation of financial hardship due to rent increases, increases in mortgage

¹ Housing NSW provide RentStart for those who are forced to move through no fault of their own> level of assistance provided is assessed on each individuals circumstances.

² Housing NSW will assess out of guidelines for situations of hardship/crisis.

repayments, increased utility costs, rises in child care costs, soaring petrol prices, and surging grocery bills.

Services are unable to provide solutions and are faced with clients who present with high levels of anxiety, depression, hopelessness and talking of suicide as their only solution.

Mortgage Belt – in Fairfield.

Increases in interest rates and plummeting property values are leaving property owners between a **“brick and a hard place”** not just because of poor financial literacy when they purchased the property but also because they are victims of global and local market forces from both ends of the equation ie plummeting property values over the last five years and interest rate hikes over the last 18 months.

- Fall in Property values - People bought properties at the height of the property boom in late 2003 early 2004 when interest rates were substantially lower and at the time seemed affordable. Since then property prices have plummeted dramatically which coupled with steep interest rate rises has a crippling effect on mortgage holders.

- Among some of the worst losses studied, a home in New Cambridge St, Fairfield West bought for \$780,000 in November 2004 sold in July last year for \$415,000, a loss of 46.8 per cent. (Source: Daily Telegraph Article by Kelvin Bissett and Justin Vallejo, March 3, 2008.)

- Another Property purchased for \$ 240,000 in 2006 was sold for just \$140,000. A property worth \$ 400,000 last year is unlikely to sell for more than \$300,000.(Source: The Australian, Article by Sanna Trad, may 2008)

The aforesaid represents more rare and extreme examples of falling property values.

RP Data provides excellent information on Median Sale Prices by suburb. Median Sale Prices for Houses in Fairfield suburb have dropped between June 2007 and May 2008 from \$ 315,000 to \$ 276,000 (\$ 39,000 or \$ 14.1%).

Median Sale Prices for Units in the same period have dropped from \$ 192,000 to \$170,000 representing (\$22,000 or 12.9%)

On an LGA basis House Median Sales Price represents a fall of \$5000 for Houses and \$7,500 for Units. (Source <http://www.myrp.com.au/index.do>)

- Home Repossessions in NSW writs of possession to lenders have risen from 2357 to 3935 in the last year, a 67 per cent jump on the previous year. 1580 writs were executed.
- Fairfield has one of the highest home repossession rates in NSW. The Sherriff's Office executed 113 notices in 2005 and 259 notices last year which represents a 129% increase.
- In the period 2003 to 2006 Supreme Court Data applications for writs of possession reveals Fairfield-Liverpool with the highest increase in number of applications 414; followed by Central Western Sydney 317; Canterbury – Bankstown 307; and Blacktown 244. (Source: Wayne Swan, Treasurer November 10, 2007.)
- There are claims that the number of home repossessions around the nation is up to four times higher than reported figures because lenders are disguising the nature of forced sales to prop up property prices.

Note:It is very difficult to get up to date figures of repossession/or writs of possession data for NSW changes some claim 4000, others 3935 and yet another source claims 5363 writs.

There are recommendations to have improved annual data collection through ABS and/ or The Reserve Bank.

➤ Interest Rates -

- Bank Variable Interest rates in Jan 2003 were around 6% and increased to 8% by Jan 2007.
- Bank 3 year fixed interest rate in Sept 2004 was around 7% and increased to 8.4% by Sept 2007.

The most recent interest rates (at the time of writing) through the major Banks are below:

Australian Banks					
Week Ending	Rate	ANZ	CBA	National	Westpac
25/07/2008	Variable	9.62 %	9.79 %	9.61 %	9.61 %
	1 year Fixed	9.10 %	9.59 %	9.45 %	9.59 %
	5 year Fixed	9.49 %	9.39 %	9.29 %	9.39 %

The variable rate versus fixed rate is yet another hurdle which requires financial literacy or maybe a degree in economics or just pure luck for the choice to result

in favor of the borrower. The fixed rate is always slightly higher than the variable. The upside of fixed rates is if the variable rates rise – it will not affect the fixed rate until the end of the term. The downside of this arrangement is that fixed rates cannot be paid off more quickly through increased payments, whereas the variable rates can. So the more literate hedge bets both ways by taking a portion of the loan at the variable rate and the remainder at fixed rates.

The less financially wise and ill advised opt for either fixed or variable rates for a 100 % of the loan. Those on variable rates had to bear each increase as they occurred the burden was incremental and perhaps more tolerable, particularly if borrowers took the opportunity if they had the capacity to pay the mortgage off faster.

Borrowers on a fixed loan were hit with the aggregate interest rate rises when the fixed term lapsed. An anxious client (who thought they made a considered decision with the help of a mortgage broker opted for the fixed rate 3 years ago. The recent lapse of the fixed rate meant the client had to find an extra \$ 400 a month. The capital value of the loan was not greatly reduced as they mostly paid interest, and to make matters worse the property value from time of purchase dropped by \$15,000 or more down to \$ 325,000 if they are lucky enough to get that price. The client said “suddenly our world collapsed, we are on the edge of losing our home if one of us loses the job that would be it. We started to think of selling but the rents have also risen and continue to increase and the tenancy tenure has weakened. So we decided to stay. We are very scared and feel hopeless with more costs in petrol, food and other living costs we are scared that we may lose our home. So here we are now – scared, confused and very depressed. The situation is very hard for us and I believe families are in a similar situation.”

Having this Forum is the beginning of addressing the unease and awe around the housing issues. We in the welfare and community development sector need to learn yet again more about support services and programs offered by government and non-government providers – the Bridging Information and Service gaps in housing workshop will attempt to begin to catalogue and address that.

From a capacity building, advocacy, policies and planning perspective we need to have more of these forums, we need peak bodies to analyse policies and pass information through consultative frameworks, discussions at forums and networks to demystify the real level of crisis and have input to sound planning and policy and program development around housing. The Housing Crisis and Advocacy Workshop seeks to explore this further.

There are a myriad of complexities to address and overcome – there are no single solutions, or short term solutions we simply need to ride this storm and find sound, sensible, practical and long-lasting solutions.

The Rudd government has announced a \$22 billion dollar package to re-invigorate the housing market on a number of fronts and I will leave Mary Perkins from Shelter NSW to speak to this Forum about Federal and State government initiatives.

4.2

“A quick guide to housing facts and figures,” Information sourced by Shelter NSW

(Shelter NSW was a guest speaker on the day of the workshops however the following information is not a transcript of their paper. The information has been sourced directly from their website, accompanying diagrams and references may be found at: <http://www.shelternsw.infoxchange.net.au/docs/fly08factsheet-aust.pdf>)

Housing Stress.

Around 15% of Australian households are in ‘housing stress’, ie. They pay more than 30% of their gross income on recurrent housing costs. This proportion of Australians has been steady over the last decade.

The total number of households in housing stress has increased, as the number of households has increased with population growth and new household formation. There are over 1,000,000 low –moderate income Australian households in housing stress.

Housing stress varies by tenure, with private renters comprising over half of the 1,000,000 low-moderate income households who are in housing stress.

Home purchase

House prices across Australia have more than quadrupled in the last 20 years.

New South Wales has the most heated market for private housing in Australia, with median house prices in Sydney more than a fifth higher than in Canberra, the second most expensive city for home purchase, followed by Perth.

High house prices present two barriers to homeownership for low-income households: an initial (or ‘market entry’) barrier when seeking to meet the upfront costs of buying a dwelling, and an ongoing issue with meeting recurrent cost.

The deposit required for a first home loan for a medium – priced house has risen from an amount equivalent to about 25% of average annual household income of 60% of average annual household income, since the mid 1980s.

The cost of meeting loan repayments is the 2nd financial barrier to homeownership for low-income households.

Required loan repayments for dwellings bought at a median price with the help of loan from the Commonwealth Bank vary from \$2,986 a month in Perth to \$3,113 a month in Sydney.

It has fallen for younger households, however. Home ownership rates for households in the 25-29 and 30-34 age groups have fallen by nearly 10% since the early 1980s, reflecting an increase in the number of single-person households and a rise in the number of sole-parent households.

Rental

The supply of rental housing is dependent on many factors. These include the relative attraction of investment in housing, compared with the returns on investment in other areas, which is influenced by the taxation treatment of each.

Short –term income from rents has not been a significant driver of investment in this sector.

Gross yields from investment in rental dwellings average some 3-3.5% for detached dwellings, which is low compared with similar countries.

Vacancy rates for dwellings in the private housing market are low. This creates greater competition for those rental dwellings that do become vacant, and encourages rent increases without any corresponding improvement in the quality of the product being provided.

There is a shortage of dwellings for rental in the private market for households with low-moderate incomes in the 3 major cities. There was a shortage of 83,000 such dwellings in Sydney, Melbourne and Brisbane in 2001, for households with low-moderate incomes of up to \$447 a week (the lowest 22% of household incomes.)

Rents in private rental housing have been going up in real terms for some years. The mean weekly rent was \$198 in 2003- 04. The median weekly rent in private rental varies from state to territory. The highest median weekly rent in 2003-04 was in the ACT at \$260, and the lowest median weekly rent in Tasmania at \$125.

Social Housing

There are around 380,000 social housing dwellings in Australia. This figure covers public housing, government-owned and managed Indigenous housing CSHA community housing and crisis accommodation program dwellings.

The number of people on the social housing waiting list has fallen in the last year. The major reason for this have been tightening of eligibility criteria in some jurisdictions, and reviews of the status of previous applicants. Even so, there are over 230,000 applicants waiting for social housing.

Social housing

Public housing is the best subsector of social housing, providing nearly 90% of social housing dwellings. There has been a 4% decrease in supply in this subsector over the last 6 years.

The community housing subsector has around 30,000 dwellings, a number that has been fairly constant over the last 6 years.

There are nearly 40,000 applicants on the community housing waiting list.

The government – owned and managed Indigenous housing subsector has around 12,000 dwellings.

There are nearly 10,000 applicants on the waiting lists for government – owned and managed indigenous housing.

Homelessness.

The number of contacts homeless people have with homelessness services has increased by 18% over the last 6 years, to over 100,000.

Indigenous people are heavily ‘over-represented’ as clients of homelessness services, among which they comprise 17% of the total number of clients while comprising less than 2% of the overall Australian population.

The average daily number of requests for SAAP accommodation that could not be met was 448 in 2004 – 05, and 497 in 2005-06.

5. Issues identified by the Workshops

Two workshops were held during the Forum- ‘Bridging Information and Service Gaps in Housing’ and ‘Housing Crisis and Advocacy’. Participants chose which workshop they wanted to attend. The workshops were facilitated by members of the Fairfield Housing Task Force. Participants were led through a structured discussion and had the opportunity to identify issues and then priorities for action.

5.1 Bridging Information and Service Gaps in Housing

Participants in the workshop identified a range of issues, which have been presented in the following themes:

- What is Currently Happening
- Issues and Challenges
- Is the Current System Working Adequately

What is currently happening

- Some clients have complex needs and require intensive assistance to find accommodation. This includes accessing internet, directories, making calls and talking to real estate agents. Also includes helping people get formal identification such and supporting documentation.
- Some clients do not have the skills (due to their circumstances) to negotiate the process of finding housing.
- Agencies need to undertake an assessment process with the client first.
- Contact is made with SAAP services and refuges both in and out of the local area.
- Some services provide support for single women, but only for three months.
- Clients often have to negotiate the housing market themselves.
- Assist clients to lodge applications with Housing NSW and community housing.
- Discriminatory practices by real estate agents. They really don't want welfare dependant people taking tenancies, prefer working people. Examples given of the comments made, "sorry, this one is gone" or "how much are you willing to pay?" despite there being a weekly rental price advertised, or "we prefer no children" or "the landlord won't accept you" etc etc. Professional ethics and standards within the real estate industry needs to be looked at.
- Difficult to find affordable accommodation. Rents may not seem like much but for people who are receiving very little income, they just can't survive.
- Clients often become homeless because they are not aware of their rights and responsibilities.
- Totally inadequate tenant advocacy services. At present, residents need to travel to Campbelltown. Access becomes a critical issue, particularly when people don't speak English.
- Many workers stated tenants will never complain about the problems with their housing because they fear if they speak up, they will be evicted. In any case, it is so hard to find anything cheap, that they tolerate sub standard and dangerous premises. The few cases that workers were aware of where tenants complained to real estate agents, they found that

the issues were not acted upon and for the few that were dealt with, it took over 12 months to fix the problem.

Issues and Challenges

- Noted the confusion in understanding what evidence is required by Housing NSW to build a strong case for housing (particularly priority housing).
- No exit strategies for SAAP services. Once a client's tenure has expired, it is difficult to find them more permanent and stable housing in the private market. SAAP services become a "revolving door".
- Lack of affordable rentals for young people. Often forced into share situations (there have been issues with safety).
- Challenges for people applying for private rental if they do not have references of previous tenancies. Most real estate agents only want references from other agents, not from services.
- Challenges for people who are on the TICA list. Often people don't know for sure, or agents tell them are but they don't know why. No one knows how to get themselves off the TICA list.
- Discussed professional ethics for workers trying to get people into accommodation when they know the tenancy is highly likely to fail and that the people will not have adequate money for other living costs.
- There is limited suitable accommodation across Fairfield City, for eg: large families, young people, people with mental illness etc.
- A lot of the cheaper accommodation is of a very poor and dangerous standard. Safety issues discussed.
- Not enough support services for people with complex needs. Access criteria and waiting lists are prohibitive.
- Few workers referred clients to tenant advocate services, as people can't afford to travel to the nearest service at Campbelltown, or the assistance received previously was not positive.
- Some workers were aware of the Housing Appeals Committee.
- Workers were not aware of the various services provided by Housing NSW, such as private rental brokerage.
- Working with young people can be challenging, particularly when dealing with issues like rights and responsibilities and financial management. Young people often fail to understand the dire consequences of not meeting their tenant responsibilities and thus often find themselves homeless and in debt.
- Need more support services to help people with mental health issues to sustain their tenancies. The HASI program is good, but needs to be extended.
- Services need to receive adequate budgets to pay for interpreting and translating services. Language barriers are a critical issue for Fairfield City.

Is the current system working adequately?

- Stringent eligibility criteria for priority housing for Housing NSW. The growing demand by people in need and limited housing stock means that low income families are not deemed important, and only those with serious illness can be classified as having priority need.
- Complexity and fragmentation of the system means many people do not receive assistance.
- There simply isn't enough housing stock that is affordable and suitable
- Administrative processes that need to be undertaken are prohibitive, impacting on time and resources for services whilst also impacting on ability of individuals to get assistance.
- Growing interest in share accommodation by Housing NSW, but there has been no study undertaken to consider the appropriateness of this suggestion to individuals.
- Admirable that Housing NSW is redeveloping its stock. Need to ensure that the new stock with private ownership has a fixed proportion allocated to low income households. Pricing needs to be a policy focus.
- Systems for exit/ transitional housing are complex and often deliver no outcomes.
- Access to interpreters can be difficult and places restraints on the timely delivery of service.

5.2 Housing Crisis and Advocacy

Participants in the workshop identified a range of issues, which have been presented in the following themes:

- Issues for Specific Target Groups
- Supply and Stock Issues
- Broader/ Political/ Administrative Issues

Issues For Specific Target Groups

- No accommodation options for people released from prison (DOH and private access) support services
- Limited housing options that are suitable for older people
- Limited housing options for people with disabilities
- Limited scope to secure long term housing for single parents

Supply and Stock Issues

- Banks increasing rates in addition to Reserve Bank increases
- Inadequate supply of public and community housing stock
- Limited private rental housing that is affordable for low income
- Private rental housing that is of poor standard: uninhabitable
- SAAP services have no exit strategies for clients. There is nowhere to send them to be housed once they've used their allocated time with the SAAP provider.
- Lack of housing stock for larger families, a particularly issue for some newly arrived residents.
- Need more public and community housing (DOH is renewing but not increasing available stock)
- Clients housed according to bedrooms (large families in small accommodation (DOH has limited stock) and private market is too expensive and also limited stock.
- PH stock for DV : exit housing

Broader/ Political/ Administrative Issues

- Complexities of assessment criteria for public housing applicants
- Rental Assistance is limited within time frames, and it is a set figure, so doesn't take into account the high cost of housing in Sydney.
- Higher density housing is not considering practical issues, such as audio, visual, privacy, and recreation space.
- Real estate agents need to be more understanding of people's needs
- Discrimination: at a local level: to do with race, income, family size, children
- Need local action, Pursue action on discrimination against standardized forms and privacy concerns (people made to fill in forms, are they addressing privacy issues?)
- Real estate agents and use of forms, sometimes ask for sensitive information, culturally some people are uncomfortable providing private information.
- Auctions: specific venues/ times (people directed to apply/ view a property is limited, Real estate agents have process meant discriminated against people who worked, then they turn up and no agents available.
- Changing cultures about expectations of public housing: trend toward higher density housing.
- Subsidising mum and dad investors, losing them, need to support small time investor. Financial gains limited.
- Lack of HSG advocacy, policy officer and legal fees. Need more research and lobbying.

- More tenant advocacy and financial advice:
- Renewable tenancies: concern about assessment by DOH and people just getting back on their feet and being evicted into private market.

6. Recommendations and Priorities identified by the Workshops Participants

Strategies to be delivered at a local level

1. Deliver a range of workshops (maximum half day in duration), and information/ training packages, to assist local workers to provide the best options and support for clients
2. Provide email/ web updates that workers can easily access with up to date information, tip sheets, data, etc.
3. Undertake a Housing needs study for the Fairfield LGA
4. Build relationships: with community and RE agents and DOH, SAAP all housing stakeholders: shared understanding of what was happening locally
5. Use the media to advocate by highlighting tenancy problems and issues as well as an educational tool.
6. Standard questions for caseworkers: Housing NSW: assessment process and what RE agents ask for.

Broader/ Political Strategies

1. Work collaboratively to develop a new model with the funding that is available. Need to continue engaging with housing providers, including those beyond the Fairfield LGA.
2. Advocate for better control over banks and interest rates as well as greater transparency.
3. More public and community housing
4. SAAP services and exit housing
5. Increasing rental assistance
6. Lack of housing advocacy: policy officer: local and peak positions
7. Specialist services required: tenants support and advocacy for those in housing crisis, support services for those experiencing mortgage stress.

Annexure A

Press Releases

16 th February 2008	Sydney Morning Herald	And the winner for most polarized city is...
20 th February 2008	Fairfield Advance	We're no ghetto
4 th March 2008	University of Western Sydney	RBA Rate rise makes situation even worse
9 th March 2008	The Daily Telegraph	Don't go calling our home a ghetto
12 th March 2008	The Champion	We wear our scars proudly
12 th March 2008	Fairfield Advance	Repo writs rise
2 nd April 2008	Fairfield Advance	Homes for rent just appalling
16 th April 2008	The Champion	Rents rising in grim time
May 2008	Speech by Kevin Rudd	PM Outlines role for Local Government in affordable housing
9 th May 2008	University of Western Sydney	Mortgage stress cuts across all incomes and the pain is growing
9 th May 2008	Sydney Morning Herald	Interest rates the lesser evil, study finds
12 th May 2008	The Australian	Heartbreak as home repossessions hit suburbs
15 th May 2008	Sydney Morning Herald	Helping hand for first home buyers
25 th May 2008	The Daily Telegraph	Retirees trapped by family

4 th June 2008	Fairfield Advance	Forum to tackle the woes of mortgage stress
7 th June 2008	Sydney Morning Herald	More jobs in the west delay the worst
9 th June 2008	The Champion	Wetherill Park worst for weathering rates
16 th June 2008	Fairfield Advance	Boost for Public Housing
17 th June 2008	Australian Financial Review	Stamp duty on hit list for home affordability
16 th July 2008	The Champion	A super way to mayhem
	Sane Research Bulletin 7	Housing and mental illness
23 rd July 2008	The Champion	Resolve helps families settle into new housing
24 th July 2008	Sydney Morning Herald	Landlords force rents spike as rates bloat costs

Annexure B: Housing affordability in Fairfield: recent trends at September 2009

The publication and distribution of the *Fairfield Housing Taskforce: 2008 Housing Interaction Forum Report and Update* in September 2009 provides an opportunity to report and reassess on indicators informing the Forum of 2008. The following information shows some important shifts in the factors affecting housing affordability since the original report was compiled. The new data in no way detracts from or contradicts the reflections of the report as a whole, but suggests a further intensification of housing affordability issues in the period following the Great Financial Crisis and the corresponding Australian Governments' financial stimulus package.

Median sales prices

The Fairfield Taskforce Housing Report noted a sharp drop in the median sales prices of houses and units over the financial year 2007–2008. This slump in sales prices has been since reversed over the last year (2008-2009). Using the same data source (RP Data, www.myrp.com.au):

Capital growth in Median House Prices 2005-2009

Period	Fairfield LGA
2005	-5.3%
2006	-5.3%
2007	-1.4%
2008	0.0%
2009	6.0%

Source. RP Data, Sept 09

Capital Growth in Median Unit Prices 2005-2009

Period	Fairfield LGA
2005	4.2
2006	-15.7%
2007	-9.5%
2008	1.8%
2009	10.3%

Source. RP Data, Sept 09

Comment

The rising money value of housing in Fairfield reflects rises in the value of houses and units in other disadvantaged areas of Sydney over the last year. Trends in property values in traditionally wealthier areas of Sydney have, in contrast, been downward since the start of the Great Financial Crisis, supporting a conclusion that wealthy areas and households have been most severely affected by the recession (see 'Rich get walloped by recession', SMH, 11/9/09). Observations of the relative lack of impact of the GFC on property values within disadvantaged areas does not, however, reflect the fortunes of residents of those areas as a whole. Rising property prices in disadvantaged areas may in part reflect an increased capacity of landlords to capture surplus rent due to the affects of the redistribution program of the Australian Government associated with the stimulus packages. Rents over the last two years have risen very rapidly in Fairfield, far outstripping wage growth (see data below). The extension of the First Home Owners incentive to late 2009 has also acted to lift prices.

Fall in repossessions

The level of home repossessions has reportedly fallen since the September 2008. Interest rates have been reduced by more than 4 percentage points: Reserve Bank data shows interest on 30 day bank bills fell from 7.59% in June 2008 to 3.16% in June 2009. The fall in

interest rates has reduced the mortgage payments of many households by hundreds of dollars.

This fluctuation does not appear to be reflected in writs issued by the NSW Supreme Court, which shows little variation in monthly numbers of writs over 2008-2009 or over the period 2005-2009 shown in the table below.

Writs issued by the NSW Supreme Court - cases commenced in the Possession List*

	2005	2006	2007	2008	2009	
Total to June	2177	2659	2834	2519	2796	
Total for year	4873	5368	5454	5472		

Source: NSW Supreme Court

*The writs do not differentiate by property type. The number shows writs issued for commercial, investment and residential properties, and unimproved land.

Rental values

Median Rental Values in Fairfield June 2007 to June 2009 for 2 and 3 bedroom dwellings

	June 07	Sept 07	Dec 07	Mar 08	June 08	Sept 08	Dec 08	Mar 09	June 09
Fairfield 3 brdm all dwellings	270	270	280	285	300	320	330	340	340
Sydney SD 3 brdm All dwellings	320	330	350	350	360	380	385	390	390
Fairfield 2 brdm All dwellings	190	200	200	200	220	220	240	250	250
Sydney SD 2 brdm All dwellings	320	335	350	350	375	380	390	390	390

Source: NSW Department of Housing

Median rents and annual/quarterly increase (all dwellings) to June 2009, Fairfield LGA

	One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom		
	Median \$	Qtly %	Ann %	Median \$	Qtly %	Ann %	Median \$	Qtly %	Ann %	Median \$	Qtly %	Ann %
Sydney SD	360	1.4	2.9	390	0	4	390	0	8.3	500	0	5.3
Fairfield LGA	200	8.1	14.3	250	0	13.6	340	0	13.3	410	2.5	7.9

Source: Rent and Sales Report, June 2009, HNSW

Annual rent increases for Fairfield by selected suburbs show Bonnyrigg to have led the rise in market rents in the area according to data supplied to St George Community Housing by Housing NSW in July this year. Note that the table below does not indicate the period in which the increase in market rents occurred, its main value being to indicate the concentration of market rent increase around Bonnyrigg.

Annual increase in median market rents in selected Fairfield suburbs to June 2009

Supplied by St George Community Housing

Suburb	% Change in Market Rent
ST JOHNS PARK Average	15.25%
SMITHFIELD Average	18.71%
FAIRFIELD Average	19.75%
EDENSOR PARK Average	18.58%
CABRAMATTA Average	24.82%
BOSSLEY PARK Average	21.22%
CANLEY VALE Average	26.83%
FAIRFIELD WEST Average	20.90%
CANLEY HEIGHTS Average	22.24%
FAIRFIELD HEIGHTS Average	25.13%
WAKELEY Average	23.74%
FAIRFIELD EAST Average	25.06%
BONNYRIGG Average	34.73%
GREENFIELD PARK Average	21.00%
BONNYRIGG HEIGHTS Average	30.04%
Bonnyrigg	29.00%

Capacity to meet rising rents

The rise in the level of market rent has not been matched by a rise in incomes. Average wages have grown slowly over the two years. Slow wage growth coupled with the fall in hours worked has resulted in reducing mean income by an estimated \$80 per annum per household across Australia to June 2009. Unemployment data for Fairfield-Liverpool shows the area has carried a greater than average increase in unemployment than NSW as a whole. This ABS Labour Force region showed the highest unadjusted rate of unemployment in NSW at June 2009. It is likely Fairfield is carrying the greater proportion of the increased unemployment of the two areas. Manufacturing and building industries, in which Fairfield residents are well represented, have been particularly affected by the GFC downturn.

Unemployment by ABS Labour Force Region June 2008 –June 2009

(not seasonally adjusted)

	Unemployment % at June 2009	Annual change (% points)	Number of unemployed
Sydney	6.4	2.3	151,800
Fairfield-Liverpool*	10.7	4.5	18,800

Source: DEEWR, * at December 2008 DEEWR `smoothed' estimates for unemployment rate in Fairfield Statistical Local Area was 8.1% (10,773) and for Liverpool SLA 5.6% (7484).

Conclusion

Fairfield tenants in the private property market or in social housing properties charging market rent have been required to meet a huge increase in rents over the last two years. These increases have been out of step with increases in wages over the period. Unemployment and reduced working hours will have acted to drive down the mean income for Fairfield in the post-Great Financial Crisis period, so that rent as a proportion of household income may at this point be highest ever for some households. Housing affordability, as a relationship between rent/mortgage and income, will have therefore significantly deteriorated since the 2008 reports of the Fairfield Housing Taskforce were written.

The effects of the economic stimulus package will have compensated falling incomes to an extent. The degree to which economic stimulus has offset hardship to Fairfield households is beyond the scope of this paper. It is clear, however, that the increased rentals households are now required to meet exceed the redistributions enabled by one-off payments to individuals and families and that without controls on the rental market, that landlords have been in a position to capture a surplus rent due to the relative liquidity of their tenants.

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September 2009