Tenants' choice or Hobson's choice:

A study of the transfer of tenanted dwellings from public housing to community housing in NSW

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This version differs from that Research Paper in not having a contents table, in pagination, and in not including the interview schedules.

Disclaimer

The views in this paper are those of the authors alone and do not necessarily reflect the views or policy of the Urban Frontiers Program or the University of Western Sydney.

Preface

Tenants' choice or Hobson's choice …

Shelter NSW made the decision to look into the practice of tenanted stock transfers following reports from our members that tenants were not being treated fairly during the process. Most were offered no choice about whether the transfer of their homes would go ahead and they had very little information about their options.

These reports were of broader concern too because it was likely that tenanted stock transfers would become more widespread as a way of increasing the amount of publicly funded housing stock under the management of community housing providers.

Following discussions with the University of Western Sydney, we entered into a partnership arrangement to research the policy and practice of tenanted stock transfers from a consumer viewpoint with a view to improving the process.

During the course of the project, the researchers held discussions with tenants involved in the process, staff from the Department of Housing in both policy and operational areas, and community housing provider staff. On the basis of these interviews, we have made a number of recommendations to improve the process of tenanted stock transfers.

Since the completion of the research last year, we have had discussions with the Department of Housing about our findings and their implications for the practice of tenanted stock transfers. The Department has used this information in its review of tenanted stock transfer procedures.

We would like to thank all of the people that agreed to be interviewed in the course of the research and of course the researchers themselves, Michael Darcy and Jill Stringfellow.

Rod Plant

Executive Officer, SHELTER NSW

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1   RECOMMENDATIONS

I   **The Office of Community Housing should work with Pubic Housing Services, tenant advocates, including Shelter NSW, and the Federation of Housing Associations to develop a protocol for the transfer of tenants, and their dwellings, between housing providers.**

II   **This protocol should be developed to reflect the primacy of the principle of tenant choice over other considerations, including the issue of whether it is easier to manage groups of tenants in discrete blocks. Where it is proposed that a group of dwellings (e.g. a street or block) is to be transferred, an information campaign presenting both 'yes' and 'no' cases should take place. Following this a ballot would be held. 75 per cent of existing tenants would have to support the transfer for it to take place. In cases where 75 per cent of tenants are in favour of stock transfers but some individual tenants are opposed, these individuals should have the option of transferring to another property in the same area under the management of the same provider.**

III   **The protocol should ensure that:**
(a) no tenant should suffer any disadvantage, such as relocation, if they choose not to accept an offer of transfer to a housing association;
(b) all tenants invited to consider transferring their tenancy are provided with clear written information detailing the reasons why transfers are being invited, and the tenant's rent and other tenancy rights;
(c) all tenants invited to consider transferring their tenancy are provided with access to an independent source of advice and advocacy such as a tenants' advisory service, a regional tenant resource service or the Tenants' Union; and
(d) tenants involved in the transfer process have the ability to appeal decisions made during that process to an independent body.

IV   **All social housing staff involved in the transfer of tenants between providers should be adequately trained in the implementation of the protocol, with a strong emphasis on the principle of tenant choice.**

V   **To further the principle of tenant choice, all PHS tenants in areas where the transfer of tenanted dwellings is deemed desirable, should be invited to express interest in transferring their tenancy to the housing association. This process will have to be managed with the capacity of the housing association in mind.**

VI   **The DoH should develop a charter of rights and tenancy conditions for tenants of social housing in both public and community sectors. These rights and tenancy conditions**

should be transferable across social housing landlords. Furthermore, tenants who change managers should be assured of an adequate standard of service through a service agreement signed by the new housing manager.

VII   The Department of Housing should develop a mechanism for early tenant involvement about significant changes in estates or estate management. Tenants must have opportunities, through their representative organisations and other forums, to be closely involved in plans to 'revitalise' or 'destigmatise' public housing estates. This involvement should occur at local, regional and state levels. Furthermore, the agreement of tenants should be sought before any process to improve estates is undertaken.

2 Introduction

Provision of social housing by non-government (or community) organisations is a relatively recent phenomenon in Australia and to date has occurred on a small scale only. In NSW, efforts to increase the scale of operations of the community sector have, in the last few years, focussed on transferring the management of dwelling units from the state housing authority to selected community organisations. While most of the units involved have been vacant at the time of transfer, the pressure of identifying suitable properties to meet policy targets has seen a number of public tenants also being caught up in the process.

At the Shelter NSW Policy Development Workshop on public housing estate management in March 1999 members raised concerns about the way tenanted transfers were being undertaken. Following the conference it was decided Shelter would support the undertaking of a research project examining tenanted transfers. It is believed that this issue will become more important in the near future as tenanted property transfers are used increasingly to expand the size of community housing organisations and as a way of diversifying housing management on estates.

This report documents the outcomes of the research undertaken in examining how tenanted transfers have been conducted to date in NSW. The research explored the current practices of all the key stakeholders in the transfer of tenanted public housing properties. The project aimed to investigate tenants' experiences of the process to date, in order to help improve practices in the future.

It was disappointing to find that the process of undertaking tenanted transfers is at best inconsistent and apparently disorganised, and conflicts with other housing management policy objectives. At worst, it may, in some cases, be legally challengeable. On the other hand, tenants who have accepted transfers to housing associations are largely happy with the outcome, and we have no doubt that the staff involved were well motivated in taking the actions reported here.

Our conclusion is that the processes adopted for transferring tenanted dwellings to housing associations are a classic case of bureaucratic 'goal displacement', where the means to an end have becoming an end in themselves. That is to say, the objective of increasing the amount of stock under management of community housing associations is really just a means to improving the experience of social housing tenants overall, but what we have observed in this research is a process designed to achieve this increase, even at the risk of tenants' interests.

This report begins with an outline of developments in the social housing system in New South Wales and in particular the sections of the housing system influencing the occurrence of property transfers. A description is also presented of the housing system in the United Kingdom where property transfers began in the early 1980s and have continued on a very large scale. The findings of the research are reported under four headings: the process; factors influencing tenants' decisions; security of tenure;

and introducing choice. The report finishes with a discussion of the transfer process and makes recommendations for future methods of undertaking transfers.

3   Stock Transfer and Multi-Provider Social Housing in NSW

Long term subsidised housing in New South Wales (NSW) is largely supplied and managed by a single government housing provider. Public Housing Services (PHS), formerly called the Department of Housing (DoH), manages approximately 94% of the total supply of long term subsidised housing in NSW. Ownership of properties managed by PHS and community housing providers is vested with the NSW Land and Housing Corporation (L&HC).

The housing assistance delivery system in New South Wales has undergone dramatic changes in the past five years. Following the publication of a series of reports commissioned to provide strategies for the reform of housing assistance delivery, a determined effort has been made to shift the current balance and introduce a multi-provider system of housing assistance.

The multi-provider system involves the delivery of long term low cost government owned accommodation by both government and non-government organisations. The Housing Policy Green Paper published in 1995 highlighted a perceived need for alternative providers of housing assistance. The Community Housing Strategy, published in 1996, confirmed that "the community housing sector is to be developed as an alternative provider system to public housing" (DUAP 1996). According to the Strategy, in June 1995, there were approximately 5200 community housing rental properties. The range of community-based providers managing these properties included: housing associations, housing co-operatives (small groups of tenant households jointly managing their housing), community groups operating crisis and medium term accommodation and a range of welfare, church and local government associations.

Some four years later as mentioned above the community housing sector now manages 6500 properties for long term housing (DoH 1999). There are currently up to 620 community-based providers operating in NSW. Together they manage approximately 7450 properties (including 950 properties used for short term (crisis) to medium term accommodation), (need to check these numbers, see Schedule 1) only a small fraction of which they hold title to, the remainder being legally owned by the L&HC or other government departments or non-profit organisations. Approximately 18 organisations manage 60% of long term community housing properties. The aim of expanding the community housing sector is said to be to increase "*consumer choice to be able to offer alternatives for people whose only housing options in the past may have been public housing, and to promote innovation in service delivery through increased competition in the sector*" (DoH 1999).

Close to one-third of this growth has been achieved through the transfer of the management of properties from PHS to a small number of housing associations termed 'growth associations'[1]. These property transfers differ from any property management arrangements previously organised between PHS and community-based providers.

A formal program, named the Transfer Program, was developed in 1996 by the then Department of Housing and Office of Community Housing and in conjunction with the then Housing and Metropolitan Division of the Department of Urban Affairs and Planning. While the Community Housing Strategy had previously indicated that some 1820 properties would be transferred as part of the Transfer Program (DUAP 1996), the Transfer Program involved the transfer of 900 PHS properties to local housing associations by July 1999. It is not certain why the number was reduced, however, all further documents indicated only 900 properties would be transferred.

Following the announcement that DoH would transfer 900 properties to the 17 housing associations identified for growth across New South Wales protocols were developed to govern the transfers. The Stock Transfer Program Protocol (STPP) was not developed to include the 'large scale transfer of tenanted DoH properties'. However, provision was made to allow for the transfer of tenanted properties subject to the agreement of the community housing organisation and the tenant involved and with the approval of the Executive Director of OCH. The protocol was focussed on ensuring a 'consistent framework to develop appropriate strategies for determining the location, nature and timing of property transfers'. The statewide protocol focuses largely on financial and administrative arrangements between OCH and the then DoH.

Individual Regions within PHS were required to develop Regional Transfer Plans that were consistent with the STPP. The Regional Transfer Plans allowed for flexibility between Regions when undertaking transfers. Regions were required to document the type of properties they would transfer and the location of properties. This was to be negotiated with the housing association and OCH prior to documentation.

Early transfers consisted almost exclusively of vacant properties in line with the focus of the STPP. Despite the fact that legal title to the properties remains with the L&HC, the protocols stated that "properties should ideally be separately titled or capable of separate title" (DoH and OCH 1997). This would have the effect of discounting a large number of properties from being transferred, as a large number of PHS properties are on "superlots"[2] and individual dwellings are not on separate titles.

Over the same period of time, PHS has been undertaking a program of regeneration and upgrading of large housing estates. Approximately 30% of PHS properties are located on estates of more than 100 units. In Western Sydney more than 50% of properties are in this category. Work commenced on several estates in 1996 and is still continuing. In large part this work has focussed on improving the capital value and design features of properties and estates. Activities encouraging tenant participation and community development have been combined with the capital improvements. Many estates have established Estate Advisory Boards, employed Neighbourhood Improvement Co-ordinators and Housing Communities Assistance Program (HCAP) workers. More recently, regeneration plans have included the transfer of some properties to community housing associations. Underpinning this

element of regeneration programs is a belief, on the part of PHS, that some large estates have been "unsustainable" while operating under the management of one landlord (DoH 1999). In particular, Regions that were receiving funds for capital improvements under the then named 'Neighbourhood Improvement Program' were required to provide quarterly figures on the number of properties they had transferred to alternate housing providers, including community housing organisations. There has to date been no rigorous evaluation of Improvement Programs.

Whilst the transfer of vacant properties is still continuing, more recently regional and area offices of PHS and OCH have organised the transfer of a number of tenanted properties with the involvement of community housing organisations. Since 1998 at least 100 properties which were tenanted when first identified, have been transferred to growth associations (source?). The term 'tenanted transfer' refers here to the fact that the property was tenanted when transfer activities began. It does not necessarily mean tenants living in those properties eventually had their tenancy transferred to a housing association. As stated above, the transfer protocols place most emphasis on the transfer of vacant properties. Items such as property selection, vacancy maintenance and upgrading, grounds for refusal and handover were documented. No guidelines occur in the protocols as to how to conduct tenanted transfers. As a result, the practice of tenanted transfers has varied widely between (and even within) regions.

4   Transfers in the United Kingdom

4.1   Tenants' choice and Landlords' choice

In the United Kingdom property transfers have been occurring amongst social housing providers since 1980. In contrast to the Australian experience, stock transfers in the UK have involved the transfer of legal title for the properties.

In England, council housing was first transferred away from local authority control through the Right to Buy Scheme. This scheme gave tenants the right to buy their property. The scheme was heavily promoted and had a number of incentives to encourage tenants to take up the offer, primarily a heavily discounted purchase price. This method of transferring properties contributed to the largest number of property transfers with over 1.6 million properties being sold between 1979 and 1992 (Murie 1995).

The success of the Right to Buy Scheme in reducing the number of properties being managed by local authorities led to the "right to transfer" scheme. The scheme was developed in order to give tenants the right to transfer the management of their property to the landlord of their choice. Alternative landlords were most likely to be not-for-profit housing associations. Called Tenant's Choice a considerable amount of effort was made by the central government to develop a program that gave tenants the ability to choose their landlord but also protected their rights (Clapham and Kintrea 1994). A code of guidance for housing associations, a tenant's guarantee and procedures for the operation of Tenants Choice were all developed. The central authorities in both England and Scotland would have final approval on any transfers. The program was first developed in 1988 and by the end of 1993 no transfers had occurred under the scheme (Murie 1995).

After 1990 the Tenants Choice scheme would transform into a "landlord choice" scheme (Murie 1995). The work undertaken to develop codes of practice provided the framework for local authorities to transfer properties to newly formed housing associations. Termed Large Scale Voluntary Transfers (LSVTs) they would become the second biggest method of transferring properties from local authority management. LSVTs did not occur because tenants expressed a desire for a landlord other than the council (Mullins, Niner and Riseborough 1992). Rather, many local authorities established new housing associations to enjoy the financial benefits that were not available to them as local authorities including grants and borrowing. Preserving staff jobs was another key factor.

Some of the first LSVTs involved the transfer of properties to newly formed housing associations. By the end of 1991, 16 specially created housing associations were formed to accept a total of 76,000 properties (Clapham & Kintrea 1994). The government was keen to support large housing associations as it realised ideological motivations of removing housing from council control. Mullins, Niner and Riseborough (1992) believe local authorities saw themselves as facing common problems and looked to property transfers for relief. These problems were an inability to replace many of the

homes lost through Right to Buy, falling lettings, increased demand for local authority housing, and rising homeless applications.

Central government policy in England emphasised problems of monopoly control by local authorities. The focus was on demunicipalisation of council housing. However, Murie (1995) believes government was overestimating the degree to which tenants were dissatisfied with their current landlord as well as overestimating the benefits of LSVTs. He uses the example of the lack of interest in Tenants Choice to illustrate their satisfaction with council managed housing. Murie goes further to suggest whilst tenants had few legal rights as council housing tenants this cannot be used as a measure of the quality of service received. Under LSVTs tenants could lose considerable rights they once held under the local authority. Furthermore according to Murie attempts to introduce choice into the market can lead to a reduction in choice when LSVTs simply result in the replacement of one monopolistic landlord with another.

Clapham and Kintrea (1994) believe better outcomes of property transfers have occurred in Scotland than in England. In Scotland as well as properties being transferred to registered housing associations, additional property transfers have occurred via the development of par-value co-operatives. The program was devised by Glasgow City Council in the mid 1980s in order to attract additional investment and increase resident involvement in their housing. Par value co-operatives greatly increase tenants' role in the management process as the tenants themselves form the management committee who are responsible for approving a great portion of tenancy management decisions.

4.2   Tenant participation and property transfer in the UK

In England local authorities wishing to transfer their properties are required to get permission from the Secretary of State. The Secretary of State requires that a majority of tenants must endorse the transfer before approval is given, and consultation requirements are laid out for local authorities to follow. These requirements include serving tenants with notice of the transfer proposal and the consequences of the transfer, and allowing tenants to make representations to the authority regarding the proposal. Mullins, Niner and Riseborough's (1992) examination of early LSVTs showed that a variety of methods were adopted by local authorities to meet this requirement, including the ballot system. Some local authorities adopted a ballot system that required every tenant to accept the proposal whereas other ballots only required the majority of tenants to accept.

Taylor's (1999) analysis of the material produced by public landlords to inform tenants about transfer proposals, questioned the validity of ballots . She reviewed recent Scottish Homes material, "*a quango landlord currently seeking to transfer all its tenanted housing stock to alternative landlords*". Taylor's review focuses on a video produced by Scottish Homes which was made available free to tenants in areas where ballots were to be undertaken, and which she concluded was manipulative. A focus group of tenants viewing the video felt it was a mere sales pitch for accepting the transfer. After

being available in an balloted area that was unsuccessful for Scottish Homes (ie tenants voted against transferring the properties) the video was seen as having limited use by some at Scottish Homes.

Clapham and Kintrea (1994) undertook an evaluation of six large scale transfers in Scotland. Five of the schemes involved transferring properties from control of the Council to mutual or non-fully mutual co-operatives run by tenants known as Community Ownership. The research involved comparing the achievements of Community Ownership schemes with council housing and with a number of other types of landlord.

Community Ownership schemes are closely monitored by the central authority which closely examines all applications for funding and exerts considerable influence on how money is spent. However in matters of housing management the schemes have considerable freedom. They have responsibility for rent setting, rent collection and housing allocations, appointing staff and establishment of offices. Schemes also have an influence over the detail and phasing of improvement programs. In short, Community Ownership tenants have a substantial degree of influence over the management of their housing.

The performance of Community Ownership schemes was assessed under the three headings of: housing management effectiveness; resident involvement; and the impact of the organisation on their area. The results found Community Ownership gives a much greater potential for resident involvement than traditional council housing and has led to better housing management. Furthermore, the creation of Community Ownership appears to have led to more residents taking a favourable view of their area in the short term. Clapham and Kintrea (1994) concluded that locally based resident controlled landlords are a better idea than promoting LSVTs where the residents' role is confined to voting in a ballot.

5   Findings

5.1   Summary

Preliminary research for the current study revealed that approximately 10% of 900 properties transferred under the Stock Transfer Program in NSW to date were occupied by tenants when the process was commenced (source?). We discovered a high degree of consistency in the descriptions of the transfer process as it affected vacant property, but considerable delays and disagreements have occurred within the process and these are causing concerns for both PHS and housing associations. The disagreements range from the type of properties being offered, the infrequencies of offers, the condition of properties and the length of time properties remain vacant during handover. PHS and OCH are working to respond to these concerns.

On the other hand, in the case study areas which provided the data for the current study, the process of transferring tenanted properties was found to be variable. It was often inequitable and, in some cases, it was inconsistent with key aspects of housing policy, and possibly even open to legal challenge (can we back this up? I guess the rental arrears case would be open to legal challenge).

In general terms, tenanted transfers proceeded through three stages:

1. Properties to be transferred identified

2. Tenants living in the properties informed and made an offer

3. Transfer finalised

PHS took the primary responsibility for coordinating the transfers. This is not surprising given they have current management of the properties. All levels of the organisation had a role in the transfer process. The central office role, undertaken by the Transfer Strategy Group (which includes representation from OCH), was limited to the establishment and the monitoring of state-wide targets. Regional and local offices were responsible for undertaking the operational activities to effect the transfers. While each level of the organisation was aware that transfers were occurring, officials at the central or regional level were largely unaware of decisions being made at the operational level to effect the transfers. Many regional staff were unable to describe what had happened at the local level.

The following summary provides a broad description of the process identified in the research. The summary is a general overview and exceptions occur in individual case studies. These exceptions will be described in a later section.

Transfers were generally initiated at a regional level within PHS. Regional staff both monitor the regions' contribution to the Stock Transfer Program, and develop strategies for estate improvement. The types of properties transferred were either previously identified in Stock Transfer Plans or identified through "Community Renewal" schemes. The transfer process did not appear to differ

between properties transferred as an element of estate improvement or as part of the Stock Transfer Plan, and indeed it appears that often one property is used to meet both objectives. In developing stock transfer plans in 1997/98 PHS Regional Offices negotiated with community housing associations on the type of properties they could expect to receive (i.e. properties that were generally representative of the region's total stock).

Local PHS offices worked with the Regional Office to identify properties which met the appropriate criteria and might be suitable for transfer. In order to fulfil the requirements of the Transfer Program some regions identify every third vacant property as suitable for transfer, although it would appear that such practice has met with limited success given housing associations' preference for dwellings which are physically grouped together. Areas with higher turnover were more likely to provide a greater number of transfers particularly through vacant properties.

PHS most often chose properties that were located on an estate where some improvement works have been undertaken, although normally the specific properties offered had not received any upgrading. The properties were usually in a cluster and close to the perimeter of the estate. Regional and local PHS offices also imposed their own criteria, for example, a street that had particularly bad nuisance and annoyance or a small unit block. Given the nature of housing estates where one street looks very much like another, it would be possible for PHS to identify a number of other properties that meet the same criteria.

Once a property was identified the properties were then offered to the housing association. The housing association gave in principle acceptance of the offer if the property was suitably located and of the right configuration (ie bedroom size etc.).

Notably, in the case of tenanted transfers suitability was normally determined without internally inspecting the property or before any consultation with the tenants concerned was undertaken. After receiving in-principle agreement from the housing association that they would accept the properties PHS approached the tenants living in the properties. The tenants were told their properties were being transferred to a community housing association. This was, in all but one of the case study areas, the first time tenants became aware that decisions were being taken concerning the property they were living in. Prior to PHS identifying properties no thought was given to whether the tenants may want to change landlords. The method of receiving this information varied between tenants receiving a letter or being visited by PHS and/or the housing association.

Tenants were given information about the housing association and the differences they may expect to find with the housing association. All tenants, regardless of their length of tenure or personal circumstances were then presented with the same choice. That choice was to either transfer their tenancy to the housing association or accept re-housing with PHS in another location.

All properties transferred to housing associations were upgraded. Tenants transferring their tenancy remained in the property while this work was undertaken and had an opportunity to have input into the upgrading work, for example choosing new colours and carpet types. Tenants signed leases with the housing association either before or after this process.

PHS and housing associations were required to document the hand-over and finalise management arrangements. This included; tenants' rent payments, refund of rent paid past the end of tenants' leases with PHS.

The findings of the research will now be considered in greater detail under four main headings: the process; tenants' preferences; security of tenure and introducing choice.

5.2   The Transfer Process in Detail

5.2.1 Identification of Properties

The actual properties identified for tenanted transfer were, in all the case studies, physically close together, i.e. dwellings in the same street or consisting of a whole unit block or blocks. Reasons given for this related to perceived ease of management, for example, it would *be 'easier for the housing association to make an impact'*, or it removed the difficulty of negotiating common area maintenance arrangements between PHS and the housing association.

One housing association implied they would prefer all of the transfers they received were in confined areas, or *'clusters'*, as they would be better able to manage the properties in that way. A number of interviewees from both PHS and housing associations referred to the well publicised example of the transfer of an entire cul-de-sac in Claymore to the Argyle Housing Association. A typical comment was

> **"We have heard what has been happening in Sydney with Proctor Way and want to do the same".**

In all cases except one, the housing association had no knowledge of the properties prior to entering negotiations with PHS. The one exception was a housing association that had very good knowledge of the area and approached PHS to receive properties in those streets or streets nearby. The housing association indicated they would not accept less than six houses in a row when taking properties from estates as having houses close together makes it easier to "*get rolling on tenant participation activities*".

PHS staff indicated that many properties were identified on the basis that they had presented management problems for their staff. One area transferred was described as "*the worst street in the estate*". All staff, particularly those involved with policy decisions, indicated PHS believes it is important to diversify housing providers on large housing estates.

Many dwellings had not received upgrading work since first being built, and the majority in the case study areas had their original kitchen and bathroom.

Although housing associations were entitled to reject inappropriate properties under the Regional Transfer Plans, some indicated that they would have preferred not to undertake tenanted transfers and that they were not entirely satisfied with the properties they have accepted. Two housing associations indicated they felt pressured to taking the properties being offered as tenanted transfers, in order to reach their quota of properties designated to them as growth associations. One housing association said they had been told

> *"the only viable way to increase the supply of community housing would be to transfer blocks of properties on housing estates".*

Interviewees from the Office of Community Housing (OCH), appearing to speak on behalf of housing associations, mentioned similar concerns such as

> *"there is little scope for the housing associations to question the identification of properties"* and

> *"housing associations are keen to accept anything".*

OCH raised further concerns that the identification process is "*property driven rather than tenant driven*".

5.2.2   The offer to tenants

In the vast majority of cases tenants were first informed of their property having been identified for transfer after agreement had been reached between PHS and the housing association that the housing association would accept the properties. In all areas except one, the tenants were approached by PHS with the decision having been taken that the transfer would be occurring. Completion of the transfer was a *fait accompli* since tenants were told they would have to transfer their tenancy to the housing association or they would be re-housed into a PHS property in a different location.

In only one area tenants were approached with a view of finding out if they would be interested in transferring their tenancy to the housing association. In this area properties would not be transferred to the housing association if the tenants did not wish to transfer their tenancies. In this case, PHS did not consider the possibility of offering tenants re-housing. Whilst the Regional Office had heard about tenanted transfers taking place in other areas they felt that without formal protocols from central office they would not adopt the process as implemented in other regions.

As outlined above, no written procedures were available from PHS on how the process of tenanted transfers should be conducted. However, in only one region did PHS staff indicate that this would

deter them from proceeding. As such the process undertaken by Regions varies in the detail. Furthermore the individual housing associations introduced their own way of doing things.

Almost all areas sent letters to advise tenants of the transfer. The letters, addressed to the tenants, normally informed of the transfer and an impending visit to explain the process in more detail. In one area a barbecue was held which served as an information session. This was considered successful as it allowed tenants to ask questions in an informal setting. In another area tenants mentioned that while a public meeting took place for this purpose, it was taken over by a particularly outspoken tenant, and that this limited their opportunity to pose questions.

Where re-housing was offered to tenants they were initially advised that, if they chose not to be transferred to the housing association, they would be offered a dwelling of a similar type to that which they currently occupied on the same estate or within the region. The outcomes for tenants who actually chose re-housing did not always live up to this advice. As will be shown later re-housing options played an important role in the decision tenants made on whether or not to transfer their tenancy to the housing association.

All tenants interviewed had seriously considered accepting re-housing. Many tenants in all case study areas viewed or were told about possible alternative dwellings. In most cases the tenants were not satisfied with the alternative properties. Common reasons given were

> *"the property was smaller than the one I currently live in";*
>
> *"I was worried what the neighbours would be like".*

Two tenants who had been neighbours for 20 years considered re-housing until they realised there would be no guarantee they would be able to move together. As a result they chose to transfer their tenancy to the housing association.

In another area the majority of tenants who had transferred their tenancies indicated that if they had been able to be re-housed in an area other than the estate on which they currently lived, they would have chosen re-housing. They all believed that PHS would only re-house them within the estate. Those tenants later discovered that four others from their street had been re-housed in properties off the estate.

5.2.3   The new landlord

Tenants were generally informed the housing association would be '*taking over management*' of their property. (The transfer does not involve any purchase of the property by the housing association nor is the title transferred.) However, some tenants believed the housing association was purchasing, or indeed had purchased, their dwelling. A number of tenants believed that PHS could no longer afford to maintain their property and this was the reason for the transfer occurring. A tenant in one area said he believed

> *"the Department said they were having a hard time keeping up with repairs on their*
> *properties so the idea was to bring a new landlord into the area who would be able to do*
> *much more with the repairs".*

The majority of housing associations were involved in informing tenants of the transfers either at the beginning or very early in the process. All housing associations felt tenants had very little knowledge about who they were. One housing association commented they felt it necessary

> *"to show a visible presence in the area from the very beginning".*

Tenants who attended public meetings normally met the manager of the housing association and key tenancy management staff. Many individual personal visits were also conducted either to inform tenants of the transfer or to follow up on information already provided. Tenants were thus informed verbally about the services the housing association would provide and the differences between themselves and PHS.

Very little written literature was produced specifically for the purpose of the transfer. Housing Associations indicated they gave tenants previously produced literature such as handbooks. In one area a regional tenants' resource service commented negatively on the small amount of written literature tenants had been given. The service had become aware of the transfer when tenants from this area contacted a tenant worker saying that they were confused about what was happening to them. The tenant resource service collected information on community housing to provide to the tenants involved in the transfer, and arranged for a meeting between PHS, the housing association and tenants. Before the meeting was held the tenants had had no contact with PHS for at least 6 months, from the time at which they were first informed their properties were being transferred to a housing association.

Despite this, housing associations were apparently keen to promote their services to tenants. One association told us that if tenants had agreed to transfer their tenancies they would have set up an office on site. Another housing association advised tenants they would be setting up a safety committee. Yet another advised tenants that they could go back to PHS within the first six months of their tenancy if they were dissatisfied.

5.2.4   Repairs and maintenance and upgrading

In all case study areas PHS and housing association staff promised an improvement in repairs and maintenance programs and procedures for tenants choosing to transfer. The type of improvements mentioned to tenants included guarantees of work being undertaken and improved response times.

At the same time tenants were guaranteed their property would be upgraded if they accepted a transfer to the housing association. The extent of upgrading work would be determined by the current condition of the property. In general tenants were advised where necessary their property would be

repainted and they would receive new bathrooms and kitchens and new carpet. Any backlog of repairs would also be undertaken. This represented a real incentive for tenants to transfer their tenancy.

As well as improved repairs and maintenance procedures, housing associations were promoting themselves as being able to provide improved housing management in general. The housing associations stressed they were a much smaller operation than PHS. As such their clients receive a more personalised service. Clients would be more likely to deal with the same staff, unlike PHS where staff turnover can be high.

5.2.5 Rent

Rent proved to be the most obvious disincentive for tenants to transfer their tenancy. All tenants transferring their tenancy would be subject to a new rent structure. In short tenants were told their rent would more than likely increase. PHS tenants who are approved for a rental rebate pay rents that are based on a sliding scale of 18% - 25% of tenant income. At the time of the study[3], the majority of tenants on statutory incomes paid rent equivalent to 20% of their income. Housing associations also provide rental rebates, however, rent is generally charged at a flat rate of 25% of the tenant's income.

Housing association tenants unlike PHS tenants are eligible for Rent Assistance from the Commonwealth government. In promoting the housing association tenants were advised they would be able to claim this assistance thereby negating, to some extent, the rent increase they could expect. Due to the sliding scale used to determine Rent Assistance this would have been different for each tenant. Information provided to tenants about rents was designed in a summary form. Tenants were told their rent would increase but not to what level. In at least three areas tenants did not know what their new rent would be until they day they signed their lease with the housing association.

In one area two tenants faced a very large rent increase. In one case described by staff from PHS, when the tenants went to sign their new tenancy agreement with the housing association, they realised their rent had doubled. Evidently the tenants had not been declaring their correct income to PHS and had been underpaying their rent. The tenants refused to sign the lease and approached PHS for advice. When asked what advice was provided to the tenants PHS said the tenants were told

> *"if they stayed with PHS their former rent rebate would have to be reviewed, if they transferred to the housing association PHS would ignore the under payment of rent".*

Both tenants agreed to transfer their tenancy.

After this research was undertaken, PHS announced that all PHS rents would be increased to 25% of income. The rent increase would be introduced gradually for existing tenants. New tenants will fall under the new 25% rent structure. Publicly PHS indicated the rent increase was necessary to provide increased funds for carrying out maintenance. The increase will also bring PHS rents to the same level as community housing. Throughout this research a number of PHS staff indicated the differing rent

structures between PHS and community housing was a disincentive for PHS tenants to transfer to community housing. The new rent structure has the effect of removing this disincentive. In fact, whilst community housing tenants continue to receiving Commonwealth Rent Assistance they now have a more advantageous rent structure.

5.2.6   Written Information

Tenants in all areas received very little written information. Staff and tenants interviewed indicated the majority of information provided was provided verbally. In most areas tenants received a letter either informing them of the transfer or inviting them to attend a meeting where the transfer would be explained. Subsequent information provided was either a handbook describing the services of the housing association and fact sheets showing the difference between PHS and community housing.

One housing association advised they have an information package prepared for tenanted transfers, however this package was not available when undertaking the transfer reported in this study. The information package will be used in future tenanted transfers.

Letters informing tenants of the transfer being sent to the wrong tenants highlighted the ad hoc nature of the process. Another groups of tenants had no contact from PHS for six months after first receiving a letter advising them the transfer would be taking place.

The general message given to tenants was that they would receive better service under the housing association but they would have to pay for it. As a bonus their property would be upgraded. If tenants did not want to take up this offer they would be re-housed. Tenants had no impact on how the process was run.

5.2.7   Finalising the transfer

As legal title to properties was not being transferred the procedure did not require any legal involvement. Whilst PHS and housing association staff indicated a considerable amount of paperwork was required, no legal contracts were signed. Paperwork was largely internal documents acknowledging the housing association's in principle acceptance of the property and documentation of upgrading works. Housing associations also had to enter into a headlease with the L&HC.

Tenants choosing to transfer their tenancy were required to sign a new lease with the housing association. In one area OCH staff commented they believed the process was better when tenants signed leases earlier. PHS staff in another area also said tenants signing leases early in the process could improve the process, since this would limit tenants' ability to change their mind and the transfer could be finalised with less fuss. In that particular area it was nine months before some tenants agreed to transfer their tenancy.

Co-ordination of upgrading works was the responsibility of the then Housing Procurement Division of the DoH, whose staff inspected the dwellings and prepared a schedule of works. The housing

association reviewed the schedule and could either agree or disagree with the proposed works. Final approval for the works, which were funded partly by PHS and to a greater extent by OCH, rests with OCH. Staff from all organisations indicated this to be a lengthy process which, in at least one area led to considerable delays in the transfer process.

Tenants who had agreed to transfers had some say in the upgrading works. They were able to choose colours and carpet styles. One tenant reported that she did not want any upgrading works and this request was granted. Tenants who experienced problems during the upgrading were advised to contact their landlord ie. the housing association. The housing association was then required to contact the Housing Procurement Division, who in turn dealt with the contractors. This progression of responsibility led, in some cases, to delays and inconvenience for tenants.

> *In one area two tenants, both aged over 60, were without a toilet or any alternative facility for close to two weeks. Whilst receiving a rent refund as compensation one tenant said, "the money doesn't take away her embarrassment suffered during that time".*

Other tenants interviewed complained of the continuing errors in their rent statements following the transfer of their tenancy. Older tenants were particularly concerned about repeated incorrect rent statements. In one particularly unfortunate case, as result of these errors a 90 year old tenant received an incorrect Notice of Termination for non-payment of rent. In this case PHS had not paid to the housing association rent she had paid in advance to PHS. The matter was still not finalised some three months after she had become a tenant of the housing association.

5.2.8   The overall approach

Without guidelines or experience it is not surprising that the process of transferring tenants was haphazard and ad hoc, and proceeded in fits and starts. Often the housing association and PHS were still negotiating on issues as the transfer process was underway.

Tenants were not included in this process and were often left for long periods without contact from PHS. As a consequence some tenants did better and some did worse. Some tenants were left wondering why some people had to move and some have not been moved yet? Why some were able to move to better areas while such choices were not available to them? The approach did not allow for tenant consultation, and as a result, many tenants were left confused.

5.3   *Factors influencing tenants' decisions*

5.3.1   Housing location vs. housing management

As detailed above, tenants whose dwellings were earmarked for transfer to a housing association were asked to make a choice. However, the options open to them were very limited, as was the information

provided, and, in most cases, they had little or no opportunity to question or influence the available options.

Of seventy-seven tenant households in the five case study areas, fifty (65%) chose to accept transfer of their tenancy to a housing association, and twenty-three (30%) were re-housed, while in four cases (5%), all in the one area, PHS aborted transfer plan upon finding the tenants unwilling to proceed.

In an effort to understand why some tenants chose either transfer or re-housing, or indeed opposed the changes altogether, we asked tenants in each category in all five areas about the factors which influenced their decisions, in particular their feelings about housing location and housing management.

Being able to live affordably was ranked highly by all tenants interviewed. Beyond this, locational factors figured larger than housing management issues in most tenants' decisions. Being close to shops, having friends living nearby and being close to transport were mentioned more often by tenants as being the most important factors about living where they did. This was followed by liking their neighbours, and being close to services like doctors. Much less important were being satisfied with their landlord, the condition of their property or quality of the maintenance.

Most notably, amongst the two-thirds of tenants who accepted transfer to housing associations, access to public transport was ranked consistently higher than any other variable including housing cost. Similarly, for some of those who chose re-housing over transfer, location was the most important issue, with re-housing offering a possible opportunity to move away from perceived negative aspects of the location of their current dwelling.

5.3.2   Tenancy Rights and Conditions

In theory, tenants who chose to be re-housed by PHS retained their current rights and tenancy conditions, although the limited choice presented to them suggests that PHS did not consider 'security of tenure' (over their current dwelling) to be one of these rights. In one area tenants who chose to be transferred were given an agreement by PHS that they would reaccept them as tenants for up to six months, if they were dissatisfied with the housing association. However, in order to become a PHS tenant again they would need to be re-housed. It is not clear how this promise was to be secured aside from the tenant receiving a letter signed by both PHS and the housing association.

Indeed some of the cases reported to us suggested that even 'security of assistance' was not guaranteed to tenants whose dwellings were identified for transfer. At the time of the study, PHS tenants whose household income exceeded five times the assessed market rent of a dwelling paid the market rent. One housing association manager reported the case of several tenants who were at the time paying market rent, and who were was advised by PHS that they would *not be re-housed* if they chose *not to transfer* their tenancy. In other words, if they did not accept the transfer of management to the housing association, they would effectively be evicted. The housing association manager reported that

she thought this was reasonable, as housing assistance should be prioritised towards those in the greatest need, and a tenant who can afford to pay market rent is not considered a priority for housing assistance.

Generally community housing tenants have the same tenancy rights and conditions as public tenants. There are, however, some differences.

For example, while all tenants who transferred their tenancy to the housing association continued to have a right to receive a rental rebate, it was a smaller one. New conditions placed on tenants include a requirement to pay a rental bond and to contribute to water usage. In some areas PHS paid the bond as part of the transfer process, however, in at least one area tenants paid the bond in progressive small amounts. The majority of tenants were unclear on how the water usage was to be charged.

5.3.3   Safeguards

In those areas where transfers occurred there were no contractual arrangements made between the housing association and PHS. Promises made to tenants and negotiations between PHS and housing associations were largely on an informal basis, either verbally or by letter (can you clear this up, do you mean mostly on an informal basis and sometimes by letter?). There were no changes to tenancy agreements to reflect the negotiated arrangements. For example, the tenants mentioned above that were promised they could return to PHS after six months if they were not satisfied with the housing association only had a letter stating that is the case.

A considerable amount of pressure was placed on tenants to make a decision. It is not certain that the level and type of information provided to tenants was sufficient for them to make an informed choice. As shown above tenants made choices based on their fear of the unknown i.e. new landlord or re-housing location. Tenants were not provided with enough information and the information that they did receive was poorly understood. Furthermore, tenants did not have the opportunity opportunity to take written information away and either evaluate it themselves, or ask for independent advice.

Only in one area did tenants actually influence the transfer process. This happened because they, unlike any others we interviewed, were asked to respond to a proposal before any agreement was reached between the housing association and PHS. In this case, where the first four tenants approached indicated their unwillingness to transfer away from the public landlord, the whole process was aborted.

6 Discussion

6.1 *The multi-provider system*

A key motivation for transfer of the management of housing stock to non-government organisations, has been to expedite the development of a 'multi-provider' social housing system. The multi-provider system, in turn, is purported to increase tenant 'choice' and to lead to improvements in housing management, also in the interests of better experiences for tenants. As a single provider the DoH was a 'benevolent monopoly' with obligations to its clients specified under legislation and by government policy, but with no structural incentive to be accountable to tenants.. In theory, a multi-provider system is expected to introduce a form of competitive pressure which empowers tenants as consumers.

The tenant and stock transfer processes revealed by this research do display a change in the way that PHS sees its obligations, but unfortunately this does not appear to reflect increased accountability to tenants. Both the decisions concerning transfer of tenanted housing, and the practices for effecting these transfers, primarily reflected the needs of the system rather than the tenants concerned. In each case the initial decision to transfer some units was driven by the overarching policy of increasing the proportion of social housing managed by non-government providers, while the decision to transfer particular groups of units was based on an assumption that to do this would improve estate management (in some cases by 'breaking up' problem areas).

The fact that the situation of individual tenants was less important than the nature or location of the housing units identified for transfer, and that, in most cases, tenants were not even informed until an agreement had been reached between PHS and the housing association, is ironic to say the least. To the extent that the transfer process is made up of bureaucratic procedures internal to the provider organisations, it contradicts and undermines the very rationale for developing a multi-provider system, which is to increase choice and responsiveness to tenants.

It would appear that the highly publicised and heavily promoted example of the transfer of units in Proctor Way, Claymore, to the Argyle Housing Association looms large in the minds of some housing managers who wish to see the same type of development occurring in the 'problem estates' for which they are responsible. This is despite the fact that many of the important factors in the Proctor Way example are not present in other estates. Notably no sitting tenants were transferred to Argyle (all remaining tenants in this previously 'problem' street were relocated before the dwellings were transferred) (source?). The tenant selection process, and resulting relationships between tenants in Proctor Way, are clearly contributors to its 'success'. Proctor Way is manageable in a way which would be difficult to replicate on a larger scale, and relies heavily on support from a household of Catholic nuns living in the community. It is sincerely hoped that transfers are not offered to tenants by

housing managers as a way of hastening the 'decanting' of such problem areas, but on the evidence of this research, this is a possibility.

6.2   *Tenant Participation and Tenants' Rights*

It is apparent from the research that little consideration was given to the role that affected tenants should play in the transfer process. In most cases, tenants only had one decision to make: whether to transfer their tenancy or to be re-housed. All other decisions made throughout the process were outside the influence of tenants.

Vacant property transfers have been described as a complicated and lengthy process with many Regions indicating no transfers occurred in the first year of the Transfer Program. Yet steps were taken to begin tenanted transfers without any protocols put in place describing how they should be undertaken. As a result countless issues arose throughout each area and decisions had to be made without policy guidelines. This reduced the possibility of tenant involvement in the process even further, because local offices had no knowledge of issues that might arise through the process and therefore were not able to inform tenants beforehand or include them in decision making. At the same time, with one notable exception where transfers were aborted, it did not seem to occur to anybody that tenants should have been involved earlier in the process. Although transfers in England were ostensibly voluntary, this is similar to the processes undertaken there in the early 1990s.

Mullins, Niner and Riseborough (1992) undertook an evaluation of LSVTs that occurred in England in the early 1990s. They found "negotiating a voluntary stock transfer proved an immensely complex business … time-consuming and demanding on those involved".

The researchers determined a transfer had four main stages:

1.   council reached an in principle decision to proceed with transfer

2.   a new housing association was established and negotiations took place on development of a mutually agreed package to offer tenants

3.   tenants were consulted and the ballot took place

4.   negotiations finalised

The researchers concluded it was only during stage 3 that tenants were consulted. No tenant had a role in any of the decision making undertaken in the preceding and final stages. They found this was a failing in the process and that if true tenant involvement was to be achieved tenants had to be a part of the decision making stages.

PHS has spent considerable time and effort promoting the Tenant and Community Initiatives Program (TCIP), however, within the transfer process the principles of tenant involvement were quickly undermined. The fact that tenants misunderstood the reasons why properties were being transferred,

and were confused about a variety of issues affecting them directly, demonstrates that sufficient information was not provided to tenants throughout the process and/or tenants were not given enough time to absorb all of the information. It is only through information that the ability to make an informed decision is truly realised. Most tenants made their decision based on fear of the unknown.

Despite the fact that many of the tenants involved had occupied their dwellings for many years, their tenure over it was effectively held ransom to the DoH's wider policy objectives. As reported above, the options presented to several long-term tenants were either to accept the transfer or to find other housing in the private market. Whilst housing associations are currently well resourced it is also not certain that the promises of better service will be able to be maintained into the future.

6.3   Common Elements and Policy Development

Internal inconsistencies between regions notwithstanding, we identified a number of common elements which appear to inform, albeit in an ad hoc way, the tenanted transfer process in NSW. These are:

1. Potential transfers are usually identified by PHS, based primarily on characteristics of the physical property rather than of the tenants, the exception being where a particular (geographic) group of tenants has been associated in the past with housing management problems;

2. Properties identified are almost always physically grouped together, and presented for transfer as an all-or-nothing package. The reasons for this appear to be entirely related to the preferences of community housing managers for their tenants to be located together, apparently to facilitate more 'personalised' housing management, or possibly community development activities;

3. Tenants are advised that their current dwelling (and those around it) will be transferred to housing association management, whether or not they choose to stay in it.

The worst reading of the events described to us by all parties is that both PHS and housing association staff perceived the process, not as a transfer of tenants, but as a transfer of (the management of) houses, where the existence of sitting tenants was just an inconvenience generating extra work. At the same time, the difficulties of arranging tenanted transfers were exacerbated unnecessarily by the application of the three elements set out above. Despite the fact that it was never envisaged that legal title to the property would ever be transferred, housing managers appear to have viewed and conducted the process as primarily a property transaction.

As noted above, the protocols stated that "properties should ideally be separately titled or capable of separate title" (DoH and OCH 1997). The effect of this preference is to limit the possibility of tenants having any real choice (that is to say, individual tenants are not able to make individual choices), and to create 'estates within estates': single blocks or streets with a single manager, clearly identified by other tenants and sometimes (because of signage) even the general public.

Both the common elements and the outcomes of the stock transfer process, as they affect tenants, are thus at odds with our understanding of the principles underlying social housing provision, and best practice in the field.

The many issues arising from tenanted transfers are currently being considered internally by the DoH with a view to improving policy and practice. Whilst the number of properties transferred is very small in terms of the number of properties PHS still manage, tenanted transfers figure large in setting precedents for housing assistance in the future. Whilst it was commonly acknowledged no protocols exist for tenanted transfers those controlling the process made very few suggestions for improving or changing the process they had undertaken, except to reduce their own time delays.

On the basis of this research, by far the more pressing issue relates to ensuring the transfer process is transparent and equitable. Safeguards and appeal rights which exist in other areas of PHS' housing management activities appear to be absent in the case of tenanted transfers. Without the benefit of policy, local offices are forced to make decisions that are at odds with normal practices in other areas and contradict the principles of choice and accountability and tenant empowerment which the growth of the community housing sector was supposed to promote.

Partly as a result of this we found that some PHS staff were reluctant to allow for free discussion of the process. A defensive attitude was often taken when questioned about transfer activities, and, despite the support of senior DoH management for the research, the process of securing access to tenant contact details so that we could talk to them, was tedious and difficult. There appeared to be little or no desire, amongst some members of PHS and housing association staff, to assist tenants to describe their experiences, even though this information could lead to a better understanding of how tenants had experienced the transfer process. Further, we detected a level of suspicion, on the part of housing managers, of independent research, and little understanding or acceptance of its potential role in improving policy and practice.

6.4   An alternative approach

In order to bring the practice of transferring the management of tenanted dwellings to the community sector in line with the espoused principles of the multi-provider social housing system, a whole new approach is needed. Such an approach would eliminate the current common elements described above and adopt principles which treat tenants as individuals with rights and provide them with real choices based on sound and detailed advice.

Best practice principles demand that individual tenant households be provided a much higher standard of security of tenure over dwellings they have occupied, sometimes for many years. Social housing landlords should respect the tenant's interest in the property and not act like private landlords who simply sell or transfer management of their property for their own reasons, and without reference to

tenants. Further, if community housing is about choice, then tenants must be given that choice and not simply presented with a 'done deal' which they must find a way to fit into.

One of the major stumbling blocks here appears to be the unjustified emphasis on transferring a whole street or a whole block at once, rather than allowing individual dwellings, within a block or street, to be managed by different providers. One reason suggested for this preference concerns responsibility for maintenance of common areas. As an interim measure it may be more appropriate for PHS and housing associations to spend time negotiating arrangements for sharing or contracting common area maintenance. This would then allow tenants who do not wish to change landlords, the opportunity to remain in their properties.

Some housing association managers implied to us that they preferred to receive transfers of contiguous properties because this would make their community development work with tenants easier. On the other hand, a community development worker, working with PHS tenants in one of the case study areas, told us it would make her work harder if the estate was 'broken up'. It is difficult to imagine what community development objectives can be achieved by excising the tenants in one street from a housing estate, linking them, through their new landlord, to a different set of interests and housing outcomes, and providing them with community development services which exclude other members of the same community who happen to live around the corner, or even next door.

The highly publicised example of Proctor Way notwithstanding, there seem to be good reasons to question the long term wisdom of transferring tenanted properties in blocks. Indeed, while Claymore was not included as a case study in the current research (because all the dwellings were vacant when transferred), during the time the research was being conducted several PHS tenants, living near Proctor Way, expressed to us some resentment concerning the improvements in housing management which are apparent there, asking: *"if they can do this for them why can't they do it for us?"* Given the inducements, in the form of upgrading etc, offered to those who accepted transfers in the case studies, one can well imagine similar community divisions emerging in these areas.

While strongly supporting the principle of 'choice' which underlies the multi-provider social housing system, and thus the need for a tenanted transfer option, this research shows very clearly that choice (for tenants) has been sacrificed in pursuit of the administrative needs or organisational goals of social housing provider organisations. In our view, tenant transfers should be promoted as a matter of individual household choice and without the threat of re-housing if a household opts to stay with PHS. Further, the offer of transfer should be extended more widely, so that PHS is not simply identifying those properties or tenants it wants to get rid of, but tenants who are unhappy with PHS management also have a choice. This would introduce a significant incentive for both PHS and housing associations to provide better information to tenants, but would also require a strengthening of, and some commitment to transferability of, social housing tenants' rights and tenancy conditions.

If the process of transferring tenants were thus seen as an important option in its own right, as opposed to an inconvenient complication of transferring property, then we believe that more transfers would happen, with far less stress and anxiety than the highly negotiated ones that we have documented here. This is because tenants would nominate themselves to become community housing tenants, thus providing, in a much more real way, the type of accountability to tenants which the multi-provider system is supposed to deliver.

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[1] In 1996 the Office of Community Housing (OCH) was established within the Department of Urban Affairs and Planning (DUAP) to manage the community housing system. In 1999 Public Housing Services and the Office of Community Housing were brought together in a new DoH although they continue to operate separately. At the time OCH was established PHS relinquished the ownership and program management responsibilities (although property titles are not legally transferred) for the majority of properties they owned that were being managed by community-based providers. Those responsibilities would now lie with OCH.

[2] PHS defines superlots as a very large parcel of land that are considered by the local Council to be one lot. A housing estate may comprise a number of adjoining superlots. Superlots were created to maximise the use of available land and to allow greater flexibility in the way the estate was constructed. Properties within the superlot do not have separate title. To gain separate title for properties within the superlots is costly and in most cases involves the relocation of infrastructure and services such as storm water and sewerage to comply with planning requirements.

[3] In late 1999 the Minister for Housing announced that PHS net rents for existing tenants would rise to 25% of household income over the next five years.

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8   Appendix 1

8.1   *Methodology*

The research was conducted through the documentation of five case studies. The case studies represent five areas where transfer activities have been undertaken in the past 18 months. In all areas except one the transfer activities resulted in a predetermined number of properties being transferred to a housing association.

The purpose of using a case study technique was to be able to clearly document the current method of undertaking tenanted transfers as well as developing an understanding of tenants experiences. In order to construct the case studies a series of interviews was conducted with key participants involved in the process. Prior to commencing interviews permission was sought, and granted, from PHS and OCH to interview staff involved in transfer activities. A commitment was also given to assist in contacting tenants and the relevant housing associations.

8.2   *Case Study Areas*

The study areas were chosen from a list of possible locations identified with the assistance of PHS, OCH and other key stakeholders. Four of the five case study areas were located in the western or south-western parts of Sydney. The remaining area was in the Hunter Region close to Newcastle. Table 1 below shows the locations of all case study areas. With the exception of one area all property transfers had occurred within large public housing estates.

Table 1:   **Case Study Areas**

Location	PHS Region	Description of area	No. of properties identified for transfer
Windale	Hunter	Housing estate	24
Riverwood	Southern Sydney	Housing estate	6
Mt Pleasant	Western Sydney	Housing estate	33
Wentworthville	Western Sydney	Housing estate	20
Liverpool	South Western Sydney	4x3-storey walk up apartments plus aged units	24

The housing estates included in the study are typical of many post-World War II public housing estates where clusters of low cost housing were constructed on large tracts of land at the periphery of metropolitan areas. The estates are made up of a range of property types including single dwellings, townhouses and units. Riverwood housing estate is one of the oldest housing estates in the study area, consisting largely of three-storey walk up apartment buildings and two high-rise apartment towers.

Three of the five case study areas have recently seen expenditure under the former Neighbourhood Improvement Program. However, in only one area were properties identified for transfer which had physically been upgraded as part of the Neighbourhood Improvement Program. This area was Windale in the Hunter area.

8.3   Design and Process

The study method allowed some qualitative and/or quantitative measure of factors relevant to the study objectives such as documenting the experiences of all key players and evaluating tenants experiences.

After the measurable variables had been identified an interview schedule (Appendix 2) was constructed for the residents of the study area and staff of both DoH and the relevant housing associations involved in property transfer activities. The interview consisted of trigger questions to guide participants' descriptions of events surrounding property transfer activities. Interviews were conducted through personal face to face meetings held in September/October 1999.

Attempts were made to contact all tenants involved in the transfer activities. In total 17 personal interviews were conducted with tenants which represents 20% of all tenants affected by the five groups of transfers (see Table 2). Tenants were advised that their participation in an interview was voluntary and they would not be penalised in any way if they did not take part. To ensure confidentiality no names and addresses were written onto the interview forms.

A further 19 personal interviews were conducted with staff from PHS, OCH and the relevant housing associations as well as other key stakeholders. Staff from these organisations had the same conditions of voluntary participation and guarantees of confidentiality. All interviewees had had direct involvement in property transfers activities at different levels within their organisation.

Table 2: Tenant Interviews

Location	Possible Interviews				Actual Interviews			
	Transfer	*Re-house*	*No Action*	*Total*	*Transfer*	*Re-house*	*No Action*	*Total*
Windale	0	0	4	**4**	0	0	2	**2**
Riverwood	4	2	0	**6**	2	0	0	**2**
Mt Pleasant	14	19	0	**33**	4	2	0	**6**
Wentworthville	18	2	0	**20**	4	1	0	**5**
Liverpool	14	0	0	**14**	2	0	0	**2**
Total	**50**	**23**	**4**	**77**	**12**	**3**	**2**	**17**
% of total interviews	**65%**	**30%**	**5%**		**70%**	**18%**	**12%**	

Ideally a greater response rate would have been preferred amongst tenants. The small sample limits the capacity for quantitative analysis of interview results. However, the total sample of 36 (includes interviews with staff) is sufficiently large to confidently present qualitative analysis of interview results.

8.4 Analysis

Interview findings were analysed in relation to the following:

- What is the current practice adopted by the DoH when undertaking transfer of properties to community housing associations?

- To what extent are tenanted properties part of this process?

- What impact does the transfer of tenanted properties have on public housing tenants?

- Will the transfer of properties result in successful diversified local housing responses for tenants living on large public housing estates?

- Can recommendations be made for "best practice" processes of transferring tenanted properties?

Appendix 2: Interview Schedules