



St Vincent de Paul Society
NSW
good works

Submission to the NSW Regional Housing Taskforce

26 August 2021

Acknowledgement of Country

The St Vincent de Paul Society NSW acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land on which we live and work, with deep respect. May Elders, past and present, be blessed and honoured. May we join together and build a future based on compassion, justice, hope, faith, and reconciliation.

The St Vincent de Paul Society

The St Vincent de Paul Society NSW (the Society) is a member-based lay Catholic organisation that has been assisting people experiencing poverty and disadvantage for 135 years. We seek to shape a more just and compassionate society by working to address the causes of poverty and injustice.

Introduction

Across much of regional NSW, the high cost of housing relative to incomes means that purchasing a home is out of reach for more people than ever before. At the same time, increasing rents mean that rental properties are unaffordable for many households. Housing stress—where the lowest 40 per cent of income earners spend more than 30 per cent of their income on housing costs—is on the rise.

So too, is homelessness. Between 2011 and 2016, there was a 14% increase in the number of people without a place to call home in regional NSW, such that almost 6,000 people were experiencing homelessness.¹ Over the same period, there was an 18% increase in the number of people experiencing homelessness in remote NSW.²

Social housing is meant to assist people experiencing homeless or housing stress. Unfortunately, across regional NSW, there is nowhere near enough. This situation is not inevitable. The NSW Government can meet the challenge of supporting people who are homeless and those living with housing stress with additional investment in social housing.

Unmet need

The NSW Department of Communities and Justice (DCJ) reports that over 51,000 applicants, or more than 110,000 adults and children,³ were waiting for social housing as of 30 June 2020.⁴ In parts of the state the wait time exceeded 10 years.⁵

Analysis undertaken by the Society informs that 40% of these applicants, or more than 44,000 people, are located in regional NSW. Further assessment has identified the number of people waiting for social housing in each region, including whether and where the waiting list has increased over the last twelve months, as below.

- On the Far North Coast,¹ 2,470 applicants, or 5,434 people, were on the social housing register as of 30 June 2020. The year before, there were 2,337 applicants, or 5,141 people, waiting for social housing. That is, there were 133 more applicants when compared to the year before; a 5.7% increase.

¹ Allocation zones of Lower Clarence, Evans Head, Ballina, Lismore, Casino, Kyogle, Bonalbo, Byron Bay, Tweed Heads, and Murwillumbah

- In the Mid North Coast,² a similar number of people were waiting for a safe, secure and affordable place to live. DCJ reported that 2,169 applicants, or 4,772 people, were on the waiting list; 4 more applicants than a year earlier.
- In Newcastle and the Hunter region,³ an even greater number of people were waiting. There were 3,852 applicants, or 8,474 people, on the list as of 30 June 2020. The year before, there were 3,631 applicants, or 7,988 people. This represents a 6.1% increase in applicants over the twelve months.
- On the Central Coast,⁴ there were 3,004 applicants, or 6,609 people, waiting for social housing in 2020; almost the same number as the year before.
- South of the Sydney metropolitan region, in the Illawarra,⁵ the waiting list declined by 4.2% from 2019 to 2020 but there were still a significant number of applicants—2,456 households or 5,403 people—waiting for social housing.
- Further south, in the Murrumbidgee region⁶, 1,186 applicants, or 2,609 people, were awaiting social housing as of 30 June 2020, a 14.7% increase on the 1,034 applicants, or 2,279 people, who were waiting as of 30 June 2019.

As the figures above attest, there is significant shortage of social housing across much of regional NSW.

Though up to date data about unmet demand for social housing for Aboriginal people in regional areas of NSW is not publicly available, the Aboriginal Housing Office NSW reported that Aboriginal applicants on the general and priority waiting lists increased by 35 per cent from 2011–12 to 2015–16.⁶ More recently, the Report on Government Services (ROGS) advised that, in 2019, there were 1,200 Aboriginal and Torres Strait Islander households living in overcrowded conditions in social housing in NSW.⁷

Of equal concern, the ROGS also inform that, across all of NSW, the number of public and community housing homes has started to decline. There were 146,448 public and community housing homes in NSW as of 30 June 2020 compared to 147,180 dwellings the year prior.⁸ This means there was a 0.5% reduction in public and community housing (more than 700 dwellings) across the State. Over the same time period, the number of State Owned and Managed Indigenous Housing (SOMIH) dwellings across NSW has also fallen. The Society acknowledges that some of the decline in stock may be due to redevelopments that are underway, but the decline is still indicative of a lack of sustained investment in social housing.

The ROGS also reported that the NSW Government is spending progressively less on social housing per capita. In 2017-18, the NSW Government invested \$180 on social housing per person. In 2018-19 this investment was \$167 per person. Last financial year it fell to just \$161 per person.⁹

Of further concern, the overwhelming need for social housing is projected to grow significantly. The NSW Treasury 2021-22 Intergenerational Report states that, across NSW, if home ownership rates continue to decline, demand for social housing amongst retirees alone will increase by another 68,000 households by 2060-61.¹⁰

² Allocation zones of Woolgoolga, Port Macquarie, Crescent Head, Kempsey, Macksville, Bellingen, Dorrigo, Coffs Harbour, Laurieton and Wauchope

³ Allocation zones of Newcastle, Port Stephens, Raymond Terrace, Tea Gardens, Singleton, Dungog, Cessnock, Muswellbrook, Maitland, Lake Macquarie, and Make Macquarie East.

⁴ Allocation zones of Gosford and Wyong

⁵ Allocation zones of Kiama, Shellharbour, Wollongong City, South Wollongong, and Shoulhaven Heads

⁶ Allocation zones of Albury, Cootamundra, Deniliquin, Griffith, Gundagai, Hay, Junee, Leeton, Tumut, Wagga Wagga, and Young

Policy commitments

The NSW Government has made welcome commitments to increase social housing stock, but newly released research from the Centre for Social Impact (CSI), commissioned by the Society, outlines the extent to which these commitments fall short of what is required to markedly reduce the size of the waiting list.

The most significant commitment is Communities Plus. Information on the progress of this program is difficult to attain, but drawing on data published by the NSW Land and Housing Corporation, CSI reports that Communities Plus is projected to deliver a total of 7,458 additional and replacement social housing homes across NSW over the 10 years to 2026. Unfortunately, only 319 of these homes—or 4.3% of the total stock to be delivered—are to be built in regional NSW; the rest will be delivered in metropolitan Sydney.¹¹ If accurate, this means that the most significant social housing building program in the state will not deliver for regional communities across NSW.

The NSW Government has also invested \$1.2 billion in the Social and Affordable Housing Fund (SAHF) which is on track to deliver 2,450 social housing properties by 2023.¹² Appropriately, 40% of these homes have been built or are to be built in regional NSW. Amélie Housing, our community housing provider, is a welcome participant in this program, having contributed both land and capital to acquire, build and tenant 350 of these social housing properties, on time and under budget, including in Albury (two developments), Cardiff, Dubbo, and Maitland.

In the NSW Budget 2020-21, the Government committed to deliver 780 additional social housing homes. This included 580 new social housing homes at 50 sites and 200 new Aboriginal housing homes. It is not known how many of these homes will be in regional areas.

All told, while welcome, the above-mentioned commitments fall substantially short of what is required to meet the demand for social housing in regional NSW.

Barriers to supply

Community housing providers (CHPs), including Amélie Housing, stand ready to deliver additional social housing for regional communities across NSW.

However, the principal obstacle to doing so is the significant difference between the cost of designing, building, maintaining, and managing social housing, and the income received from rent and Commonwealth Rent Assistance (CRA).

The size of this gap depends on whether CHPs already own land that can be assigned to the new housing; the location of the development; the size and type of the dwellings to be built; whether wrap around support or tailored support coordination is included; the operational efficiency of CHPs; and the funding model used to deliver the social housing.

Research by the City Futures Research Centre in 2019 estimated the funding gap by region and funding model across Australia. In regional NSW, the average annual funding gap per dwelling per year is \$8,700 if social housing were to be delivered using a capital grants funding model over 20 years. If an operating subsidy funding model is employed, the funding gap is \$10,300 per dwelling per year.¹³

Of note, this funding gap is for housing only; it does not include the cost of wrap around support services.

The advent of low-cost finance from the National Housing Finance and Investment Corporation (NHFIC) is a welcome addition to the landscape but the vast majority of new loans issued by NHFIC have been to refinance existing loans rather than to deliver new social housing stock.

The Society also recognises that Aboriginal communities are significant land-owners in NSW and have expressed a desire to engage in partnerships to produce social and affordable housing for Aboriginal people. However, inadequate investment to build the capacity of the Aboriginal housing sector is a barrier to the delivery of new supply in some Aboriginal communities.

New investments

Given demand far outweighs the supply of social housing in regional NSW and that there are funding gaps that CHPs cannot bridge, the Society submits that the NSW Government needs to invest in significantly more social housing.

Specifically, across all of NSW, we call on the NSW Government to deliver at least 5,000 homes every year for the next ten years. Given 40% of current applicants for social housing are outside the Sydney metropolitan area, we contend that 2,000 of these properties should be delivered in regional NSW each year.

To complement the delivery of new social housing, the Society contends that the NSW Government must also invest in wrap-around support services and tailored support coordination to assist people to transition to housing and then maintain their tenancies.

We also submit that the NSW Government should work with Aboriginal organisations to identify and resource initiatives that would expand opportunities for Aboriginal people to participate in the service delivery, management and governance of social housing in NSW.

Economic impacts

A commitment to invest in 2,000 additional social housing homes in regional areas every year for the next 10 years would not only help address community need but would also generate invaluable employment opportunities in the construction sector and related industries, and would deliver much-needed economic growth to regional NSW.

Equity Economics has reported that, across the State, investing in 5,000 additional social and affordable housing properties would support 16,200 construction jobs.¹⁴ Modelling commissioned by the Community Housing Industry Association and National Shelter found a four-year social housing building program of 30,000 homes would create up to 18,000 full-time equivalent jobs each year.¹⁵

KPMG reported that, during the Global Financial Crisis, the Social Housing Initiative delivered approximately 9,000 full time equivalent jobs in the construction industry and an overall increase of approximately 14,000 FTE jobs. For every \$1 of construction activity, around \$1.30 in total turnover was generated in the economy.¹⁶

Conclusion

The Society works with people experiencing poverty and disadvantage every day across regional NSW. Courtesy of these experiences, we acknowledge and appreciate existing commitments from the NSW Government to reduce and respond to homelessness and housing stress.

However, thousands of people are still without a place to call home and many more are struggling to pay rent. From the Far North Coast to the Murrumbidgee, more than 20,000 households—or 44,000 people—are waiting for social housing. There is much more that can and must be done.

Specifically, the Society calls on the NSW Government to invest in more social housing and wrap around support services. A commitment to build 2,000 new social housing homes every year for the next 10 years would go a long way to reduce the significant waiting list and waiting times in regional NSW. It would also generate jobs and growth in regional communities. Investing in the capacity of Aboriginal communities to deliver more social housing would also help ensure Aboriginal people in regional communities have a safe, secure and affordable place to call home.

The Society thanks the Regional Housing Taskforce for the opportunity to provide input to your review. We hope that our contribution will help inform the recommendations that the Taskforce makes to the NSW Government.

¹ <http://homelessnessnsw.org.au/wp-content/uploads/2021/03/Homelessness-in-New-South-Wales-.pdf>

² Ibid

³ Evidence given by the Department of Communities & Justice in Budget Estimates 2019-2020 advised that multiplying the number of applicants by 2.2 gives the approximate number of people waiting for social housing.

⁴ NSW Department of Family & Community Services (2016) [Expected Waiting Times](#)

⁵ Ibid

⁶ https://www.ahuri.edu.au/data/assets/pdf_file/0028/61975/AHURI-Report-October-2017.pdf

⁷ Report on Government Services 2021, 18 Housing, 18 Housing data tables, Table 18A.3, <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/housing-and-homelessness/housing>

⁸ Ibid

⁹ Report on Government Services 2021, 18 Housing, 18 Housing data tables, Table 18A.1, <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/housing-and-homelessness/housing>

¹⁰ NSW Treasury (2021) 2021-22 NSW Intergenerational Report https://www.treasury.nsw.gov.au/sites/default/files/2021-06/2021-22_nsw_intergenerational_report.pdf

¹¹ Centre for Social Impact (2021) [Social Housing in NSW Report 1: Contemporary Analysis](#)

¹² <https://www.facs.nsw.gov.au/about/reforms/future-directions/initiatives/SAHF/faqs>

¹³ <https://cityfutures.be.unsw.edu.au/research/projects/filling-the-gap>

¹⁴ Equity Economics, Maximising the Returns: the role of community housing in delivering NSW's future housing needs https://communityhousing.org.au/wp-content/uploads/2021/06/EE_Community-Housing_WEB-SINGLES.pdf

¹⁵ SGS Economics and Planning, Economic Impacts of Social Housing Investment (2020) <https://www.communityhousing.com.au/wp-content/uploads/2020/06/20200197-SHARP-Final-ReportSGS.pdf?x74234>

¹⁶ KPMG, Social Housing Initiative Review (2012) http://www.nwhn.net.au/admin/file/content101/c6/social_housing_initiative_review.pdf