

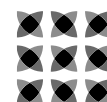
SOCIAL HOUSING IN NEW SOUTH WALES

Report 2: Future Impact

Prepared by the Centre for Social Impact UNSW
February 2022



St Vincent de Paul Society
good works



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IMPACT



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Centre for Social Impact

The Centre for Social Impact (CSI) is a national research and education centre dedicated to catalysing social change for a better world. CSI is built on the foundation of three of Australia's leading universities: UNSW Sydney, The University of Western Australia, and Swinburne University of Technology. Our **research** develops and brings together knowledge to understand current social challenges and opportunities; our postgraduate and undergraduate **education** develops social impact leaders; and we aim to **catalyse change** by drawing on these foundations and translating knowledge, creating leaders, developing usable resources, and reaching across traditional divides to facilitate collaborations.

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- Estimates developed for forecast analysis rely on assumptions that all other factors that could influence the variable of interest are held constant.
- Forecasts are based on historical averages applied to current data to estimate future figures.



EXECUTIVE SUMMARY

This report, commissioned by the St Vincent de Paul Society NSW, forecasts the impact of investing in 5,000 new social housing homes every year for ten years on three key housing indicators:

- the number of people experiencing homelessness
- the number of applicants on the NSW Housing Register
- the number of households experiencing housing stress.

The report is the second in a two-part series focused on the social housing system in NSW. The first report, *Social Housing in New South Wales: Contemporary analysis*, examines the commitments of the New South Wales Government since 2016 to develop new, additional social housing dwellings. It found that the approximately 9,386 new, additional dwellings announced by the NSW Government since 2016 are insufficient to address the needs of the current number of people waiting to access social housing on the NSW Housing Register.

This report follows on from the previous report and examines the projected NSW Housing Register given current levels of investment in social housing. It also examines the estimated impact of investing in 5,000 new social housing homes per year for the next ten years on the three key housing indicators.

Section One finds that **the current level of social housing investment is not enough to provide housing for the number of applicants on the NSW Housing Register. It estimates that by 2040, the NSW Housing Register would have decreased by an average of approximately 371 applicants per year over 20 years. The number of applicants on the social housing waiting list will not decrease below 45,000 until 2039.** This is due to increasing rates of people experiencing housing stress and applying to be on the NSW housing register; increasing rates of people experiencing homelessness; and decreased vacancy rates for people transitioning out of social housing resulting in fewer available dwellings. The impacts of the COVID-19 pandemic are expected to contribute to these factors, worsening outcomes for applicants on the waiting list.

Section Two finds **that investment in 5,000 new social housing homes per year over the next ten years would house 1,619 people experiencing homelessness per year, totalling 16,190 over the ten years.** As of 2016, the number of people experiencing homelessness is the highest it has been since 2001 and is expected to grow with the impact of COVID-19.

Section Three finds **that investment in 5,000 new social housing homes per year over the next ten years would reduce the social housing waiting list from 51,351 in 2021 to 13,724 by 2031** holding all else constant. This is an average annual decrease of 3,392 applicants on the waiting list.

Section Four finds that the number of people in housing stress is expected to continue growing substantially over the next ten years. **Investment in 5,000 new social housing homes per year would house 3,381 households experiencing housing stress each year and 33,808 households over the ten-year period.** The provision of social housing would transition a household out of housing stress, as rents are only charged up to 30% of a household's income.

This report finds that the investment in 5,000 new social housing homes per year for ten years is a critical step towards providing all households in NSW with safe, secure, and affordable housing. It also identifies that, given the increasing occurrence of factors that contribute to the need for social housing, the NSW Government's current level of investment is not enough to address NSW's social housing need over the next ten years to 2031.

SECTION ONE – CURRENT LEVELS OF SOCIAL HOUSING INVESTMENT

- From 2011-2020, significant investment in social housing through the NSW Government Communities Plus and Social and Affordable Housing Fund initiatives have contributed to a reduction in the social housing waiting list by an average of **1,608 people per year**.
- The impacts of COVID-19, rising house prices, increasing rates of homelessness, reduced rates of vacancies, and expected decline in current investment levels are projected to increase the social housing waiting list. This will be further beyond the capacity of the current social housing infrastructure.
- Conservative estimates forecast that the current level of social housing investment **will not be enough** to allocate a social housing home for all those on the waiting list.
- Significantly more investment is required to provide social housing for all people on the waiting list.

Social Housing

Social housing is defined as “affordable housing provided by the government and community sectors to assist people who are unable to afford or access suitable accommodation in the private rental market” (Australian Government, 2018). It includes public housing, state owned and managed Indigenous housing (SOMIH) and community housing (Australian Government, 2018).

As at 30 June 2021, there were 51,351 applicants on the NSW social housing waiting list (Productivity Commission, 2022). Of these, 5,922 (12%) were identified as being ‘Greatest need’ applicants, while 45,429 (88%) were ‘General’ applicants. Greatest need applicants are defined as households that are subject to one or more of the following circumstances:

- experiencing homelessness
- at risk of homelessness, including:
 - their life or safety was threatened within existing accommodation
 - a health condition was exacerbated by existing accommodation
 - their existing accommodation was inappropriate to their needs
 - they were experiencing very high rental costs (Productivity Commission, 2022).¹

As discussed in *Social Housing in New South Wales: Contemporary analysis*, the number of people on the NSW Housing Register does not include all those in need of social housing. Those with a demonstrated need for social housing may have been removed from the housing register for failing to respond to annual checks on eligibility or being in arrears for existing social housing debts (Powell et al., 2019). People with a need for social housing assistance may also be excluded based on their visa status (Powell & Hartley, 2019). Others may elect not to access social housing (but still require it) due to safety concerns driven by

¹ Note that the policy definition of ‘Greatest need’ applicants used in the Productivity Commission’s Report on Government Services (ROGS) differs from the term ‘Priority applicants’ used by the Department of Communities and Justice. This report adopts ROGS definitions and terminology.

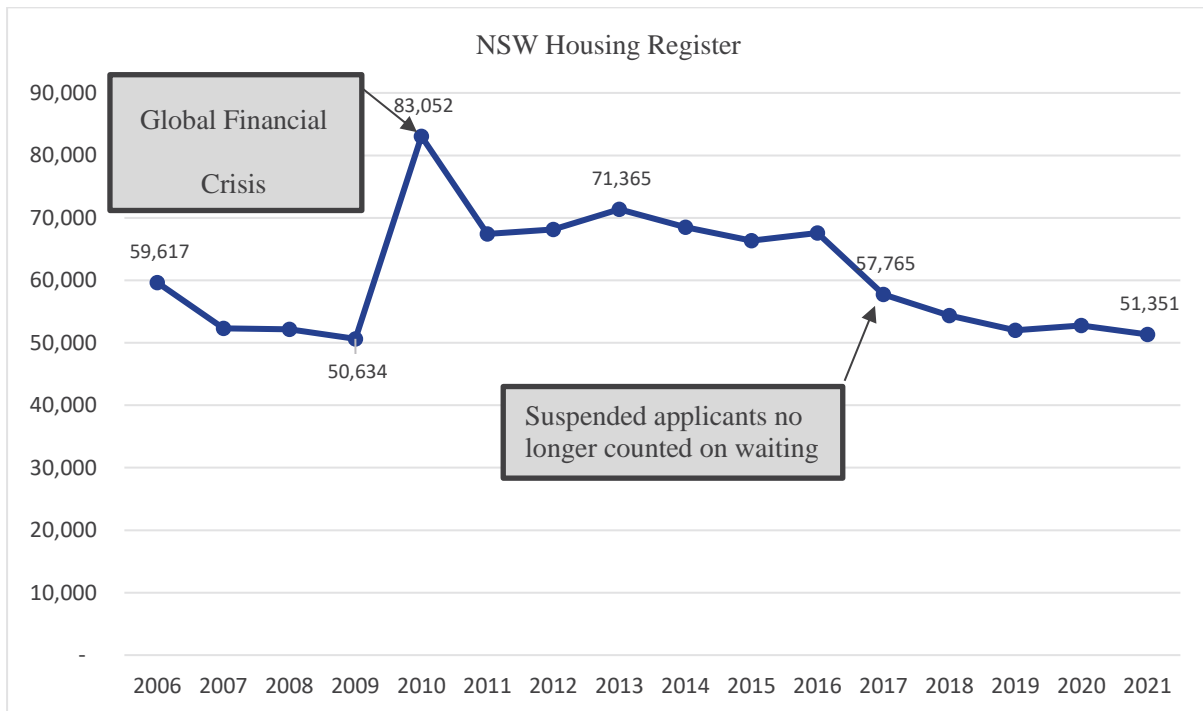
perceptions of higher crime rates and levels of anti-social behaviour occurring in social housing estates (Martin et al., 2019). Further, it is important to note that access to social housing is impacted by factors such as availability of suitable dwellings, location and tenancy turnover rates (Productivity Commission, 2022).

What will the current level of investment mean for the NSW Housing Register?

In 2021, the number of applicants on the NSW Housing Register was 51,351. Over the last 16 years, there has been an average of 60,962 applicants on the NSW Housing Register, ranging between 50,634 and 83,052 applicants. Historically, the number of applicants on the NSW Housing Register has decreased from the high of 83,052 applicants in 2010 to the 2021 figure of 51,351 applicants. In 2017, counting rules for applicants on the NSW Housing Register were changed, whereby suspended applicants were no longer counted in waiting list figures (Productivity Commission, 2022).

Figure 1 NSW Housing Register

Source- Productivity Commission, Report on Government Services 2011 Table 16A.1; 2016 Table 17A.5; 2021 & 2022 Table 18A.5



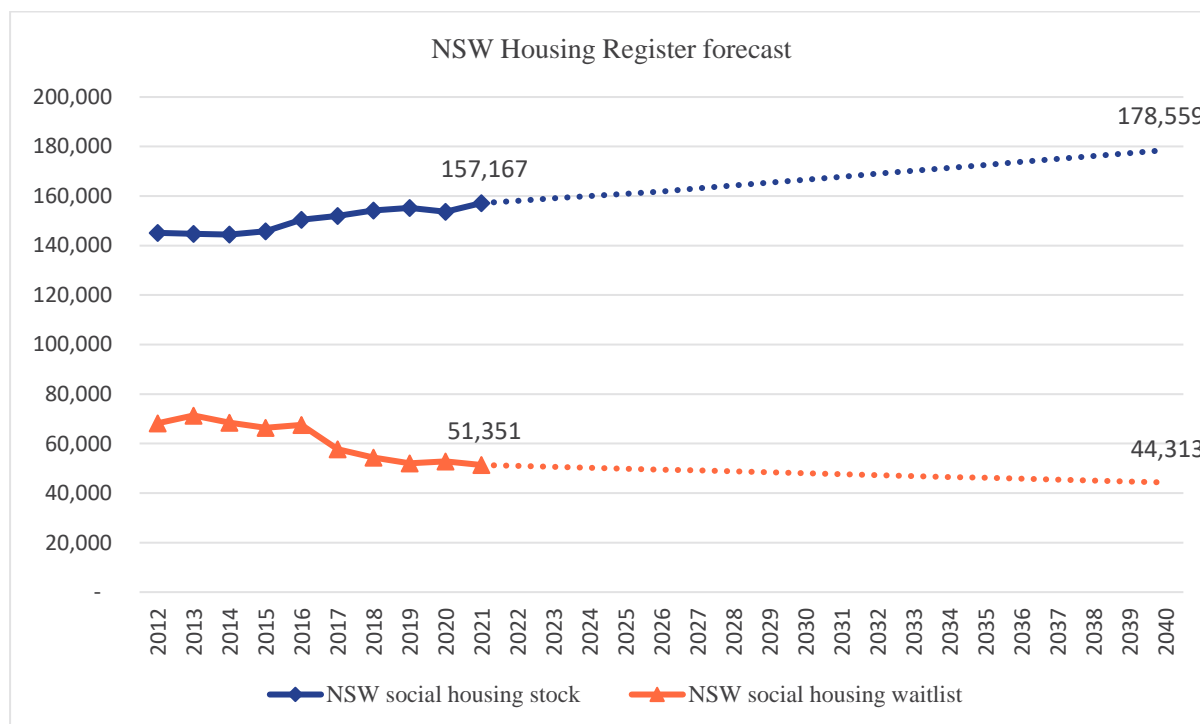
Between 2011-2021, there was an **average annual decrease of 1,608 applicants on the NSW social housing waiting list**. The Communities Plus and Social and Affordable Housing Fund (SAHF) initiatives have contributed to this decrease through investment in new social housing. For this average annual decrease in the number of applicants to continue, similar levels of investment in the Communities Plus and SAHF initiatives are required.

Figure 2 illustrates that despite the recorded average annual decrease of the NSW Housing Register between 2011-2021, it is estimated that, given current levels of investment in NSW social housing stock, **the number of applicants on the social housing waiting list will not decrease below 45,000 until 2039**.

Figure 2 NSW Housing Register waiting list forecast

Source- Productivity Commission, Report on Government Services 2022 Table 18A.3

Note: NSW social housing stock data calculated from Table 18A.3 and comprises: number of public housing dwellings; number of state owned and managed Indigenous housing dwellings; number of community housing dwellings; number of Indigenous community housing dwellings.



Many factors contribute to the number of applicants on the Housing Register including an expected decrease in NSW Government investment as the Communities Plus and SAHF initiatives are completed. This analysis considers three contributing factors to the number of applicants on the NSW Housing Register, acknowledging that this is not exhaustive. These factors are:

- increasing rates of housing stress
- increasing rates of homelessness
- decreasing rates of social housing vacancies.

The NSW Future Directions for social housing plan highlights these three factors as being the primary factors contributing to the need for more social housing (NSW Government, 2016).

- **Increasing rates of housing stress:** First, the increase in the number of households experiencing housing stress is expected to rise as housing costs continue to increase as a proportion of gross household income for lower income earners (ABS, 2019). A household is said to be in housing stress if the household has an income level in the bottom 40% of Australia's income distribution, and is paying more than 30% of its income in housing costs. In NSW, from 2009-2018, there was a 3% annual average increase in the number of households experiencing housing stress, averaging an increase of 5,572 households per year. While data identifying the number of applicants on the NSW Housing Register experiencing housing stress is not available, CSI estimates that 8% of households that are newly experiencing housing stress each year will apply for the NSW Housing

Register. This would add an additional 437 households to the waiting list per year. More information on how these figures were derived can be found at Appendix 1.1.

- **Increasing rates of homelessness:** Second, the homelessness rate is expected to increase over time as a result of the impacts of COVID-19 (Equity Economics, 2020; Productivity Commission, 2021). From 2011–2016, there was a 7% annual average increase in the number of people experiencing homelessness, averaging 2,047 people per year (Productivity Commission, 2021). CSI estimates that 10% of those that are newly homeless each year will apply to the social housing waiting list. This would add an annual additional 205 households on the NSW Housing Register. Additional methodology information can be found at Appendix 1.2.
- **Fewer social housing vacancies:** Third, there is expected to be a reduction in the number of social housing vacancies as a result of COVID-19 (Australian Institute of Health and Welfare, 2020). Prior to COVID-19, evidence suggests that there has been an increasing prioritisation of people with complex needs as tenants into social housing (Muir, Powell et al 2020). CSI estimates a 7% reduction in the average vacancy rate into the future as a result of COVID-19. This would result in an additional 586 households on the waiting list per year. Additional methodology information can be found at Appendix 1.3.

Table 1 Annual average forecasted net change to NSW Housing Register

Estimated annual additional NSW Housing Register applicants	Historic annual average change in NSW Housing Register	Estimated annual net change to NSW Housing Register
+1,237	-1,608	-371

CSI estimates that due to these contributing factors, the number of applicants on the NSW Housing Register would only decrease by an annual average of 371 applicants per year holding all else constant. Figure 2 **Error! Reference source not found.** illustrates that the current level of investment in social housing would do little to reduce the number of applicants on the NSW Housing Register when considering the impact of growing rate of housing stress, increasing homelessness rates, and reduced social housing vacancy rates.

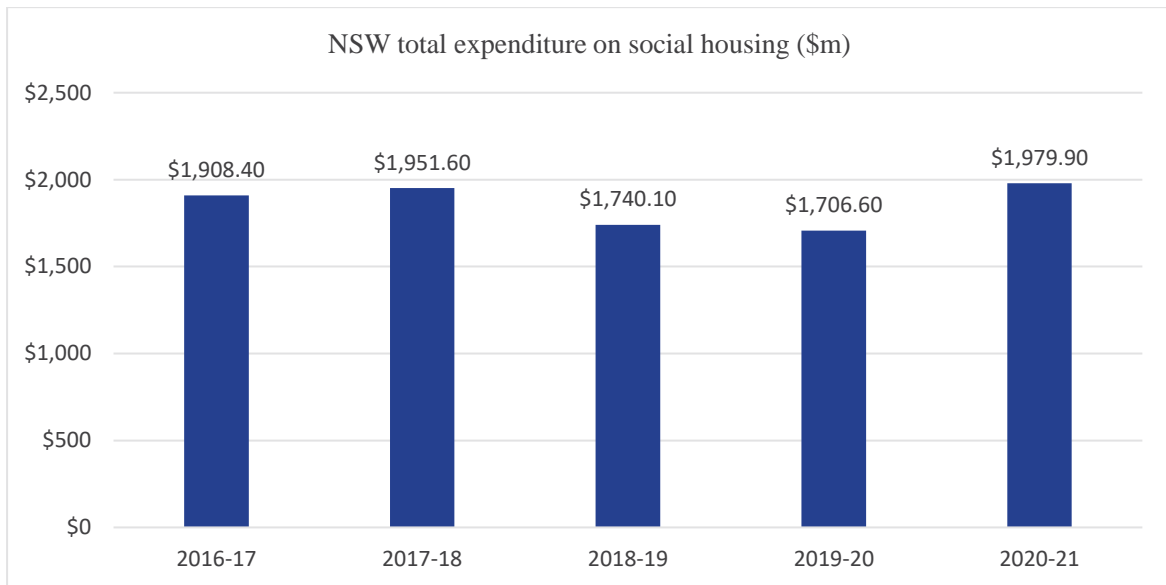
Investing in 5,000 new social housing homes per year for the next ten years

As detailed in *Social Housing in New South Wales: Contemporary analysis*, current levels of social housing investment in NSW are insufficient. As illustrated in Figure 3, while total expenditure on social housing by the NSW Government was at its highest amount in five years, this was largely due to non-ongoing stimulus funding for social housing maintenance. Given expected increases in housing stress and homelessness, and the reduction in the number of vacant social housing properties as a result of COVID-19, significant increased investment in additional social housing stock is required.



Figure 3 NSW total expenditure on social housing (\$m)

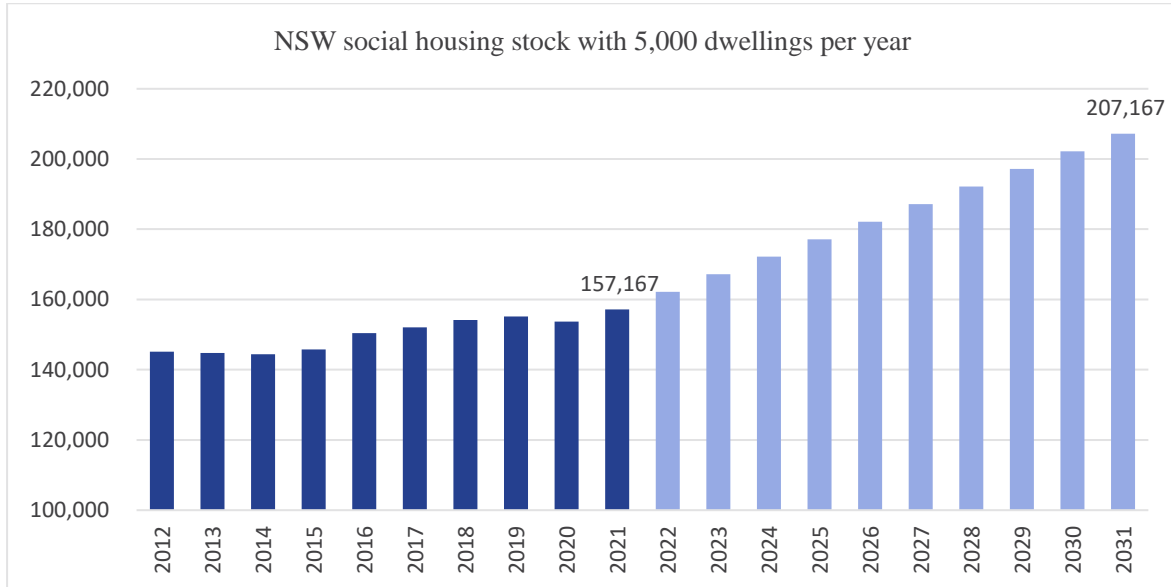
Source- Productivity Commission, Report on Government Services 2022 Table 18A.1



To begin to address the current and projected shortfall, the St Vincent de Paul Society NSW *Build Homes, Build Hope* advocacy campaign calls upon the NSW Government to invest in an additional 5,000 social housing properties each year for the next decade, totalling 50,000 new social housing homes by 2031 as shown in Figure 4. This report finds that the **impact of investing in 5,000 new social housing homes per year over the next ten years would provide greater access to social housing for people experiencing homelessness, applicants on the NSW Housing Register, and households experiencing housing stress in the private market.**

Figure 4 NSW social housing stock with 5,000 new homes per year

Source- Productivity Commission, Report on Government Services 2022 Table 18A.3



SECTION TWO – THE IMPACT OF 5,000 NEW SOCIAL HOUSING HOMES PER YEAR FOR THE NEXT TEN YEARS ON THE NUMBER AND RATE OF PEOPLE EXPERIENCING HOMELESSNESS

- **1,619 people experiencing homelessness would be housed as a result of an investment in 5,000 new social housing homes per year.**
- **Over the ten-year period, it is estimated that 16,190 people experiencing homelessness would be housed.**
- **This increase in investment would be unlikely to adequately address the growing rate of homelessness.** It is recommended that additional investment is made to provide specialist homelessness services to people experiencing homelessness.

Number and rate of people experiencing homelessness

This report uses data from the 2016 ABS Census to estimate the number of people experiencing homelessness in NSW. While 2016 ABS Census figures have been used as the measure for homelessness numbers within the report, there are limitations on the data collected by the Census including under representation of First Nations people and people sleeping rough (Productivity Commission, 2022). As of the 2016 Census night, 37,715 people were experiencing homelessness in NSW. Under the ABS definition, a person is experiencing homelessness if they are a member of one of the following groups:

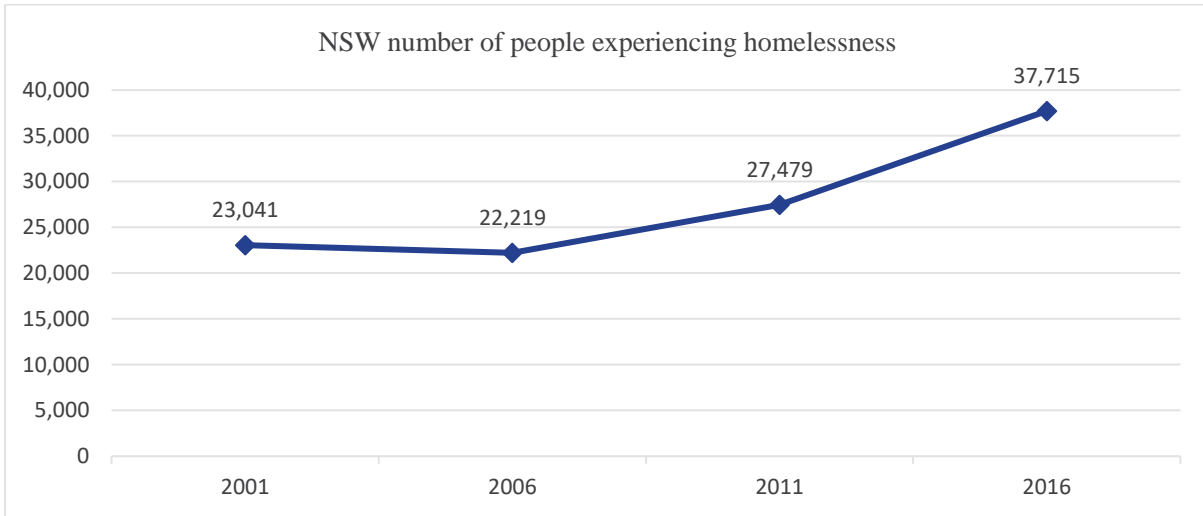
- persons living in improvised dwellings, tents, or sleeping out
- persons in supported accommodation for the homeless
- persons staying temporarily with other households
- persons living in boarding houses
- persons in other temporary lodgings
- persons living in 'severely' crowded dwellings (ABS, 2019).

Number of people experiencing homelessness

As shown in Figure 5, the number of people experiencing homelessness in NSW has increased from 23,041 in 2001 to 37,715 in 2016. As of 2016, NSW was home to 32% of Australia's homeless population, an increase from 27% in 2011.

Figure 5 NSW number of people experiencing homelessness

Source- Australia Bureau of Statistics, Census of Population and Housing: Estimating homelessness, 2016

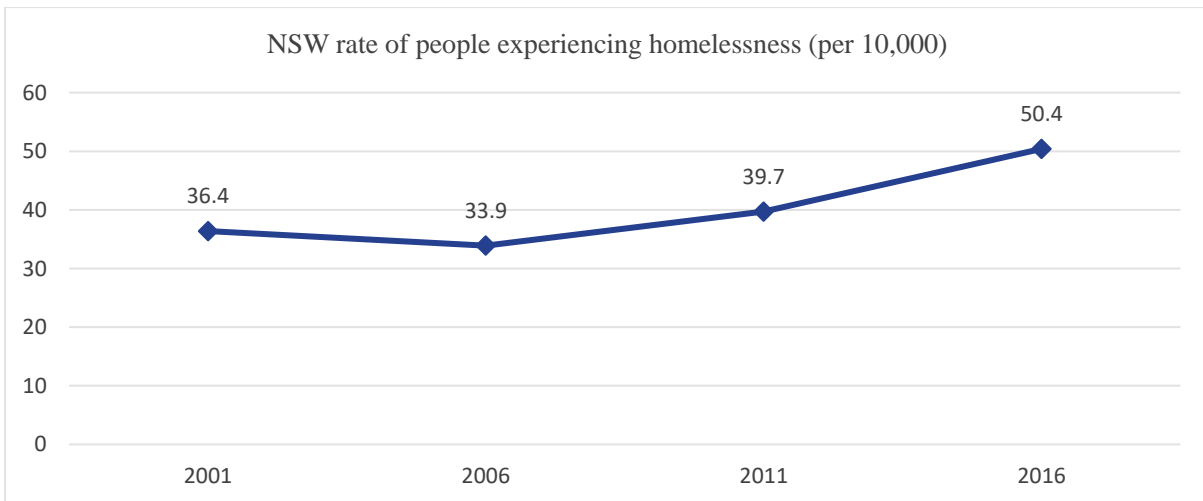


Rate of people experiencing homelessness

As of the 2016 Census night, 50.4 people were experiencing homelessness per 10,000 people in NSW. This has increased from 36.4 in 2001.

Figure 6 NSW rate of people experiencing homelessness (per 10,000)

Source- Productivity Commission, Report on Government Services 2022 Table 19A.2



Impact of 5,000 new social housing homes on number of people experiencing homelessness

CSI estimates that 1,619 people experiencing homelessness would transition to social housing following the investment in 5,000 new social housing homes provided each year. This is calculated as the percentage of applicants housed annually that are identified as being in greatest need, with the greatest need indicator being that they have experienced homelessness (Australian Institute of Health and Welfare,

2021). The distribution of 5,000 new social housing homes to applicants by their greatest need and homelessness status is seen in Figure 7. It can be inferred that, over ten years, holding all else constant, 16,190 people experiencing homelessness would be housed. Additional methodology information can be found at Appendix 1.4.

Figure 7 Distribution of 5,000 social housing homes to people experiencing homelessness

Source- Productivity Commission, Report on Government Services 2022 Table 19A.2, Australian Institute of Health and Welfare, Housing Assistance 2021



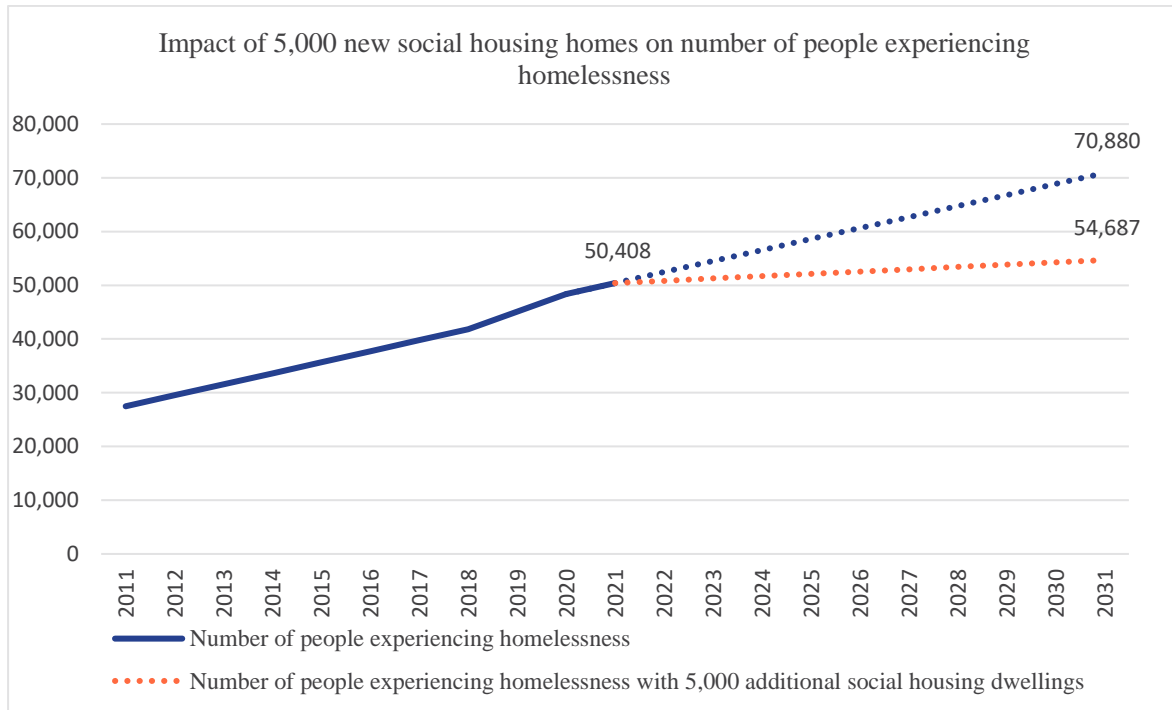
In forecasting the estimated number of people experiencing homelessness over the next ten years, CSI applied the average annual increase in homelessness from the 2011-2016 ABS Census (Australian Bureau of Statistics, 2018). Forecasting the historical average, it is estimated that, without intervention, by 2031 the number of people experiencing homelessness will increase to 70,880.

Figure 8 highlights that investment in 5,000 new social housing homes every year over ten years would house an additional 16,190 people experiencing homelessness. This would reduce the number of people experiencing homelessness from 70,880 to 54,687 by 2031.



Figure 8 Impact of 5,000 new social housing homes on number of people experiencing homelessness

Source- Australian Bureau of Statistics, Census of Population and Housing: Estimating homelessness, 2016



SECTION THREE – THE IMPACT OF 5,000 NEW SOCIAL HOUSING HOMES PER YEAR OVER THE NEXT TEN YEARS ON THE NSW HOUSING REGISTER

- *An investment of 5,000 new social housing homes is estimated to **reduce the number applicants on the NSW Housing Register by 3,392 households.***
- *Holding all else constant, the investment of 5,000 new additional homes per year for ten years would see the number of **applicants on the NSW Housing Register decrease from 51,351 in 2021 to 13,353 by 2031.***
- ***33,923 more NSW Housing Register applicants are estimated to be housed by 2031 compared to if no additional investment was made.***

NSW Housing Register

In 2021, there were 51,351 applicants waiting for social housing on the NSW Housing Register (Productivity Commission, 2022). Of these, 5,922 (12%) were identified as being ‘Greatest need’ applicants, while 45,429 (88%) were ‘General’ applicants.

Impact of 5,000 new social housing homes per year on the NSW Housing Register

The same forecasting techniques to estimate the number of applicants on the NSW Housing Register in Section One have been applied to estimate the impact of 5,000 new social housing homes per year for ten years.

Adjusting for expected increases in the number of households experiencing housing stress, rates of homelessness, and reductions in the number of social housing vacancies over the next 10 years, CSI estimates that the investment in 5,000 new social housing homes would decrease the NSW Housing Register by 3,392 applicants each year. This is compared to the expected decrease of only 371 applicants if social housing investment remains at its current state.

By 2031, it is estimated that the investment in 5,000 social housing homes per year would have decreased the number of applicants on the NSW Housing Register from 51,351 in 2021 to 13,353. This is 33,923 fewer applicants than is expected under current levels of investment.

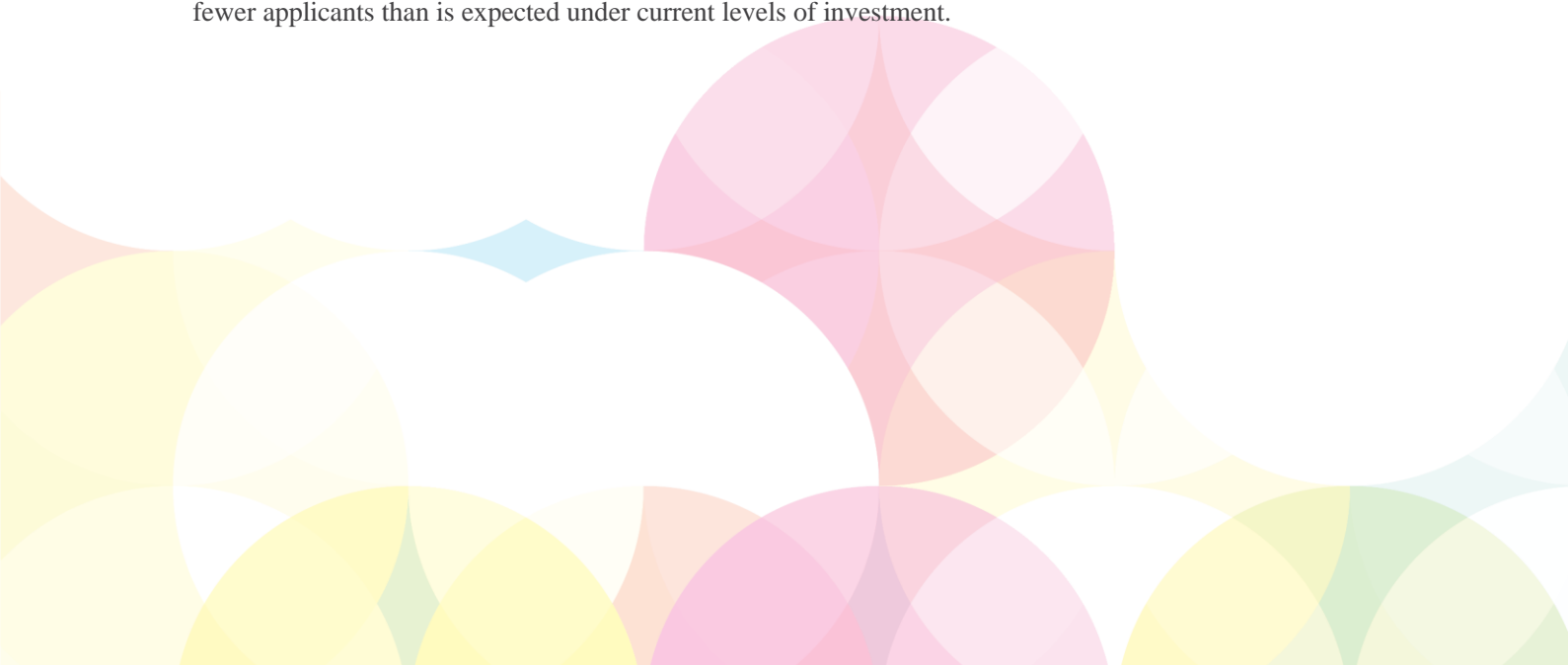
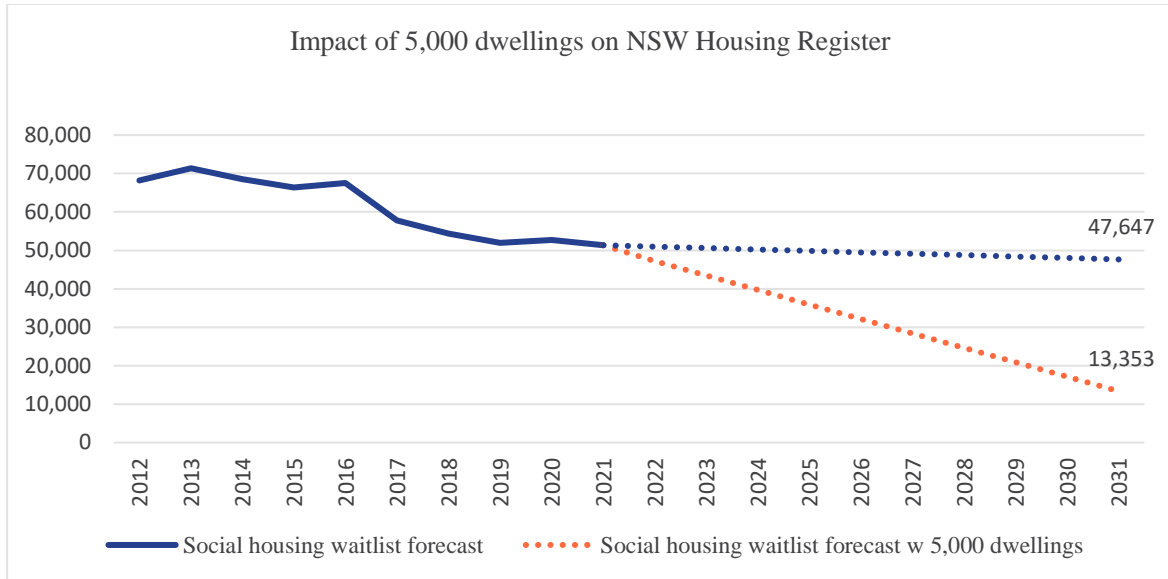


Figure 9 Impact of 5,000 new social housing homes on NSW Housing Register

Source- Productivity Commission, Report on Government Services 2022 Table 18A.3, 18A.5



SECTION FOUR – THE IMPACT OF 5,000 NEW SOCIAL HOUSING HOMES PER YEAR FOR THE NEXT TEN YEARS ON THE NUMBER OF HOUSEHOLDS EXPERIENCING HOUSING STRESS

- *Investment in 5,000 new social housing homes every year for ten years would reduce the number of households experiencing housing stress by 3,381 per year or 33,808 households over the ten-year period.*
- *Additional initiatives are required to slow the growing number of households experiencing housing stress in NSW.*

Housing stress

This report utilises the 30:40 rule to define housing stress. A household is said to be in housing stress if the household has an income level in the bottom 40% of Australia's income distribution and is paying more than 30% of its income in housing costs. In NSW, as of 2018, there were 231,765 people in housing stress. The number of households experiencing housing stress has increased since 2008 by an average rate of 3% per annum. This increase is expected to continue as housing prices rise relative to household incomes for households in the lowest 40% of Australia's income distribution (ABS, 2019).

Households in social housing do not pay more than 30% of their gross income on rent. This prevents these households experiencing housing stress as defined by the 30:40 rule (Productivity Commission, 2021). Conversely, households renting in the private market are subject to paying market rental prices set independently of their gross income. These rents can exceed 30% of their household income, placing a household in housing stress.

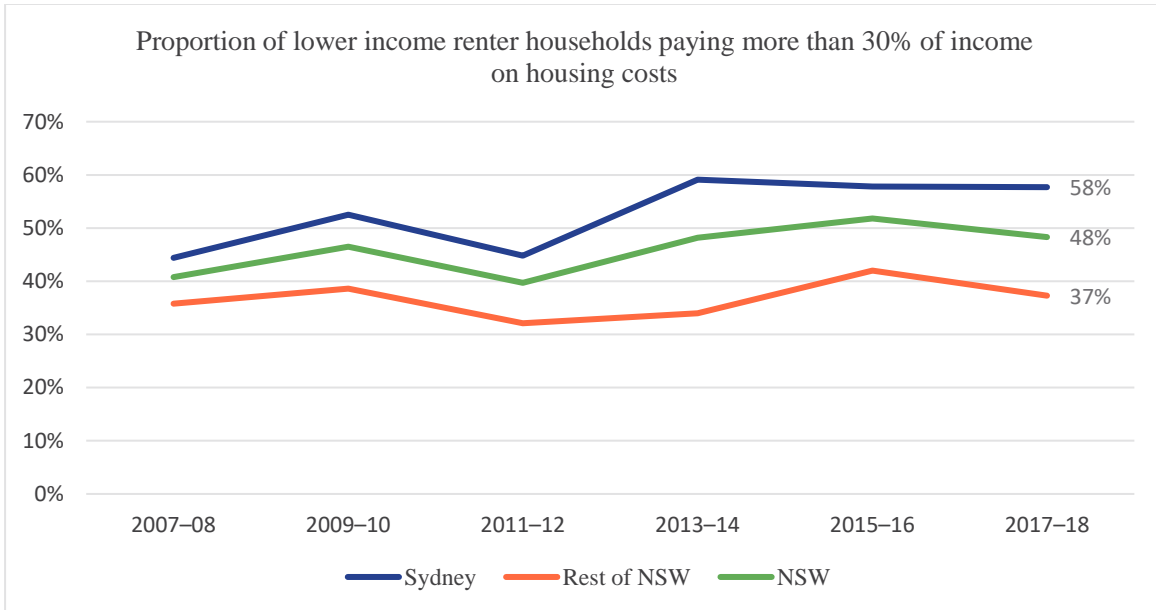
Not all households experiencing housing stress are on the NSW Housing Register, with many households renting in the private market (Mowbray, 2020). It is also important to note the impact COVID-19 has had on people experiencing housing stress. In May and June 2020, over one in ten renters reported experiencing trouble paying rent or were afraid of getting evicted (Pawson et al., 2020).

In NSW, in 2017-18, 48% of households with an income level in the bottom 40% of Australia's income distribution paid more than 30% of their income on housing costs. There was a substantial difference between private renters in Sydney compared to private renters in the rest of NSW. As shown in Figure 10, in 2017-18, 58% of lower income renter households in Sydney were experiencing household stress, compared to 37% in the rest of NSW.

Since 2007-08, the proportion of lower income renter households experiencing housing stress in NSW has increased by seven percentage points from 41% to 48%. In Sydney there has been a substantial increase in the proportion, from 44% in 2007-08 to 58% in 2017-18. This is compared to the rest of NSW that has had a relatively stable proportion over time, experiencing only a one percentage point increase in the ten years from 2007-08 to 2017-18. Recently, the impacts of COVID-19 have contributed towards households relocating from Sydney to regional NSW locations. This has placed more pressure on rental prices with property values in rural and regional areas rising by almost 10% in 2020, five times the growth rate in Sydney (CoreLogic, 2021). This is expected to increase the proportion of households experiencing housing stress in the rest of NSW as renters are unable to afford market set rental prices.

Figure 10 Proportion of lower income renter households paying more than 30% of income on housing costs

Source- Australian Bureau of Statistics 2019, Housing Occupancy and Costs Table 21.1

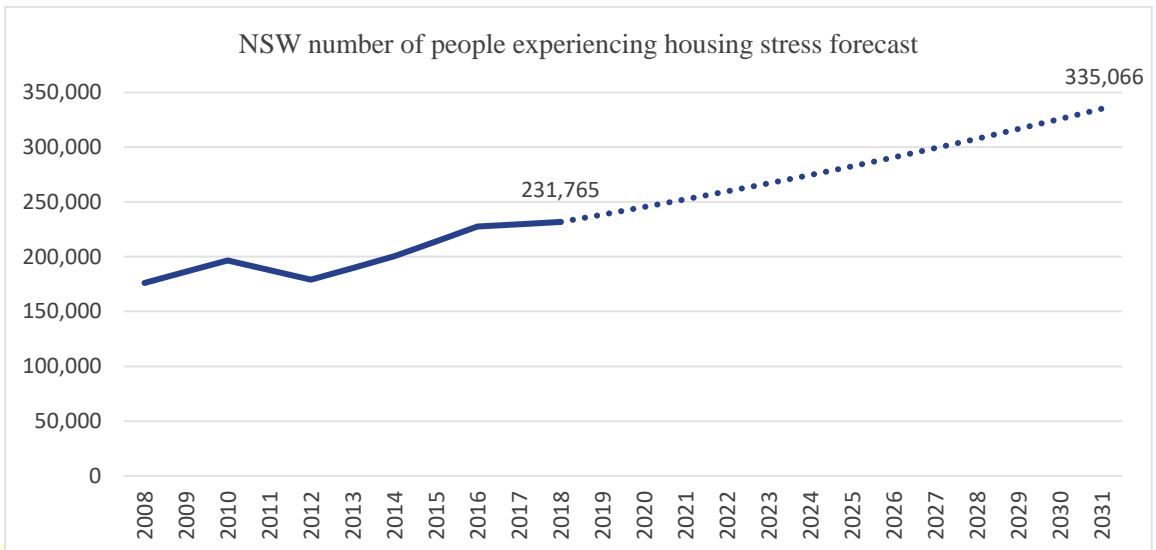


Forecasting the number of households experiencing housing stress

To forecast the number of households experiencing housing stress in NSW over the next ten years, CSI applied the historic annual average 3% increase of households experiencing housing stress. Figure 11 shows that 335,066 households are expected to experience housing stress by 2031.

Figure 11 NSW number of households experiencing housing stress forecast

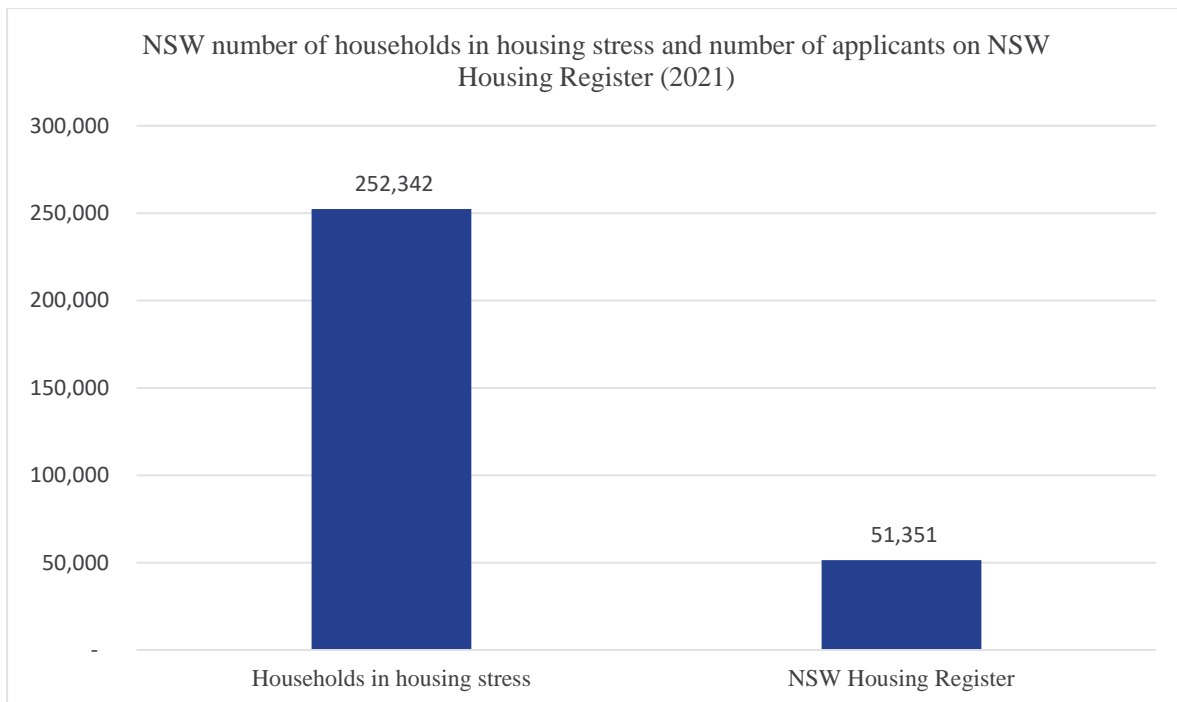
Source- Australian Bureau of Statistics 2019, Housing Occupancy and Costs Table 21.1



Data is not available to identify the number of applicants on the NSW Housing Register that are experiencing housing stress. Figure 12 **Error! Reference source not found.** illustrates the number of households in NSW experiencing housing stress alongside the number of applicants on the NSW Housing Register in 2020.

Figure 12 NSW estimated number of households in housing stress and number of applicants on NSW Housing Register (2020)

Source- Australian Bureau of Statistics 2019, Housing Occupancy and Costs Table 21.1, Productivity Commission, Report on Government Services 2022 Table 18A.5



CSI estimates that all applicants currently on the NSW Housing Register that are renting in the private market are experiencing housing stress, as defined by the 30:40 rule. In 2021, 99.3% of households in public housing, and 94.8% of households in community housing were classified as being in the bottom 40% of Australia's income distribution (Productivity Commission, 2022). **CSI estimates that all applicants on the NSW Housing Register would be likely to be in the bottom 40% of Australia's income distribution.**

The NSW Department of Communities and Justice identifies households living in unaffordable housing as having a need for social housing (NSW Department of Communities and Justice, 2019). **CSI estimates that all applicants on the NSW Housing Register renting in the private market are likely to have a need for social housing, as measured by the 30:40 rule, as a result of living in unaffordable housing.** In 2017-18, NSW first quartile weekly rent prices were \$380, while in the same period, NSW mean weekly gross household incomes for the lowest two quintiles were \$461, and \$1,057. Average households in the two lower income quintiles would be paying more than 30% of their income towards rent if living in a dwelling with first quartile weekly rent prices. These rental prices have remained steady to 2021, (CoreLogic, 2021).

Impact of 5,000 new social housing homes per year on housing stress

It is estimated that of the investment in 5,000 new social housing homes, 3,381 would be provided to households in housing stress renting in the private market. illustrates the distribution of 5,000 new social housing homes to households experiencing housing stress. This is comprised of applicants on the General waiting list, as well as applicants on the Greatest need waiting list who are not experiencing homelessness.

If these 3,381 extra households experiencing housing stress were housed in social housing each year, this means that 33,808 households experiencing housing stress would be housed over the ten-year period. Figure 13 highlights that by 2031, investment in 5,000 new social housing homes per year for ten years would result in a decrease in households experiencing housing stress from 335,066 to 301,258. Figure 13 **Error! Reference source not found.** also highlights that additional interventions are required to address the growing number of households experiencing housing stress.

Figure 13 Impact of 5,000 new social housing homes on number of households experiencing housing stress

Source- Australian Bureau of Statistics 2019, Housing Occupancy and Costs Table 21.1



CONCLUSION

This report finds that investment in 5,000 new social housing homes in NSW per year for ten years would provide greater access to social housing for people experiencing homelessness; applicants on the NSW Housing Register; and households experiencing housing stress.

It is estimated that the investment would have the following impacts:

- transition 1,619 people experiencing homelessness to social housing per year
- decrease the NSW Housing Register by 3,392 applicants per year
- transition 3,381 households experiencing private market housing stress to social housing per year.²

Providing housing to people experiencing homelessness has been found to positively impact their physical and mental health, quality of life, and social integration (Wood et al., 2016). The investment of 5,000 new social housing homes per year would be expected to contribute towards achieving these positive outcomes.

Further, wait times for applicants on the NSW Housing Register can reach over ten years before being able to access a social housing home. The introduction of 5,000 new social housing homes would reduce the time applicants spent on this register and improve the rate of transition.

Finally, households on lower incomes experiencing housing stress are faced with a range of issues as a result of renting in the private market. Transitioning households in housing stress to social housing will reduce the likelihood that households are not able to afford essentials including food and utilities due to allocation of income towards rent.

While 5,000 new social housing homes per year would act as a significant catalyst towards providing social housing to households in NSW in need, this analysis highlights that additional investment is required to create lasting, positive change. Investment targeted towards the causes of these issues is required alongside greater social housing investment. Nonetheless, this investment would provide essential supports to people living in NSW and goes well beyond the announced social housing commitments currently made by the NSW Government.

² Counts are not mutually exclusive. For example, a person experiencing homelessness must be on the NSW Housing Register to access social housing and thus would be counted in the first and second group.

APPENDIX: METHODOLOGIES

Appendix 1.1

To determine the number of households newly experiencing housing stress each year that apply to the NSW Housing Register, the following steps have been taken:

- It is estimated that in 2021, 252,342 people in NSW experienced housing stress as measured by the 30/40 rule.
- Of applicants on the NSW Housing Register, it is assumed that 68% are paying rent, as they are not experiencing homelessness. This is derived from Productivity Commission data stating that 63.5% of applicants housed are classified as being in greatest need, and of those 63.5%, 51% experienced homelessness before being housed. The remaining cohort of applicants experiencing housing stress includes those on the general waiting list, and those on the greatest need waiting list not experiencing homelessness.
- It is then possible to assume that 13% of people experiencing housing stress are on the NSW Housing Register.
- If we are to apply this amount to the average annual increase of people experiencing housing stress it can be estimated that 13% of the annual average increase of people experiencing housing stress (5,572) would apply to the NSW Housing Register.
- This provides us with 745 additional applicants per year.
- Applying a conservative approach, we estimate that 8% of the annual average increase of people experiencing housing stress would apply to the NSW Housing Register.

Appendix 1.2

To determine the number of people newly experiencing homelessness each year that apply to the NSW Housing Register the following steps have been taken:

- It is estimated that the average annual increase in the number of people experiencing homelessness is 2,047 based on data from the 2016 ABS Census.
- To determine the proportion of applicants on the NSW Housing Register that are homeless two calculations are made:
 - 63.5% of NSW Housing Register applicants are on the priority waitlist due to having a greatest need (Productivity Commission, 2022)
 - Of those 63.5%, 51% of newly housed applicants were found to have experienced homelessness immediately prior to accessing social housing (Australian Institute of Health and Welfare, 2021).
- This allows us to assume that 32% of those on the NSW Housing Register are experiencing homelessness prior to accessing social housing.
- It is possible to assume that 32% of the 2,047 average annual increase in people experiencing homelessness would apply to the NSW Housing Register.
- Applying a conservative approach, we estimate that 10% of the average annual increase in people experiencing homelessness would apply to the NSW Housing Register.
- This results in 205 additional applicants on the NSW Housing Register as a result of experiencing homelessness.

Appendix 1.3

To determine the reduced number of social housing vacancies, limiting the number of available social housing homes for applicants on the NSW Housing Register, the following steps have been taken:

- The average annual number of people in NSW that exited social housing between 2012 and 2020 was 8,377 (Australian Institute of Health and Welfare, 2021).
- It is expected that there would be a reduction in the number of social housing vacancies into the future. Prior to COVID-19, evidence suggests that there has been an increasing prioritisation of people with complex needs as tenants into social housing (Muir, Powell et al 2020). The growing demographic of people living in social housing with complex needs illustrates the diverse supports required that aren't available in other housing alternatives. This makes it difficult to transfer people living in social housing. Further, there is a noted lack of affordable and appropriate housing alternatives to social housing and a lack of support services in the community facilitating the transition out of social housing. The impact of COVID-19 is expected to compound these issues, along with the JobSeeker COVID-19 supplement ending in March 2021.
- Applying a conservative approach, we estimate a 7% decrease in the average annual number of social housing vacancies.
- This results in an additional 586 applicants on the NSW Housing Register per year that are not able to access a dwelling.

Appendix 1.4

To estimate the expected impact of 5,000 new social housing homes per year for ten years on the rate of people experiencing homelessness in NSW it is necessary to determine what proportion of people being housed in social housing were previously experiencing homelessness. The following steps have been taken to provide this estimate.

- In 2020-21, 63.5% of newly allocated households in public housing, SOMIH, and community housing, were allocated to households identified as having greatest needs (Productivity Commission 2022). Households are assessed by their greatest need to be placed within a priority waitlist. Greatest need circumstances include if household members were subject to one or more of the following:
 - They were experiencing homelessness
 - They were at risk of homelessness, including:
 - Their life or safety was threatened within existing accommodation
 - A health condition was exacerbated by existing accommodation
 - Their existing accommodation was inappropriate to their needs
 - They were experiencing very high rental costs (Australian Institute of Health and Welfare 2021).
- Of these 63.5% of newly allocated greatest needs households, the AIHW estimates that 51% were experiencing homelessness prior to commencing their tenancy. This percentage reflects public housing and has been scaled up to social housing in the absence of additional data (Australian Institute of Health and Welfare 2021).
- Under these assumptions, the number of people experiencing homelessness that are likely to receive social housing as a result of the 5,000 new dwellings is 1,619 per year. This can be seen in Figure 7.

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