



# Options to improve access to existing and alternate accommodation to address the social housing shortage

Submission to the Legislative Assembly Committee on  
Community Services

17 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 (the Society) has worked in NSW for more than 130 years, providing assistance to people experiencing poverty and disadvantage, with a particular focus on support for people at risk of or experiencing homelessness. We seek to shape a more just and compassionate society by working to address the causes of poverty and injustice.

Our focus is on prevention and early intervention. Members of the Society visit people experiencing disadvantage in their homes, including people at risk of homelessness. Members refer those at risk to our homelessness services, where staff then offer case management, support services, and referral to other agencies to help keep people at home. Specialist responses are provided for women and children wishing to leave family and domestic violence while retaining existing housing.

Where people experience homelessness, the Society seeks to ensure they can move into permanent accommodation, supported by wrap-around services, as quickly as possible. Through our community housing provider, Amélie Housing, we provide social and affordable housing with tailored support to meet the needs of the growing number of people locked out of the private rental market.

The Society also offers transitional accommodation with case management to support people to secure and maintain their own tenancies in the community, and crisis accommodation for those experiencing homelessness or at risk of becoming homeless.

In each instance, we endeavor to provide appropriate support services, including alcohol and other drug programs, domestic violence services, independent living skills training, access to meals and laundry facilities, and medical care. Where available, people with more complex needs can access intensive support to help break the cycle of homelessness.

Together with the NSW Government and other NGO partners, the Society is also a partner of the End Street Sleeping Collaboration, which seeks to halve the number of people experiencing street homelessness by 2025 and work towards zero street homelessness across NSW.

## Introduction

Across 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 37 per cent increase in the number of people without a place to call home in NSW, such that 37,000 people were homeless.<sup>1</sup> More recently, the economic impacts of the COVID-19 pandemic are expected to increase the number of people experiencing homelessness to more than 50,000 people.<sup>2</sup>

Social housing is meant to assist people experiencing homeless or housing stress. Unfortunately, for a long time now, in metropolitan and regional NSW alike there has been nowhere near enough social housing.

This situation is not inevitable. We can meet the challenge of supporting people who are homeless and those living with housing stress with appropriate investment in social housing. We can complement social housing with affordable housing. Where appropriate, we can introduce meanwhile use housing. And we can respond to the barriers experienced by community housing providers.

The Society thanks the Legislative Assembly Committee on Community Services for the opportunity to contribute to this inquiry. We hope that our input serves to support efforts by the Committee to respond to the housing crisis in NSW.

## Options to improve existing accommodation

Unequivocally, NSW needs more social housing.

The NSW Department of Communities and Justice reports that over 51,000 applicants—or more than 110,000 adults and children<sup>3</sup>—were waiting for social housing as of 30 June 2020.<sup>4</sup> In parts of the state the wait time exceeds 10 years.<sup>5</sup>

This overwhelming need is projected to grow significantly. The NSW Treasury 2021-22 Intergenerational Report reports that, if home ownership rates continue to decline, demand for social housing in NSW amongst retirees alone will increase by another 68,000 households by 2060-61.<sup>6</sup>

The NSW Government has made welcome commitments to increase social housing stock, but newly released research from the Centre for Social Impact, 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. The NSW Government advises that Communities Plus will deliver up to 23,000 new and replacement social housing homes<sup>7</sup> but the former Minister for Housing, the Hon. Brad Hazzard MP, acknowledged that 17,000 of these properties would be demolished and replaced. This means Communities Plus will deliver just 6,000 additional social housing properties over the 10 years to 2026.<sup>8</sup> Data on the progress of this program is difficult to attain—the Communities Plus website was recently removed—but the Centre for Social Impact advises that, to date, 220 of these dwellings have been completed.<sup>9</sup> If accurate, this means that up to 5,780 of these additional social housing homes are yet to be delivered and it raises doubts about whether the full complement of homes will be built by 2026.

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. 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—and another 150 affordable housing homes—on time and under budget.

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 identified sites in metropolitan and regional areas and 200 new Aboriginal housing homes.

All told, public commitments from the NSW Government total 9,386 new dwellings.<sup>10</sup> While welcome, this commitment falls substantially short of what is required to meet the demand for social housing.

Of equal concern, the recently released Report on Government Services (ROGS) informed that in 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.<sup>11</sup> This means there was a 0.5% reduction in public and community housing (more than 700 dwellings) across the State. The Society acknowledges that some of the decline in stock may be due to large Communities Plus redevelopments that are underway, but the decline is still indicative of a lack of sustained investment in social housing.

Alarming, the NSW Government is also spending progressively less on social housing per capita. The ROGS reports that, 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.<sup>12</sup>

Given that demand far outweighs the supply of social housing, the Society submits that investment in additional social housing stock should be the focus of the NSW Government. While consideration of meanwhile use housing may help unlock some additional housing potential, it is unlikely to dilute the need for substantial and sustained investment in social housing.

Specifically, we call on the NSW Government to deliver at least 5,000 homes every year for the next ten years. Noting that 40% of current applicants for social housing are outside the Sydney metropolitan area, this new investment should be delivered in regional NSW as well as across Sydney.

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 for residents of temporary, transitional and social housing.

In the experience of our employees, the availability of wrap around support is invaluable in assisting people with complex needs, including those experiencing homelessness, to transition to housing and then maintain their tenancies. In so doing, this support helps to reduce and then sustain a reduction in homelessness. For tenants with less complex needs, the availability of tailored support coordination can assist them to continue their education, secure employment and, in some cases, exit social housing and secure housing in the private market.

To reiterate, the Society calls on the NSW Government to invest in additional social housing stock, together with wrap around support and tailored support coordination, to meet the significant need for social housing across NSW.

## Barriers to additional supply across NSW

The principal obstacle to the delivery of new social housing by community housing providers (CHPs) 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 new housing; whether developments are in metropolitan or regional areas; 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.

In 2018, AHURI reported that, on average, each social housing dwelling across Australia needs around \$13,000 each year as a government subsidy to address this funding gap.<sup>13</sup>

Research by the City Futures Research Centre in 2019 estimated the funding gap by region and funding model across Australia. In Greater Sydney, the average annual funding gap per dwelling per year is \$14,400 if social housing were to be delivered using a capital grants funding model over 20 years or \$17,100 if social housing were delivered using an operating subsidy funding model. Across the rest of NSW, the gap is \$8,700 per dwelling per year using capital grants funding or \$10,300 per dwelling per year employing the operating subsidy model.<sup>14</sup>

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

Plainly, Government funding is needed to bridge the funding gap.

## Options for crisis, key-worker and other short term accommodation models

### Specialist Homelessness Services

The Society recognises Specialist Homelessness Services (SHS) as essential for supporting people who are homeless or at risk of homelessness and we extend our thanks to the NSW Government for resourcing the delivery of these services.

That said, we believe that the current funding envelope is much too small to meet the need for homelessness services. Staff from our SHS teams across NSW advise that they support significantly more people than they are funded to support. They also report having to turn away many people in need of accommodation.

The latest ROGS echoes our experiences. The data demonstrates that a large and growing percentage of people who are homeless or at risk of homelessness and who sought accommodation from a SHS provider were not able to access accommodation. In 2019-20, more than 21,000 people or 47% of all the clients who sought accommodation in NSW were not provided this service. In 2018-19, 45% of all NSW clients were not able to be provided this service. The year before the figure was 42% of clients. The situation has become progressively worse, with both the number and percentage of clients whose identified need for accommodation was not met having increased each year since at least 2014-15.<sup>15</sup>

The Society would like to see the NSW Government increase investment in the SHS program so that service providers can meet the needs of all people who seek accommodation and support because they are experiencing or at risk of experiencing homelessness.

Importantly, additional funding would also enable SHS providers to invest in early intervention services to reduce the demand for crisis accommodation. This could enable service providers to work more closely with community housing providers and real estate agents, for example, to identify tenants falling behind in rent who are in need of support before they experience eviction and homelessness. Similarly, funding to work with local schools could help services to identify students at risk of homelessness and provide early intervention support. The Society would welcome funding to enable the expansion of early intervention initiatives across NSW.

## Together Home

The Society warmly welcomed the introduction of the Together Home program in response to COVID-19 last year. Since then, staff in our homelessness services have been able to successfully refer 30 rough sleepers to this program—in the Inner City and Nowra—and have advised that most of these people would have continued to sleep rough were it not for Together Home.

Beyond the availability of housing, the intensive wrap around support that has been available through Together Home has been pivotal in making sure people who would otherwise have struggled to maintain their tenancies have been able to do so and, in some cases, have helped them to integrate into their new local community.

Successful though Together Home has been, there have not been enough places to accommodate demand, even following the allocation of additional funding to expand the program. In metropolitan Sydney and regional NSW alike, our homelessness services advised that they have referred eligible people to the local provider without success; that they are waiting for suitable properties to become available. The success of and ongoing demand for this service means the Society would like to see significantly more funding to allow more people to benefit from Together Home.

There are also question marks about what will happen to people accessing housing and support through Together Home once the funding period ends. Staff have expressed concern that, without available social housing or affordable private housing, in either case with appropriate support, many tenants may not be able to secure housing and maintain their tenancies and could end up sleeping rough once again. The Society would view this as a significant backward step and hopes the NSW Government will do all that is necessary to avoid this outcome.

## Keyworker housing

As the Committee will know, the high cost of housing has forced many people on low and moderate incomes—including essential workers such as educators, nurses, carers and social workers—further from jobs, transport and other services.

Recently, housing and homelessness staff across the Society have reported an increase in the number of people in gainful employment who are seeking housing support because they are either homeless or at risk of homelessness.

Without access to affordable housing, many such households are living in housing that is poor quality, insecure or inadequate for a family's needs. This can include extended periods of couch surfing or living in

overcrowded conditions with friends or other family members. People in these households can in turn experience pressure that affects their physical and mental health, their employment prospects, their children's educations, and their relationships with family, friends and the broader community.

In response, the Society advocates that NSW must increase the supply of affordable housing for keyworkers and other moderate-income households, including by introducing mandatory inclusionary zoning targets.

Specifically, we call on the NSW Government to introduce a requirement that at least 15% of all new residential developments on privately-owned land are set aside for affordable housing and at least 30% of new residential developments on state and local government-owned land be allocated for affordable housing in perpetuity.

We acknowledge that the Greater Sydney Commission (GSC) plans include an objective for housing to be more affordable but note that they advise that targets in the range of 5-10% of new residential floor space are subject to viability. We contend that these targets are insufficient to meet the community need for affordable housing. We note as well, that, to date, there has been little evidence that GSC plans have led to the delivery of a significant number of new affordable housing homes across NSW.

The introduction of mandatory inclusionary zoning targets in NSW would mean that fewer people on low and moderate incomes would be locked out of our cities or have to rely on insecure or inadequate housing.

As with social housing, our community housing provider, Amélie Housing, would welcome the opportunity to deliver additional affordable housing. Most recently, Amélie has successfully delivered 150 new affordable housing homes through the SAHF but could seek to allocate additional land to deliver more affordable housing to low- and moderate-income earners should the requisite funding be available.

## Options to better support 'meanwhile use' accommodation

In response to the outstanding demand for social housing, the Society contends that the NSW Government should prioritise investment in significantly more social housing, together with wrap around support.

That said, we acknowledge that meanwhile use housing has the potential to reduce homelessness in the short term and to help prepare new tenants for more permanent housing thereafter.

Should the NSW Government expand the provision of meanwhile use housing, there are a number of challenges that require attention. We share these challenges below, together with potential opportunities for the delivery of meanwhile use housing.

### Challenges

#### *Responding to complex needs*

To date, experience in NSW suggests that meanwhile use housing is deemed most appropriate for priority applicants for social housing. Presently in NSW, 5,308 applicants—or more than 11,600 people—have been assessed as eligible for priority housing.<sup>16</sup>

Priority applicants are people who have been assessed as having an urgent housing need that cannot be met through the private rental market. People with an urgent housing need include those who are experiencing homelessness, whether living on the street, in crisis or emergency accommodation or with

family or friends who are unable to provide longer-term accommodation. They also include people at imminent risk of homelessness, and people who need safe and stable accommodation so that a child can return from out-of-home care or to prevent a child from entering out-of-home care. People with an urgent housing need also include those who are at risk of harm due to domestic or family violence, sexual assault, child abuse or neglect, torture or trauma. Stolen Generations survivors and clients who have experienced institutional child sexual abuse are also deemed priority applicants for social housing.

As the above criteria attest, a significant number of people waiting for priority housing have diverse and complex needs that require intensive, trauma-informed care and support. The delivery of meanwhile use housing without the appropriate amount and standard of support can mean people who were homeless struggle to adjust to and maintain their new tenancy and can mean people who have experienced harm are more susceptible to returning to damaging environments. A concentration of people with high support needs without the availability of adequate support can also be a precursor to conflict between tenants and a lack of social cohesion within a community.

If the NSW Government is to facilitate the delivery of meanwhile use accommodation for priority housing applicants or other people with an urgent need for housing, the Society strongly advocates that appropriate support is available for tenants with complex needs.

#### *Cost of housing and support*

The Society understands that meanwhile use housing can be delivered using either existing dwellings that are already fit for purpose; sites with existing dwellings that require modification to meet the needs of tenants; or otherwise undeveloped land.

Developing new dwellings or redeveloping existing dwellings so they are fit for purpose will incur costs. Without knowledge of the sites in question, it is not possible to assess the extent of these costs. However, the Society notes that, given the rent paid by social housing tenants is necessarily and heavily subsidised, CHPs do not receive income from meanwhile use housing that is sufficient to cover the costs of the infrastructure development, the ongoing building maintenance, tenancy management, and wrap around support.

While financial and in-kind contributions from partners—including the land-owners—have the capacity to reduce the outstanding costs of delivering meanwhile use housing, where this is not forthcoming or is inadequate, the development of meanwhile use housing will require investment from Government.

Acknowledging the need for this financial outlay—and recognising the demand for social housing and the short-term nature of the meanwhile use housing—the Society recommends that, for any meanwhile use proposal, Government should consider the costs and benefits of the proposal relative to the costs and benefits of investing in long-term social housing.

#### *Location of meanwhile use housing*

The Society works with people who are homeless and experiencing housing stress every day. In so doing, we understand the important role that relationships and communities play in supporting people experiencing disadvantage. Especially where relationships with family are strained or non-existent, engagement with friends and neighbours can make a significant difference to mental health and well-being. This can be particularly true for children; having a stable environment with friends at school can help with school attendance and learning. Similarly, relationships with known and trusted local community service providers and health services can have a significant impact on whether a person seeks and receives the community and medical care they need to stay well.



When applying for social housing, we note that people can elect to maintain existing relationships by declaring their preference for securing a property within one or another of their local allocation zones. Similarly, where meanwhile use housing is available, it should be offered to eligible people who have declared their preference to live in the allocation zone in which the meanwhile housing is located, so that they can maintain relationships with existing neighbours, friends and service providers. People on the social housing waiting list who have not preferenced the area in which the meanwhile use housing is located might still be offered a place but should not be required to accept an offer that would take them from their community of choice.

#### *Exits from meanwhile use housing*

The Society understands that meanwhile use housing is temporary accommodation. After a predetermined timeframe, tenants would be required to vacate premises so sites can be redeveloped for their intended longer-term use.

Valuable though additional housing may be in the short term, we harbour concerns that there is not enough long-term housing available for people to transition into once they leave meanwhile use housing. Staff in our homelessness services already advise that they are regularly called on to support people who are unable to secure permanent accommodation upon exiting Government institutions including correctional centres and complexes, hospitals and mental health facilities.

Once again, we urge Government to invest in considerably more social housing to ensure that residents of temporary accommodation can access longer-term housing at the appropriate time.

#### *Providers of meanwhile use housing*

Across Australia, CHPs go through a rigorous process to register under the National Regulatory System for Community Housing (NRSCH). The NRSCH is a joint initiative of the Commonwealth, State and Territory Governments that is designed to identify, monitor and respond to risks that would have serious consequences for tenants, funders and investors, community housing assets and the reputation of the sector.<sup>17</sup> Once registered, a compliance framework underpins the engagement between the registrars for each jurisdiction and CHPs and ensures adherence with the National Regulatory Code contained within the Community Housing Providers National Law.<sup>18</sup>

With this framework in mind, if the NSW Government is to promote the expansion of meanwhile use housing, the Society submits that CHPs are best placed to deliver this new form of housing. We would be concerned about the well-being of tenants should other providers—such as private boarding house owners or real estate agents—be permitted to deliver meanwhile use housing independently. At the very least, CHPs must be a formal partner in any future meanwhile use housing development.

Should the NSW Government entertain the notion of other providers delivering meanwhile use housing independent of CHPs, we would ask Government to ensure an appropriate regulatory framework is in place to protect the interests of tenants.

#### *Standards of accommodation*

When building new social housing, CHPs comply with national standards and codes to ensure that dwellings meet legal requirements, the needs of tenants, and community expectations. For example, the Residential Tenancies Act provides that dwellings must be fit for habitation, meaning structurally sound, with adequate lighting and ventilation, energy and water connections, plumbing and drainage, and bathroom facilities. At the same time, the National Construction Code requires that new dwellings meet

minimum state and territory energy efficiency standards. Governments also recently agreed to incorporate mandatory accessibility requirements into the National Construction Code.

So that low-income tenants can maintain their homes at healthy temperatures while keeping their household energy usage low and electricity and gas bills affordable, Amélie Housing has ensured all its SAHF properties have an energy rating of 7 stars. So that these same dwellings are accessible to people living with a physical disability and older people, all SAHF homes have also been built to a silver level accessibility standard.

The Society contends that tenants of any future meanwhile use housing development should be afforded the same standards of accommodation as available to any social or affordable housing tenant. The temporary status of the dwelling and tenancy should not mean that tenants must accept any lesser standard of accommodation.

## Opportunities

### *Communities Plus*

The Society understands that the NSW Government is currently partnering with Evolve Housing to deliver meanwhile use housing at the Communities Plus major projects site of Arncliffe. Initially, tenants from the original 142 social housing units were relocated to facilitate the development of new social, affordable and private dwellings in the future. However, in response to COVID-19, Evolve was engaged to house people on the priority housing list within this site.

With many more existing social housing estates slated for redevelopment, the Society asks whether any other Communities Plus sites might be appropriate for meanwhile use housing.

### *Other Government-owned land*

The Society notes that the recently released Housing Strategy commits the NSW Government to 'establish a register of NSW Government land, assessing suitability for housing outcomes'.<sup>19</sup> The Society welcomes this commitment which has the potential to support CHPs to identify opportunities and submit proposals for new housing on NSW Government-owned land in both metropolitan and regional areas of NSW.

We also draw attention to more recent reports that the NSW Government has imposed a \$3 billion land and property sales target on its departments.<sup>20</sup> Consistent with the Housing Strategy, we urge the NSW Government to assess the suitability of Government-owned land for much-needed social and affordable housing before it is sold. Where land is identified for sale, we suggest that Government assesses its suitability for meanwhile use housing until such time as it is sold. Where the land is sold, we urge Government to invest the proceeds in new social and affordable housing.

### *Temporary hotel accommodation*

The Society notes and thanks the NSW Government for funding temporary accommodation for rough sleepers in hotels and motels during the COVID-19 pandemic.

It is our informed view that this arrangement helped ensure the health and safety of many residents who would otherwise have been vulnerable to COVID-19 had they slept on the streets or been accommodated in, for example, our large inner city crisis accommodation service. The latter usually accommodates up to 100 people in a large dorm with shared bathrooms, eating and living facilities. Social distancing would not have been possible, and the risk of transmission would have been complex and costly to mitigate.

Instead, from April 2020 residents were successfully referred to the Department of Communities & Justice and accommodated in single rooms with a minimum of shared spaces in the local Adina or Ibis hotels, with ongoing case management provided by our case management team.

Beyond protecting people from COVID-19, the availability of these single rooms with kitchen and laundry facilities has empowered many residents to use and develop their independent living skills to an extent that would not have been possible had they continued to live in shared crisis accommodation. This has helped ensure these same residents are better prepared to successfully transition to independent living in more permanent housing when opportunity allows.

The Society notes that the advent of COVID-19 was the impetus for this program and that the funding for hotel accommodation and support is time-limited. However, acknowledging the positive impact it has had to date, we would like to see the NSW Government continue to fund this meanwhile use accommodation even after COVID-19 ceases to be a risk.

Again, we also urge Government to invest in social housing to ensure temporary residents can access longer-term housing. We submit that it would be a backward step if people who have been supported and empowered to date are left with no choice but to return to crisis accommodation or rough sleeping over the months that follow.

#### *Corporate social responsibilities*

Many corporations seek to demonstrate that their values accord with those of their customers and the broader public by delivering outcomes for local communities through corporate social responsibility programs.

Presently, the Society is benefiting from such a program. A large construction company in Sydney has offered to renovate an aged transitional housing home managed by Amélie Housing to improve the standard of accommodation available for the 10 residents. The company will pay for the materials and labour; there is no cost to Amélie. In so doing, this partnership has freed up funds that would otherwise have been spent on property maintenance.

The Society has welcomed this initiative and would be open to partnering with other development and construction firms with a view to securing similar outcomes.

While recognising that this experience will deliver an upgrade to existing transitional housing, the Society asks whether the NSW Government could take on a match-making role; bringing corporates and CHPs together to leverage corporate social responsibility programs to achieve new meanwhile use housing where appropriate.

## Support for community housing providers

### Imperfect information

The Society contends that a lack of timely and transparent information about the state of social housing in NSW has the potential to adversely impact the planning and delivery of new housing.

Presently, the NSW Government publishes the number of applicants for social housing for NSW and each allocation zone once per year. Most recently, this data was released the week before Christmas for the year ending 30 June 2020; almost six months after the end of the reporting period.

When this data is published on the Department of Communities & Justice website, it replaces the data that was published the previous year, meaning it is not possible to assess whether the number of people waiting for social housing in each allocation zone and the duration of their wait has improved or deteriorated from year to year. Acknowledging this, in January 2020 the Society first asked the Department to share information about the number of applicants waiting for social housing by allocation zone over time. Despite repeated requests since then, we are yet to receive this data.

The Society would like to see wait list data published on a more regular basis (e.g., quarterly) and in a more timely manner (e.g., within a month of the end of the quarter in question). We also believe it would be in the public interest for the Department to continue to display—rather than replace—the state-wide and local data for each year on its website.

There is also a lack of transparency about exactly how much new social housing has been planned and funded across NSW. The NSW Government makes announcements when new developments are to be undertaken or are in the process of being delivered, but it is often difficult to determine which of these are new developments and which have been previously announced.

The Society would like to see the NSW Government clearly and publicly report the number of social housing homes that have been planned and funded for each social housing allocation zone across NSW and publicly track the progress of these developments.

## Applying for funding

When Government funding is available, the Society understands and agrees that, to ensure the NSW Government and people receive the best return on this investment, it is appropriate for CHPs to compete to deliver new social housing developments.

That said, the cost and complexity of the application process can place a considerable financial burden on CHPs and, in some instances, can be a barrier that excludes potential providers from lodging applications.

During and after the application process for the NSW Government-initiated SAHF program, several CHPs expressed concern that they were required to submit both an expression of interest and a request for proposals and that the cost of undertaking the required modelling and preparing these submissions was substantial; in some instances, almost \$1,000,000. The Society is aware of CHPs that incurred this cost without success; spending valuable funds on an application process that could otherwise have been spent to enhance existing tenant well-being and building maintenance. Other CHPs did not apply to deliver new social housing through the SAHF program because the application cost was prohibitive.

By contrast, the recently announced Victorian Government Big Housing Build program only required CHPs to lodge a request for proposals—not an expression of interest—and so was less complex and expensive to undertake.

The Society understands that, when launched, the NSW Government SAHF program was a new initiative and that all partners, Government and CHPs alike, were learning how to best deliver this complex program successfully. We submit that one of the learnings should be that next time the NSW Government delivers a similar initiative, the application process should be simpler and cheaper to follow.

We also note that while Aboriginal and Torres Strait Islander people account for 20% of people who experience homelessness,<sup>21</sup> no Aboriginal controlled CHPs were engaged to deliver new social and affordable housing in phase 1 and 2 of the SAHF. 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.

We submit that the NSW Government should work with Aboriginal organisations to identify and resources initiatives that would expand opportunities for Aboriginal people to participate in the service delivery, management and governance of social housing in NSW. Similarly, the Government should ensure that any future SAHF program supports investment in social and affordable housing by and for Aboriginal people. We note that NCOSS has proposed a \$3 million sector readiness program to build the capacity of Aboriginal organisations to be active partners in future SAHF projects.

## Compliance

Having secured Government funding to deliver new social housing, CHPs must be expected to build and tenant properties to an appropriate standard and in a timely manner.

The SAHF program sought to achieve compliance with standards and due dates by applying abatements—or financial penalties—to CHPs who did not meet these standards and dates.

The Society applied to deliver social and affordable housing through the SAHF with full knowledge that abatements would be applied in certain circumstances. That said, we take this opportunity to advise that the abatement regime generated significant administrative hurdles during the construction and tenancing of our 12 SAHF sites across NSW. We also note that the cost of these abatements is generally factored into applications which means they are ultimately borne by—and generate a higher cost for—Government.

We ask that the NSW Government consider whether there are less costly and complicated measures to achieve compliance that could be incorporated into future social and affordable housing developments.

## Conclusion

The Society works with people experiencing poverty and disadvantage every day across NSW. Courtesy of these experiences, we acknowledge and appreciate that there is much that the NSW Government is doing to reduce and respond to homelessness and housing stress. But with tens of thousands of people still without a place to call home, and many more struggling to pay the rent, there is much more that can and must be done.

Most importantly, the NSW Government should invest in more social housing and wrap around support services. A commitment to build 5,000 new social housing homes every year for the next 10 years would go a long way to reducing the significant waiting list and waiting times across NSW.

Support for people experiencing homelessness should be enhanced with more funding for the under-resourced SHS program and with an expansion of the new Together Home housing and support packages.

Key workers and other moderate income earners could be supported to secure affordable housing if Government were to mandate that developers deliver new affordable housing as part of every new development.

Government could also consider delivering new meanwhile use housing on Communities Plus sites that have been slated for redevelopment, by making other NSW Government-owned land available for housing, and by continuing the COVID-19 inspired solution of temporarily housing people who were experiencing homelessness in hotels and motels.

When considering an expansion of meanwhile use housing, we urge the NSW Government to consider whether investment in social housing would be more beneficial. Where Government sees fit to proceed with meanwhile use housing, we advocate that CHPs are best placed to deliver this housing. We note that funding will be required, not just for the refurbishment of buildings but also to provide adequate wrap around support services. We urge Government to consider the importance of connections and relationships when offering and allocating meanwhile use housing.

The Society thanks the Legislative Assembly Committee on Community Services for the opportunity to provide input into the Inquiry into Options to improve access to existing and alternate accommodation to address the social housing shortage. We hope that our contribution will help inform the recommendations that the Committee tables in NSW Parliament.

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<sup>1</sup> Australian Bureau of Statistics (2018) Census of Population and Housing, Estimating homelessness

<sup>2</sup> Equity Economics (2020) Supporting Economic Recovery in NSW: Investment in Social and Affordable Housing

<sup>3</sup> 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.

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

<sup>5</sup> Ibid

<sup>6</sup> 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](https://www.treasury.nsw.gov.au/sites/default/files/2021-06/2021-22_nsw_intergenerational_report.pdf)

<sup>7</sup> NSW Department of Family & Community Services (2016) Future Directions for Social Housing in NSW

<sup>8</sup> Centre for Social Impact (2021) [Social Housing in NSW Report 1: Contemporary Analysis](#)

<sup>9</sup> Ibid

<sup>10</sup> Ibid

<sup>11</sup> 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>

<sup>12</sup> 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>

<sup>13</sup> <https://www.ahuri.edu.au/research/ahuri-briefs/understanding-the-funding-gap-for-social-housing-and-different-ways-to-fund-it>

<sup>14</sup> <https://cityfutures.be.unsw.edu.au/research/projects/filling-the-gap>

<sup>15</sup> Report on Government Services 2021, 19 Homelessness services, 19 Homelessness data tables, Table 19A.7,

<https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/housing-and-homelessness/homelessness-services>

<sup>16</sup> NSW Department of Family & Community Services (2016) [Expected Waiting Times](#)

<sup>17</sup> <https://www.nrsch.gov.au>

<sup>18</sup> <https://www.rch.nsw.gov.au/national-regulatory-system-for-community-housing/compliance>

<sup>19</sup> <https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/A-Housing-Strategy-for-NSW>

<sup>20</sup> <https://www.smh.com.au/national/nsw/multibillion-dollar-land-sales-target-imposed-on-nsw-departments-20210810-p58hje.html>

<sup>21</sup> <https://homelessnessnsw.org.au/wp-content/uploads/2021/03/Aboriginal-Homelessness-in-Australia-.pdf>