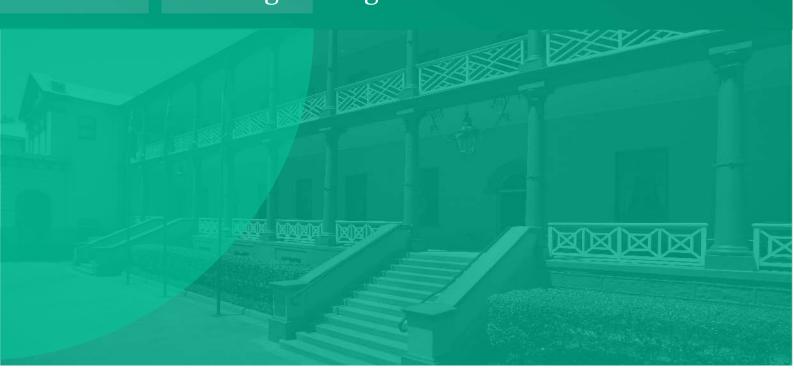
Committee on Community Services

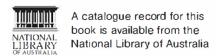


LEGISLATIVE ASSEMBLY

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



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The motto of the coat of arms for the state of New South Wales is "Orta recens quam pura nites". It is written in Latin and means "newly risen, how brightly you shine".

## Contents

Membership	!!
Chair's foreword	iii
Summary	v
Findings and recommendations	vii
Chapter One – Innovative ways to improve access to social housing	1
Short-term housing options can complement permanent social housing	1
A framework for meanwhile use	4
Innovative housing projects can provide accommodation	14
Grants and co-contribution programs to fund social housing	16
Community housing providers can deliver more social and affordable housing	18
Chapter Two – Barriers to the supply of social and affordable housing	22
Barriers that impede meanwhile use and alternative affordable housing	22
Government to reduce barriers in the planning process	24
Easier access to government land for social housing projects	28
Better use of vacant dwellings	31
Regulation of community housing providers is adequate	34
Simplifying reporting requirements for community housing providers	35
Chapter Three – Housing that meets the needs of the community	38
Culturally appropriate social housing for the Aboriginal community	38
More affordable housing for key workers	43
Housing that meets the needs of vulnerable people	47
Appendix One – Terms of reference	57
Appendix Two – Conduct of inquiry	58
Appendix Three – Submissions	59
Appendix Four – Witnesses	62
Appendix Five – Extracts from minutes	64

## Membership

Chair The Hon Melinda Pavey MP (from 17 May 2022)

Ms Wendy Lindsay MP (until 31 March 2022)

**Deputy Chair** Mr Justin Clancy MP (from 17 May 2022)

Mr Dugald Saunders MP (until 31 March 2022)

Members Ms Trish Doyle MP

Ms Melanie Gibbons MP Mr David Harris MP Ms Jenny Leong MP

Mrs Nichole Overall MP (from 31 March 2022)

Contact details Legislative Assembly Committee on Community Services

Parliament House Macquarie Street SYDNEY NSW 2000

**Telephone** (02) 9230 3054

E-mail <u>communityservices@parliament.nsw.gov.au</u>

Website <u>www.parliament.nsw.gov.au/communityservices</u>

### Chair's foreword

Recent events such as floods, bushfires and COVID-19 have had an impact on many aspects of life in NSW and, unfortunately, have worsened the housing shortage. Housing stress has increased, and this has affected vulnerable groups in our community. The Committee heard that there is a shortage of long-term social housing in NSW, and the waiting list for social housing is growing.

The inquiry heard that funding constraints limit the ability of the NSW Land and Housing Corporation to meet the demand for long-term social housing. However, I note that the 2022-23 Budget included a \$2.8 billion housing package to provide new and upgraded social homes in urban and regional NSW. The funds will also be used to clear the waitlist for key worker housing in regional NSW and will invest in the long-term sustainability of social and First Nations housing.

While the Government works to improve the supply of long-term social housing, the Committee has investigated options to improve access to existing and alternate accommodation. We believe that 'meanwhile use' options can assist in the short-term to complement long-term solutions.

Meanwhile use aims to temporarily use vacant or underused buildings to meet social or community needs. The Government's Housing 2041 strategy introduced the concept of meanwhile use, and there are plans for a pilot of meanwhile use projects. We welcome the Government's interest in meanwhile use and have recommended that it develops a framework to guide the implementation of meanwhile use projects.

Contributors to this inquiry told us that home sharing and tiny homes are possible short-term solutions that can assist with the housing shortage. Co-contribution programs like the Community Housing Innovation Fund have also yielded good results and are a model that can be replicated throughout NSW.

We heard that Community Housing Providers (CHPs) have the capacity to provide more housing. We have recommended that the Department of Planning and Environment (DPE) works with CHPs and local councils to reduce barriers that can impede meanwhile use and social and affordable housing projects, such as planning processes and timeframes.

Many stakeholders told us that access to Government land would be useful to increase social and affordable housing. Therefore, we believe it is important that the DPE addresses policy barriers around the use of Government land.

Another area of concern for many stakeholders is a lack of data on vacant private dwellings. We encourage the DPE to review this data and consider reforms to maximise the use of unoccupied buildings.

The inquiry heard that there is duplication and overlap in compliance reporting for CHPs and we recommend the Government consults with CHPs to reduce the reporting burden.

A large portion of the inquiry focused on the needs of the community, especially for Aboriginal and Torres Strait Islander people who are over-represented in social housing. We found that

housing for Aboriginal and Torres Strait Islander people needs to be culturally appropriate, and we recommend that the DPE works with First Nations representative organisations and local First Nations communities in the design of housing to ensure these needs are met. We also recommend that the Government works with Aboriginal Land Councils and Aboriginal CHPs to identify Aboriginal-held land that would be appropriate for social and affordable housing. It's also important to identify and support opportunities for First Nations people to purchase the properties they have been renting long-term from the Government and/or CHPs.

Key workers are integral to the community but often struggle to find affordable and long-term housing close to their work, especially in regional areas. We heard that the supply of affordable and social housing could be increased in these areas through mixed tenure development and inclusionary zoning targets.

Other vulnerable groups include young people, women experiencing domestic and family abuse, the elderly and people with disability. We heard that each of these groups faces risks and experiences issues that must be considered when it comes to housing. They require wraparound support to address these issues and to support them on a path to independence.

This report identifies and addresses barriers to additional social and affordable housing supply throughout NSW. It discusses the potential benefit of meanwhile use and other innovative solutions and formulates a list of requirements to ensure these solutions provide safe and appropriate housing for the community. An innovative response to the housing shortage, coupled with adequate wraparound support and an attunement to the needs of vulnerable people in our community can help to alleviate immediate need for housing in NSW.

On behalf of the Committee, I thank all those who made a submission and gave evidence to the inquiry. I thank Committee members for their valuable contributions to this report, and acknowledge the work of Ms Wendy Lindsay MP, the previous Committee Chair. I also thank the Committee staff for their support.

The Hon Melinda Pavey MP Chair

### Summary

The current social housing shortage in NSW necessitates an examination of innovative solutions to provide additional housing for those in need. The Government has introduced Housing 2041, a strategy for better housing outcomes in NSW, and continues to invest in social housing. However, with over 50,000 applicants on the social housing wait list and with a wait of up to 10 years, there is still a need for additional social housing solutions. We recommend that the Government continues to increase investment in the provision and maintenance of public and social housing to address the critical shortage of housing options.

The Committee found that both temporary and long-term housing are needed to address the social housing shortage. We found that meanwhile use, also known as temporary supportive accommodation, can be a useful solution in the short-term. Meanwhile use is the temporary use of vacant or underused buildings to meet social or community need. To ensure meanwhile use can be safely and effectively implemented, we recommend that the Government develops a framework to guide meanwhile use, which would include important factors such as suitability of the property, support services for tenants, minimum timeframes, types of buildings, conversion costs and factors, and local community consultation.

Many stakeholders shared with us that other options like home sharing and the use of tiny homes can also assist to provide short-term accommodation for those in need. The Committee recommends that the Government provides grants to local councils and housing providers to assist the uptake of these housing solutions.

We also found that community housing providers (CHPs) have the capacity to provide more social housing including wraparound support and that they can provide cost-effective social housing.

We heard that there is duplication in compliance reports that CHPs submit to state and federal regulators and departments; this should be addressed so that more resources are available for social and affordable housing projects.

The Committee found that planning processes and timeframes and the lack of affordable land are major barriers that impede meanwhile use and other alternative affordable housing. We recommend that the Government works with local councils and CHPs to reduce barriers and consults with local councils on ways to speed up the planning approval process for meanwhile use, and social and affordable housing. Stakeholders expressed the need for change to the Housing SEPP and suggested solutions such as fast-tracked development approvals, inclusionary zoning, concessions for planning costs, contribution schemes and waiving or reducing land tax.

We note that the Government is working to address policy barriers that inhibit the use of government land and to identify land to assist with the Crown land 2031 Action Plan. We recommend that the Government continues to work with CHPs and local councils to address these barriers.

Throughout NSW there are vacant dwellings and rooms that could be used for housing; however, we heard that there is a lack of data on vacancy. We recommend that the

Government reviews data on vacant private dwellings and considers reforms to maximise the use of unoccupied dwellings.

The inquiry identified the need to ensure that housing meets the needs of the community, including Aboriginal and Torres Strait Islander peoples and key workers.

Stakeholders, including the Government, acknowledged that housing for Aboriginal and Torres Strait Islander peoples must be culturally appropriate. We have recommended that the Government involves First Nations representative organisations and local First Nations communities in the design of Aboriginal community housing to ensure it is culturally appropriate.

We also recommend that the Government works with Aboriginal Land Councils and Aboriginal housing providers to identify Aboriginal-held land that would be suitable for social and affordable housing. We also found that repair and maintenance upgrades of Aboriginal community housing through the Aboriginal Community Housing Investment Fund should be adequately supported to build capacity and create local employment opportunities.

Key workers are essential for the function of our cities but they face challenges finding affordable and long-term housing close to their work, especially in regional areas. Programs to increase housing supply should focus on affordable and social housing that would be suitable for key workers.

We heard evidence about the shortage of affordable housing in regional areas. To address this, we have recommended that the Government considers ways to increase the supply of housing in regional areas through inclusionary zoning targets and mixed tenure development, as suggested by many stakeholders.

For groups such as young people, women experiencing domestic and family abuse, the elderly, and people with disability, there is evidence that specific housing needs including wraparound supports are necessary. Programs to help vulnerable people secure housing should be expanded. We recommend that the Department of Planning and Environment and Department of Communities and Justice continue to work with housing providers and community service organisations and experts to develop and expand programs that provide short- and long-term housing for specific cohorts who are often vulnerable.

# Findings and recommendations

Finding 1	_ 1
Both temporary and long-term housing are needed to help address the social housing shortage.	
Finding 2	_4
Meanwhile use is a useful short-term option in addressing the social housing shortage.	
Finding 3	_4
Short-term temporary supportive accommodation cannot address the critical shortage of appropriate, affordable, secure and long-term housing.	
Recommendation 1	_4
The NSW Government should continue to increase investment in the provision and maintenance of public and social housing to address the critical shortage of housing options for those who are eligible for it.	
Recommendation 2	11
That the Department of Planning and Environment co-designs with housing and homelessness experts, a framework for meanwhile use that covers suitability of the property, support services for tenants, minimum timeframes, types of buildings, conversion costs and factors, and local community consultation.	S
Finding 3	14
Other innovative solutions, like home sharing and tiny homes, can also assist with filling a short-term gap whilst the current public, social and affordable housing shortage continues to be addressed.	
Recommendation 3	16
That the Department of Planning and Environment provides grants to local councils and housing providers for innovative housing programs, such as home sharing and tiny homes while longer term solutions are developed.	
Finding 4	17
Co-contribution programs like the Community Housing Innovation Fund are an effective way fund social housing.	to
Finding 5	19
Community housing providers have the capacity to provide more social and affordable housing.	
Finding 6	22
Planning processes and timeframes can be a barrier for proponents of alternative social and affordable housing.	

Recommendation 424
That the Department of Planning and Environment works with local councils and community housing providers to reduce barriers to the provision of meanwhile use, social and affordable housing.
Recommendation 524
That the Department of Planning and Environment consults with local councils on ways to speed up the planning approval process for meanwhile use.
Recommendation 628
That the Department of Planning and Environment works with community housing providers and local councils to address policy barriers that hinder the use of government land for social and affordable housing.
Recommendation 732
That the Department of Planning and Environment reviews data on vacant private dwellings and considers reforms to maximise the use of unoccupied dwellings.
Recommendation 835
That the Department of Planning and Environment and the Department of Communities and Justice consult with community housing providers on ways to reduce duplication and overlaps in compliance reporting for community housing providers.
Recommendation 939
That the Department of Planning and Environment works with First Nations representative organisations and local First Nations communities in the design of Aboriginal community housing to ensure it is culturally appropriate.
Recommendation 1040
That the Department of Planning and Environment works with Aboriginal Land Councils and Aboriginal housing providers to identify Aboriginal-held land that would be suitable for social and affordable housing.
Finding 741
Repair and maintenance upgrades of Aboriginal community housing through the Aboriginal Community Housing Investment Fund should be adequately supported to build to build capacity and create local employment opportunities.
Finding 843
Programs to increase the supply of housing in regional areas should prioritise affordable and social housing that is suitable for key workers.
Recommendation 1145
That the Department of Planning and Environment considers ways to increase the supply of affordable and social housing in regional areas, including through inclusionary zoning targets and mixed tenure development.
Recommendation 12 47

That the Department of Planning and Environment and Department of Communities and Justice continue to work with housing providers and community service organisations and experts to develop and expand programs that provide short and long-term housing for specific cohorts who are often vulnerable, including young people, women experiencing domestic and family abuse, the elderly and people with disability.

# Chapter One – Innovative ways to improve access to social housing

#### Short-term housing options can complement permanent social housing

Long-term and short-term housing is needed

#### **Summary**

Demand for social and affordable housing has increased due to housing affordability pressures and the impact of COVID-19. Both short and long-term housing can play a part in addressing this issue.

#### Finding 1

Both temporary and long-term housing are needed to help address the social housing shortage.

- 1.1 This inquiry has reviewed the potential benefit of short-term, innovative solutions as alternate accommodation to address the social housing shortage in NSW. A key focus has been supporting 'meanwhile use', also referred to as temporary supportive accommodation, until the stock of permanent social and affordable housing can be increased.
- 1.2 The meanwhile use model aims to temporarily use vacant or underused buildings to meet social or community need until the building returns to commercial operation or is demolished. Meanwhile use can be applied to residential premises, aged care facilities, hospitals, church-owned buildings, office and retail spaces and government assets.

#### Effects of COVID-19 on housing

- Housing stress and affordability pressures, which were present before COVID-19, have increased as a result of the pandemic.
- 1.4 Work from home arrangements during the pandemic also inspired a 'work from anywhere' mentality, which saw many people migrating from cities to outer metropolitan, regional and rural areas. We heard that this, along with the closing of Australian borders, has caused a lack of housing supply, increased prices and pushed locals into housing stress and even homelessness. House and rental prices have increased in the past 12 months with regional rental growth (18.2 per cent) outpacing Sydney (11.2 per cent.)<sup>1</sup>
- 1.5 The influx of people to the regions has caused housing vacancy levels to

<sup>&</sup>lt;sup>1</sup> Submission 20, <u>Central Coast Council</u>, p 3; Submission 24, <u>Port Macquarie-Hastings Council</u>, p 1; Submission 28, <u>Homelessness NSW</u>, p 5; Submission 37, <u>Byron Shire Council</u>, p 9; Submission 32, <u>Wagga Wagga City Council</u>, pp 7-8; Submission 47, <u>Local Government NSW</u>, pp 3-4; Submission 21, <u>Southern Youth and Family Services</u>, p 2; Submission 86, <u>NSW Government</u>, p 7. See also, T Razaghi, <u>'Ridiculous prices': regional rents in NSW up 30 per cent since start of pandemic</u>, *Sydney Morning Herald*, 15 July 2022.

plummet. Lake Macquarie City Council told us that the current vacancy rate in the Hunter is less than 0.8 per cent. Vacancy rates on the Central Coast dipped to 0.4 per cent during the pandemic.<sup>2</sup>

- 1.6 We heard that regional residents who commute to the city to work can afford higher prices for housing, which means that the local service workforce, who keep healthcare, childcare, education and other essential services going, are being forced out of the market.<sup>3</sup>
- 1.7 In addition to housing affordability and shortage issues, COVID-19 has contributed to unemployment. The NSW Government stated that long-term unemployment has increased due to the pandemic. The long-term unemployed now make up 1.8 per cent of the labour force, the highest level since 2000.4
- 1.8 The City of Newcastle highlighted the growing rate of homelessness during the pandemic. A report by Equity Economics estimated that by June 2021 'experiences in homelessness' across Newcastle had increased by 40.5 per cent, which equals about 470 people. Those at risk of homelessness in the area were estimated at just over 6,000 people in June 2021.<sup>5</sup>

#### Factors affecting regional and rural NSW

- 1.9 In addition to COVID-19, other factors have affected housing in regional and rural areas. We heard that natural disasters, such as bushfires, make access to housing difficult for individual tenants, and for community housing providers (CHPs) and other support services.<sup>6</sup>
- 1.10 Homes North Community Housing told us that factors like the construction of the Inland Rail network from Melbourne to Brisbane and the ongoing strength of the coal industry are adding to the economy in regional towns. This puts more pressure on affordable housing. The lack of supply compared to demand means unemployed people or those on low incomes are squeezed out of the rental market, putting pressure on homelessness services and social housing.<sup>7</sup>
- 1.11 Inquiry participants told us that another factor affecting housing in regional areas is short-term holiday letting. In places like Byron Shire and Ballina Shire, 2,000 to 3,000 homes are let as short-term holiday accommodation. Many of these homes are vacant for much of the year, but the high return on investment means they do not need to be let year-round for the owner to make a significant profit. This may be beneficial for individual owners, but it means that there are almost no rental properties available in these areas, adding to housing stress.<sup>8</sup>

<sup>&</sup>lt;sup>2</sup> Submission 20, <u>Central Coast Council</u>, p 3; Submission 39, <u>Lake Macquarie City Council</u>, p 1.

<sup>&</sup>lt;sup>3</sup> Submission 42, Housing Matters Action Group Inc., p 3.

<sup>&</sup>lt;sup>4</sup> Submission 86, NSW Government, p 6.

<sup>&</sup>lt;sup>5</sup> Submission 75, <u>City of Newcastle</u>, pp 4-5.

<sup>&</sup>lt;sup>6</sup> Submission 62, Community Industry Group, p 2; Submission 21, Southern Youth and Family Services, p 2.

<sup>&</sup>lt;sup>7</sup> Submission 74, <u>Homes North Community Housing Co Ltd</u>, p 1.

<sup>&</sup>lt;sup>8</sup> Submission 58, <u>Tamara Smith MP</u>, p 1; Submission 15, <u>Tweed Shire Council</u>, pp 2, 4.

#### **NSW Housing Strategy**

- 1.12 In May 2021, the Government released Housing 2041. The strategy aims to deliver better housing and covers housing types and tenures including crisis, social housing, affordable housing, private rental, specialist housing and home ownership.<sup>9</sup>
- 1.13 The 2021-22 Action Plan for Housing 2041 (NSW Housing Strategy) includes continuing investment in renewing and growing social and community housing, providing housing help for those in crisis, partnering with industry and CHPs to test new housing types on government land, improving government-led residential development outcomes and processes, supporting the supply of suitable housing for key workers and trialling facilitation of meanwhile use. 10
- 1.14 Inquiry participants supported the NSW Housing Strategy. They agreed that a diverse mix and balance of housing options is needed and should be supported by private and public initiatives. They also observed that the strategy needs to be closely monitored and requires targets to drive outcomes.<sup>11</sup>

#### Government investment in social housing

- 1.15 In its submission the NSW Government outlined current and future investment in social housing:
  - A budget of over \$1.19 billion for social housing and homelessness.<sup>12</sup>
  - The Community Housing Leasing Program (CHLP), which provides \$86.7 million to CHPs for 5,900 general social housing properties.<sup>13</sup>
  - The CHLP also funds nearly \$4.8 million for the leasing and tenancy management costs of over 250 crisis-transitional properties.<sup>14</sup>
  - The \$122.1 million Together Home program for people who were street sleeping during COVID-19, which is an extension of the CHLP.<sup>15</sup>
  - The Rent Choice program, which diverts people from social housing through subsidies to maintain private rental tenancies that lead to independent living. The program provided funding of over \$63 million in 2020-21 for more than 11.000 tenancies.<sup>16</sup>

<sup>&</sup>lt;sup>9</sup> Submission 86, <u>NSW Government</u>, p 5.

<sup>&</sup>lt;sup>10</sup> Submission 86, <u>NSW Government</u>, pp 5, 10. The NSW Government refers to meanwhile use as Temporary Supportive Accommodation (TSA), and defines it as the use of vacant or underused buildings for temporary residential accommodation for homeless people, which includes the provision of wraparound support services.

<sup>&</sup>lt;sup>11</sup> Submission 15, <u>Tweed Shire Council</u>, p 2; Submission 33, <u>Shoalhaven City Council</u>, p 20; Submission 37, <u>Byron Shire Council</u>, p 2. Submission 59, <u>Shelter NSW</u>, p 2; Submission 74, <u>Homes North Community Housing Co Ltd</u>, p 6.

<sup>&</sup>lt;sup>12</sup> Mr Jason Kara, Director, Strategy & Design, Housing & Homelessness, Department of Communities and Justice, <u>Transcript of evidence</u>, 2 December 2021, p 11.

<sup>&</sup>lt;sup>13</sup> Submission 86, NSW Government, p 11.

<sup>&</sup>lt;sup>14</sup> Submission 86, NSW Government, p 13.

<sup>&</sup>lt;sup>15</sup> Submission 86, NSW Government, p 11.

<sup>&</sup>lt;sup>16</sup> Submission 86, NSW Government, p 11.

- As part of the NSW Homelessness Strategy, \$6 million was provided for 'core and cluster' refuges in Griffith, Orange, Armidale, Moruya and one more site that will have an Aboriginal service focus.<sup>17</sup>
- In 2020-21, \$892 million in stimulus funding was provided to the Land and Housing Corporation (LAHC) and AHO over four years to support jobs, businesses and people needing social housing.<sup>18</sup>
- Other initiatives include \$50 million to expedite the delivery of 2,800 homes, including 1,000 social housing homes, \$50 million for approximately 290 new social houses, \$30 million for 80 new small-scale social housing units, \$20 million for new and upgraded social and affordable housing, and \$20 million, through the AHO, for 45 new homes.<sup>19</sup>

#### A framework for meanwhile use

#### **Summary**

Meanwhile use could have a role in helping to ease the social housing shortage. However, it is not suitable for all cohorts, and it is important that tenants get the right wraparound services.

#### Finding 2

Meanwhile use is a useful short-term option in addressing the social housing shortage.

#### Finding 3

Short-term temporary supportive accommodation cannot address the critical shortage of appropriate, affordable, secure and long-term housing.

#### Recommendation 1

The NSW Government should continue to increase investment in the provision and maintenance of public and social housing to address the critical shortage of housing options for those who are eligible for it.

- 1.16 Many inquiry participants were interested in the meanwhile use concept and felt it could be beneficial. However, the Committee heard consistent evidence that temporary supportive accommodation cannot address the critical shortage of appropriate, affordable, secure, and long-term housing.<sup>20</sup>
- 1.17 Kingsford Legal Centre summed up this view, saying 'Meanwhile use can only at best be considered a band-aid solution, and we need to recognise that cycles of

<sup>&</sup>lt;sup>17</sup> Submission 86, NSW Government, p 13.

<sup>&</sup>lt;sup>18</sup> Submission 86, NSW Government, p 18.

<sup>&</sup>lt;sup>19</sup> Mr Kara, <u>Transcript of evidence</u>, 2 December 2021, pp 11-12.

<sup>&</sup>lt;sup>20</sup> Submission 31, <u>The Salvation Army Australia</u>, pp 1-2; Submission 33, <u>Shoalhaven City Council</u>, p 3; Submission 40, <u>Kingsford Legal Centre, UNSW Australia</u>, p 4; Submission 59, <u>Shelter NSW</u>, p 3; Submission 63, <u>Yfoundations</u>, p 3; Submission 70, <u>St Vincent de Paul Society NSW</u>, p 3; Submission 77, <u>Community Housing Industry Association NSW</u>, p 2; Mr Brian Murnane, CEO, Amelie Housing, <u>Transcript of evidence</u>, 8 November 2021, p 2.

temporary accommodation without secure housing at the end can be very damaging to people who experience it'.<sup>21</sup>

#### The social housing wait list

- 1.18 Community Housing Industry Association NSW told us that in New South Wales 1.4 million people are experiencing housing stress and the state has the largest social housing wait list in Australia. Over 51,000 applicants were waiting for social housing in June 2020.<sup>22</sup>
- 1.19 Stakeholders from around the state told us that wait times for social housing were from 2 to over 10 years. We heard that the long wait times force people to stay in unsafe or unhealthy circumstances, pay unaffordable rents, live in substandard housing or become homeless.<sup>23</sup>
- 1.20 As the wait list for social housing exceeds supply, allocations are limited to those in 'greatest need' people experiencing homelessness, at risk of domestic and family violence, under extreme rental stress or living in housing that poses an immediate risk to them. We heard that in 2019-20, 82 per cent of community housing and 76 per cent of public housing was allocated to tenants in 'greatest need' who may still have to wait two years for accommodation.<sup>24</sup>
- 1.21 Applicants can be added to the priority housing wait list if:
  - they have unstable housing circumstances like homelessness
  - they are at risk of abuse, assault or trauma
  - they have inadequate basic housing requirements like a lack of facilities, substandard conditions and overcrowding
  - they are Stolen Generations survivors.<sup>25</sup>
- 1.22 From June 2019 to June 2020, priority social housing applicants increased by 18 per cent, with 5,308 priority applicants waiting for assistance in June 2020. As of 31 December 2020, 850 Aboriginal households required priority social housing.<sup>26</sup>
- 1.23 We note that many stakeholders called for more Government funding to increase the current undersupply of social housing.<sup>27</sup>

<sup>&</sup>lt;sup>21</sup> Submission 40, Kingsford Legal Centre, UNSW Australia, p 4.

<sup>&</sup>lt;sup>22</sup> Submission 77, Community Housing Industry Association NSW, pp 4-5; Submission 86, NSW Government, p 4.

<sup>&</sup>lt;sup>23</sup> Submission 70, St Vincent de Paul Society NSW, p 2; Submission 28, Homelessness NSW, pp 20-21; Submission 32, Wagga Wagga City Council, p 7; Submission 35, Physical Disability Council of NSW, p 8; Submission 38, Compass Housing Services, p 3; Submission 39, Lake Macquarie City Council, p 1; Submission 40, Kingsford Legal Centre, UNSW Australia, p 2; Submission 47, Local Government NSW, pp 3-4; Submission 48, Mission Australia, p 6; Submission 58, Tamara Smith MP, p 3; Submission 63, Yfoundations, p 3; Submission 75, City of Newcastle, p 5; Submission 77, Community Housing Industry Association NSW, pp 4-5; Submission 87, City of Sydney, p 3.

<sup>&</sup>lt;sup>24</sup> Submission 38, Compass Housing Services, p 3; Submission 63, Yfoundations, p 3.

<sup>&</sup>lt;sup>25</sup> NSW Communities & Justice, <u>Social Housing Eligibility and Allocations Policy Supplement</u>, viewed 25 March 2022.

<sup>&</sup>lt;sup>26</sup> Submission 35, Physical Disability Council of NSW, p 8; Submission 86, NSW Government, pp 7, 9.

<sup>&</sup>lt;sup>27</sup> Submission 9, <u>Upper Hunter Shire Council</u>, p 2; Submission 11, <u>Orange City Council</u>, p 1; Submission 17, <u>Platform Youth Services</u>, p 3, Submission 20, <u>Central Coast Council</u>, p 6; Submission 28, Homelessness NSW, p 4; Submission

- 1.24 However, the Government outlined the constraints on funding. A performance audit conducted by the Audit Office of New South Wales noted that LAHC's funding arrangement does not enable it to meet public housing need. The report found that due to limits on rental and grant funding, and increasing cost of maintenance for assets, the condition and levels of housing stock is negative and financially unsustainable.<sup>28</sup>
- 1.25 The Government noted that LAHC receives occasional grants to fund maintenance and property upgrades and a small amount of funding (about \$56 million per year) from the National Housing and Homelessness Agreement. However, it must also make payments on historical loans from the Commonwealth for housing supply provided in the 1970s and 80s. <sup>29</sup>
- 1.26 The gap between rents collected and the market rate for LAHC's social homes in 2019-20 was around 62 per cent. This means LAHC provides an indirect subsidy for social housing of about \$1.15 billion. LAHC does not receive direct funding for this subsidy. It is funded from asset sales to meet the costs of capital maintenance and the continual prioritisation of maintenance services.<sup>30</sup>
- 1.27 We heard that the Aboriginal Housing Office (AHO) also faces funding challenges. The AHO has been able to deliver more for less by reducing costs and through asset recycling. However, a review found that capital funding is not sufficient to address levels of housing demand.<sup>31</sup>

#### Meanwhile use as part of the solution

- 1.28 Inquiry participants told us that meanwhile use can play a part in addressing the social housing shortage.
- 1.29 Muslim Women Australia supported strengthening pathways to meanwhile use, as it will increase access to crisis and medium-term housing. They said meanwhile use can complement broader social and affordable housing frameworks, which work to address permanent housing and critical mass solutions.<sup>32</sup>
- 1.30 Housing All Australians and Tract Consultants told us that thousands of buildings across Australia stand vacant for long periods of time as they await development approval for future uses.<sup>33</sup>
- 1.31 Shelter NSW said that suitable vacant buildings could be repurposed to offer short-term social housing to people who need temporary accommodation; this

<sup>36, &</sup>lt;u>Public Interest Advocacy Centre (PIAC)</u>, p 1; Submission 38, Compass Housing Services, p 7; Submission 40, Kingsford Legal Centre, UNSW Australia, pp 1, 7; Submission 46, <u>Bridge Housing</u>, pp 4, 5; Submission 50, <u>Hawkesbury City Council</u>, pp 2, 3; Submission 54, <u>Women's Community Shelters</u>, pp 6, 8; Submission 69, <u>Housing Plus</u>, p 3; Submission 72, <u>Barnardos Australia</u>, p 3; Submission 74, <u>Homes North Community Housing Co Ltd</u>, pp 2, 4; Submission 77, <u>Community Housing Industry Association NSW</u>, pp 3, 7-8; Submission 81, <u>SydWest Multicultural Services</u>, p 6; Submission 82, <u>Inner West Council</u>, p 3; Submission 88, <u>Muslim Women Australia</u>, pp 4, 5, 7.

<sup>&</sup>lt;sup>28</sup> Submission 86, NSW Government, pp 21-23.

<sup>&</sup>lt;sup>29</sup> Submission 86, NSW Government, Appendix E, pp 41-42.

<sup>&</sup>lt;sup>30</sup> Submission 86, NSW Government, Appendix E, pp 41-42.

<sup>&</sup>lt;sup>31</sup> Submission 86, NSW Government, p 23.

<sup>&</sup>lt;sup>32</sup> Submission 88, Muslim Women Australia, pp 3-4.

<sup>&</sup>lt;sup>33</sup> Submission 19, <u>Housing All Australians and Tract Consultants</u>, p 3.

could lead to a large increase in the amount of social and community housing that is available. This would be similar to the Government's use of motels and hotels to house homeless individuals during COVID-19.<sup>34</sup>

- 1.32 The Government told us that social housing demand is significant, tenures are long, and turnover is low, which results in long wait times. Using suitable, cost-effective housing opportunities like meanwhile use is appropriate in the current situation. They noted that long-term social housing, rather than transitional housing, is a preferred policy outcome and investment option for Government.<sup>35</sup>
- 1.33 Inquiry participants pointed to the benefits of meanwhile use for the community and property owners. Aside from housing vulnerable tenants who need housing, we heard that there is an uplift in the community when buildings do not stand empty and urgent housing needs are met.<sup>36</sup> Meanwhile use prevents vacant buildings from falling into disrepair or experiencing vandalism.<sup>37</sup>
- 1.34 The Community Housing Industry Association NSW (CHIA) said that meanwhile use projects also offer financial benefits to property owners and developers, reducing the holding costs associated with maintaining and managing buildings that would otherwise sit empty.<sup>38</sup>
- 1.35 Shopfront Youth told us that meanwhile use can have positive impacts on the well-being of tenants when done in a way that addresses their issues. Providing shelter to individuals and families at risk of homelessness also benefits them by decreasing food insecurity, improving mental and short-term physical health, reducing drug and alcohol use, improving children's school attendance, and improving child behaviour issues.<sup>39</sup>
- 1.36 We heard of several meanwhile use and innovative housing projects that have successfully contributed housing to the community. Case studies of these projects are included throughout this report.

#### Case study 1: Beecroft House<sup>40</sup>

Women's Community Shelters, Link Wentworth, PAYCE Foundation and Twilight Aged Care established Beecroft House in 2019 to provide safe and secure housing for women aged 55 and over.

Formerly an aged care home, Beecroft House was refurbished to offer studio-style accommodation for 20 women. This included fresh interiors, shared bathrooms, well-appointed communal kitchen facilities, three social rooms and car parking. The property is walking distance to public transport and has easy access to the Sydney CBD.

<sup>&</sup>lt;sup>34</sup> Submission 73, Wollongong City Council, p 2.

<sup>&</sup>lt;sup>35</sup> Submission 86, <u>NSW Government</u>, p 10.

<sup>&</sup>lt;sup>36</sup> Submission 54, <u>Women's Community Shelters</u>, p 3; Ms Simone Parsons, Chief Operating Officer, Women's Community Shelters, <u>Transcript of evidence</u>, p 18.

<sup>&</sup>lt;sup>37</sup> Submission 47, <u>Local Government NSW</u>, p 5; Submission 59, <u>Shelter NSW</u>, p 5.

<sup>&</sup>lt;sup>38</sup> Submission 77, Community Housing Industry Association NSW, p 11.

<sup>&</sup>lt;sup>39</sup> Submission 66, <u>The Shopfront Youth Legal Centre</u>, p 2.

<sup>&</sup>lt;sup>40</sup> Submission 77, Community Housing Industry Association NSW, p 10.

Staff are available onsite or are on-call during working hours, with after-hours on-call support and other tailored support. Beecroft House provides housing for up to two years with follow-on support to identify permanent housing at the end of tenancy.

#### Not all vacant properties are suitable for meanwhile use

- 1.37 Despite the success of meanwhile use projects, stakeholders observed that not all properties are suitable for meanwhile use. The Public Interest Advocacy Centre said that many vacant sites would not be appropriate for temporary accommodation and are potentially unsafe. They also had concerns about the oversight and quality control of some properties.<sup>41</sup>
- 1.38 The CHIA told us that even temporary housing must have adequate facilities and access to public transport. They said that meanwhile use properties should not have lower standards of living than a general residential tenancy. Mr Mark Degotardi, of CHIA, stressed that 'these are people's homes and we have got to make them able to be lived in as residential accommodation in the same way that you would have expectations for the place you live in'.<sup>42</sup>
- 1.39 The CHIA also told us that buildings previously used for accommodation, such as former hotels or aged care housing, are generally more suitable for meanwhile use, if utilities and building services have not been removed.<sup>43</sup>
- 1.40 We heard that buildings needing significant adaptation to be safe, secure, and comfortable are less likely to be feasible options for temporary housing.
   Compliance with the Building Code of Australia for such dwellings is likely to be too expensive and time consuming. 44
- 1.41 Older buildings may need a change of use and usually require upgrades to comply with the Building Code in relation to fire safety, accessibility or other construction standards. 45
- 1.42 Inquiry participants noted that large office buildings are often not suitable for meanwhile use conversion, due to the number of new services needed for bathrooms and kitchens, including sanitation, water supply, electricity access and air conditioning. There may also be a lack of windows or windows may not open. Large office buildings tend to be one-way conversions, as it is too expensive to reconvert them back into office space. 46

<sup>&</sup>lt;sup>41</sup> Submission 36, Public Interest Advocacy Centre (PIAC), p 1.

<sup>&</sup>lt;sup>42</sup> Mr Mark Degotardi, CEO, Community Housing Industry Association, <u>Transcript of evidence</u>, 8 November 2021, p

<sup>&</sup>lt;sup>43</sup> Submission 77, Community Housing Industry Association NSW, p 11.

<sup>&</sup>lt;sup>44</sup> Submission 77, <u>Community Housing Industry Association NSW</u>, p 11; Submission 51, <u>Southern Sydney Regional Organisation of Councils</u>, pp 3-4; Submission 47, <u>Local Government NSW</u>, p 5.

<sup>&</sup>lt;sup>45</sup> Submission 33, Shoalhaven City Council, p 12; Submission 46, Bridge Housing, p 4.

<sup>&</sup>lt;sup>46</sup> Professor Sara Wilkinson, Professor of Sustainable Property, School of Built Environment, University of Technology, <u>Transcript of evidence</u>, p 14; Submission 38, <u>Compass Housing Services</u>, p 4; Submission 56, <u>Housing Affordability Advisory Committee of the Inner West Council</u>, p 3; Submission 51, <u>Southern Sydney Regional Organisation of Councils</u>, pp 3-4; Submission 31, <u>The Salvation Army Australia</u>, p 2; Submission 39, <u>Lake Macquarie City Council</u>, p 2.

1.43 Wagga Wagga City Council told us that options for meanwhile use may be limited in rural and remote areas because there is high demand for, and low stock of, structures for both residential and business use. Existing stock may not be at the level required for residential use.<sup>47</sup>

#### The cost of meanwhile use

- 1.44 We heard that the cost of repurposing vacant buildings for accommodation is a critical factor in terms of how they can be recouped while the property is available. If the time is too short, the cost of repurposing too high and the rental income insufficient, it is not financially viable.<sup>48</sup>
- 1.45 Costs incurred in meanwhile use projects relate to acquiring a property through leasing or renting, repurposing it, infrastructure development, building maintenance, tenant assessment and intake, and wraparound support.<sup>49</sup>
- Bridge Housing said that without dedicated funding to deliver support as part of meanwhile use projects, CHPs and their partners rely on philanthropic contributions from the private sector. As a result, meanwhile use initiatives in NSW have been largely one off.<sup>50</sup>
- 1.47 The CHIA told us that meanwhile use projects have been successful where buildings have been offered to CHPs at 'peppercorn' (very low) rents. The savings in rent allow CHPs to fund building maintenance and additional support services to tenants to help them transition into long-term, stable housing. 51

#### Meanwhile use is not suitable for everyone

- 1.48 Inquiry participants told us that not all cohorts will benefit from meanwhile use accommodation. The Public Interest Advocacy Centre said that people accessing new temporary supported accommodation are likely to have complex needs and require intensive, trauma-informed and client-centred support. Women's Community Shelters stated that tenants must be able to live and function with relative independence.<sup>52</sup>
- 1.49 Bridge Housing told us that meanwhile use is most suitable for young people and women leaving violence who are in a period of transition; as they will generally be able to move into alternative, less subsidised accommodation in the future. However, Domestic Violence NSW noted that meanwhile use may not be suitable for women with children if there are shared kitchen and bathroom facilities. They said for women and children experiencing trauma, communal living is inappropriate and can cause further distress.<sup>53</sup>

<sup>&</sup>lt;sup>47</sup> Submission 32, <u>Wagga Wagga City Council</u>, p 1.

<sup>&</sup>lt;sup>48</sup> Mr Degotardi, <u>Transcript of evidence</u>, 8 November 2021, p 28; Submission 46, <u>Bridge Housing</u>, p 4; Submission 28, <u>Homelessness NSW</u>, p 32; Submission 31, <u>The Salvation Army Australia</u>, p 2; Submission 86, <u>NSW Government</u>, p 11.

<sup>&</sup>lt;sup>49</sup> Mr Degotardi, <u>Transcript of evidence</u>, 8 November 2021, p 29; Submission 66, <u>The Shopfront Youth Legal Centre</u>, p 2; Submission 70, <u>St Vincent de Paul Society NSW</u>, p 7; Submission 31, <u>The Salvation Army Australia</u>, p 2.

<sup>&</sup>lt;sup>50</sup> Submission 46, <u>Bridge Housing</u>, p 4.

<sup>&</sup>lt;sup>51</sup> Submission 77, Community Housing Industry Association NSW, p 11.

<sup>&</sup>lt;sup>52</sup> Submission 36, Public Interest Advocacy Centre (PIAC), p 1; Submission 54, Women's Community Shelters, p 6.

<sup>&</sup>lt;sup>53</sup> Submission 46, <u>Bridge Housing</u>, p 4; Submission 65, <u>Domestic Violence NSW</u>, p 6.

1.50 The Salvation Army Australia stated that most older women experiencing homelessness need permanent affordable housing rather than a transitional opportunity to get back on their feet. Homelessness NSW said long-term or chronic homelessness is best addressed with long-term housing options, rather than short-term solutions like meanwhile use.<sup>54</sup>

#### Tenants have needs that require support

- 1.51 It is important that people who are accommodated through meanwhile use get the support they need. Inquiry participants said that people requiring crisis, transitional and even long-term accommodation have experienced trauma and can have high and complex needs. These tenants need wraparound support to develop skills to sustain housing independently and identify suitable housing pathways.<sup>55</sup>
- 1.52 The St Vincent de Paul Society NSW noted that people who were homeless struggle to adjust to and maintain their new tenancy, which means people who have experienced harm are more likely to return to damaging environments.

  Wraparound supports can provide the tools needed to sustain tenancy. 56
- 1.53 The NSW Government and the St Vincent de Paul Society stated that concentrating disadvantaged households with high needs without adequate supports has risks, including poor housing outcomes, conflict between tenants and a lack of social cohesion in a community.<sup>57</sup>
- 1.54 The Shopfront Youth Legal Centre said that housing providers need to understand that the cause of homelessness or risk of homelessness is not always the result of a lack of physical home. Mental, physical and community needs must be addressed for the placement of an individual into meanwhile use accommodation to be workable and sustainable.<sup>58</sup>
- 1.55 They also noted that mental health issues like depression, anxiety and substance abuse often accompany homelessness. Homelessness can also lead to physical health problems due to poorer access to nutritious food, substance misuse to cope with mental health issues, poor dental hygiene, and being exposed to violence.<sup>59</sup>

#### Case study 2: Addison Project<sup>60</sup>

The Addison Project is a 'pop-up' accommodation model for young people on low incomes in metropolitan Sydney.

<sup>&</sup>lt;sup>54</sup> Submission 31, <u>The Salvation Army Australia</u>, p 3; Submission 28, <u>Homelessness NSW</u>, p 33.

<sup>&</sup>lt;sup>55</sup> Submission 65, <u>Domestic Violence NSW</u>, pp 6-7; Submission 66, <u>The Shopfront Youth Legal Centre</u>, pp 2-3; Submission 46, <u>Bridge Housing</u>, p 4; Submission 70, <u>St Vincent de Paul Society NSW</u>, p 8.

<sup>&</sup>lt;sup>56</sup> Submission 70, <u>St Vincent de Paul Society NSW</u>, p 7.

<sup>&</sup>lt;sup>57</sup> Submission 70, <u>St Vincent de Paul Society NSW</u>, p 7; Submission 86, <u>NSW Government</u>, p 11.

<sup>&</sup>lt;sup>58</sup> Submission 66, The Shopfront Youth Legal Centre, p 2.

<sup>&</sup>lt;sup>59</sup> Submission 66, <u>The Shopfront Youth Legal Centre</u>, p 2.

<sup>&</sup>lt;sup>60</sup> Submission 63, <u>Yfoundations</u>, p 12; Submission 71, <u>Office of the Advocate for Children and Young People ACYP</u>, pp 12-13.

The project was a partnership between property developer, TOGA, and My Foundations Youth Housing (MFYH). TOGA allowed the property to be used while waiting for a development approval on the empty Addison Hotel.

The project provided 42 fully furnished studios to young people at risk of homelessness for \$180 per week, about 25 per cent of the market rate. MFYH provided 24/7 on site support and security, free internet and utilities, food relief and laundry services. The property was initially loaned for 12 to 18 months and was designed with an exit plan to assist young people into the private rental market. At the end of the project all the young people were sustainably housed.

The Addison project provided food through an Oz Harvest supermarket, a laundry service through Orange Sky and new clothes via Thread Together. The project highlights the accommodation and wraparound supports that can be provided through partnerships.

#### A Government framework is needed to guide meanwhile use

#### **Summary**

A framework should be developed to guide meanwhile use projects. The framework could give guidance on the suitability of properties, conversion costs, and minimum timeframes and supports needed by tenants.

#### **Recommendation 2**

That the Department of Planning and Environment co-designs with housing and homelessness experts, a framework for meanwhile use that covers suitability of the property, support services for tenants, minimum timeframes, types of buildings, conversion costs and factors, and local community consultation.

- 1.56 We consider that there is a need for a framework for meanwhile use that gives guidance on factors including the suitability of the property, support services for tenants, minimum timeframes, types of buildings, conversion costs, and community consultation.
- 1.57 We heard that there is no standardised system or criteria for meanwhile use accommodation and that it is not recognised in the planning system. Domestic Violence NSW told us that without proper service standards, commercial housing projects can take advantage of people in meanwhile use accommodation. Until rigorous standards are implemented it may not be safe to house vulnerable people in meanwhile use accommodation, particularly those escaping violence. 61
- 1.58 The Southern Sydney Regional Organisation of Councils said that a new meanwhile use strategy should have clear target groups and eligibility criteria, ensure existing buildings can be made suitable for their intended use, define 'meanwhile use' under a State Environmental Planning Policy, coordinate vacancies of temporary accommodation stock, and aim to avoid sending people back into homelessness or uncertain housing when the building returns to its

<sup>&</sup>lt;sup>61</sup> Submission 65, <u>Domestic Violence NSW</u>, p 7; Submission 33, <u>Shoalhaven City Council</u>, p 10.

long-term use.62

- 1.59 Many stakeholders agreed on the importance of a minimum timeframe for meanwhile use. In addition to recouping costs over a longer tenure, as already discussed, longer-term meanwhile use has benefits for tenants.
- 1.60 Several inquiry participants agreed that 12 months is a minimum timeframe to offer tenants in meanwhile use arrangements. We heard that this allows providers to do proper intake assessments, work with the community housing provider and put partnership and legal agreements in place. It also means tenants are less likely to experience ongoing housing insecurity and can transition to stable, long-term accommodation.<sup>63</sup>
- 1.61 Inquiry participants told us that giving individuals definite timelines for their tenancy and reasonable notice to vacate properties means they have confidence and security, leading to better health and social outcomes. This can go both ways, with commitments for tenants to notify meanwhile use housing providers with notice of intent to vacate. This needs to have some flexibility and will help to build good habits and expectations for individuals around managing a tenancy. 64
- 1.62 Inquiry participants suggested that a framework for meanwhile use could include the following standards:
  - Properties meet environmental and fire safety standards
  - Self-contained housing with private bathroom and cooking facilities, adequate lighting and ventilation, including sunlight and fresh air
  - Minimum building occupancy quality standards are adhered to
  - Suitable energy and water connections, plumbing and drainage so lowincome tenants can keep homes at healthy temperatures with affordable electricity and gas
  - Rooms/apartments suitable for the family unit (not overcrowded)
  - Accessibility standards appropriate for people with disabilities or older people
  - Provision for pets
  - Parking for residents, staff, and visitors
  - Wraparound support services and exit pathways to long-term housing
  - Located close to public transport, education, employment opportunities,

<sup>&</sup>lt;sup>62</sup> Submission 51, Southern Sydney Regional Organisation of Councils, pp 4-5.

<sup>&</sup>lt;sup>63</sup> Submission 28, <u>Homelessness NSW</u>, p 33; Submission 54, <u>Women's Community Shelters</u>, p 6; Ms Parsons, <u>Transcript of evidence</u>, p 19.

<sup>&</sup>lt;sup>64</sup> Submission 66, <u>The Shopfront Youth Legal Centre</u>, p 4; Ms Michele Adair, CEO, Housing Trust, <u>Transcript of</u> evidence, 22 October 2021, p 22; Submission 66, The Shopfront Youth Legal Centre, p 4.

community facilities, health and mental health care and community supports

- For domestic and family violence, located away from perpetrators and suitable for children
- Security screen doors/windows for safety, while allowing interaction with the outside world
- Standard documents adapted for individual projects, covering leasing arrangements, roles and responsibilities.<sup>65</sup>

#### Government pilot program to trial meanwhile use

- 1.63 We note that the *Housing 2041* 2021-22 Action Plan aims to deliver a meanwhile use pilot project, with the Government partnering with local councils, the community housing sector, and developers. The Government has joined with Wollongong City Council to look into vacant buildings and land in Wollongong to deliver safe housing using the meanwhile use model. We heard that the trials will provide knowledge needed for new regulation that includes clear definitions of meanwhile use. This will allow meanwhile use to be expanded, building on existing policy.<sup>66</sup>
- 1.64 Ms Joanna McClellan, the Director of Housing Strategy and Implementation at the Department of Planning and Environment, outlined the aims of the pilot program and noted that a discussion paper would be released with findings. She said the process would include consultation with stakeholders on opportunities for meanwhile use. After the trial, the goal is to implement a framework for meanwhile use.<sup>67</sup>
- 1.65 Ms McClellan said that the project will look into proximity to transport and services, support for infrastructure and the appropriateness of potential sites. There will also be conversations with interested stakeholders about the use of Government land for meanwhile use.<sup>68</sup>
- 1.66 The needs of specific vulnerable groups will be considered, including wraparound services by specialist homelessness services or CHPs. Exit pathways from meanwhile use will also be looked at to help individuals on their path to long-term housing.<sup>69</sup>
- 1.67 Practical matters to be reviewed include building assessment requirements, accessibility issues, and environmental and fire safety standards. These need to be considered for buildings or land where meanwhile use may be an option.

<sup>65</sup> Submission 31, The Salvation Army Australia, p 3; Ms Joanna McClellan, Director, Housing Strategy Implementation, Department of Planning and Environment, <u>Transcript of evidence</u>, 2 December 2021, pp 10-11; Submission 70, <u>St Vincent de Paul Society NSW</u>, pp 8-9; Submission 28, <u>Homelessness NSW</u>, pp 33-34; Submission 37, <u>Byron Shire Council</u>, p 5; Submission 46, <u>Bridge Housing</u>, pp 4-5; Submission 54, <u>Women's Community Shelters</u>, p 6; Submission 33, <u>Shoalhaven City Council</u>, p 12.

<sup>&</sup>lt;sup>66</sup> Submission 86, <u>NSW Government</u>, p 10. The Government refers to meanwhile use as 'Temporary Supportive Accommodation (TSA).'

<sup>&</sup>lt;sup>67</sup> Ms McClellan, <u>Transcript of evidence</u>, 2 December 2021, pp 10-11.

<sup>&</sup>lt;sup>68</sup> Ms McClellan, <u>Transcript of evidence</u>, 2 December 2021, pp 10-11.

<sup>&</sup>lt;sup>69</sup> Ms McClellan, <u>Transcript of evidence</u>, 2 December 2021, pp 10-11.

There is also a need to examine leasing arrangements and responsibilities, and standard documents to be used for individual meanwhile use projects.<sup>70</sup>

1.68 The Housing Matters Action Group told us that pilot programs are important to test meanwhile use before legislative changes are made.<sup>71</sup>

#### Innovative housing projects can provide accommodation

#### **Summary**

Innovative housing options, like tiny homes and home sharing, could provide other forms of accommodation, helping to address the social housing shortage.

#### Finding 3

Other innovative solutions, like home sharing and tiny homes, can also assist with filling a short-term gap whilst the current public, social and affordable housing shortage continues to be addressed.

- 1.69 Inquiry participants told us that innovative housing models could help to provide alternative forms of accommodation.
- 1.70 We heard that the Government should encourage home sharing accommodation for key workers, particularly in regional areas, through partnerships between community, the private sector and homeowners to address immediate housing needs.<sup>72</sup>
- 1.71 Mission Australia said that home sharing could allow key workers to live close to their employment. This style of accommodation is more likely to suit certain types of key workers like young workers not in the housing market and single households. It is not likely to be suitable for key workers with families.<sup>73</sup>
- 1.72 Mission Australia also noted that financial incentives may be needed to encourage hosts who are not yet in the rental market but whose dwelling has capacity for additional tenants.<sup>74</sup>
- 1.73 Shelter NSW told us that Flatmate.com has an initiative to match homeowners with lodgers who need local, affordable accommodation. It targets homeowners with spare rooms who want to help people that are struggling to find accommodation in the private market and have not been approved for social housing.<sup>75</sup>

<sup>&</sup>lt;sup>70</sup> Ms McClellan, <u>Transcript of evidence</u>, 2 December 2021, pp 10-11.

<sup>&</sup>lt;sup>71</sup> Ms Emma Belcher, Vice-Chairperson, Housing Matters Action Group, <u>Transcript of evidence</u>, 22 October 2021, p 5.

<sup>&</sup>lt;sup>72</sup> Submission 48, Mission Australia, pp 2, 5-6.

<sup>&</sup>lt;sup>73</sup> Submission 48, Mission Australia, p 6.

<sup>&</sup>lt;sup>74</sup> Submission 48, Mission Australia, p 6.

<sup>&</sup>lt;sup>75</sup> Submission 59, <u>Shelter NSW</u>, p 11.

#### Case study 3: Woollahra HomeShare project<sup>76</sup>

HomeShare is a solution to social isolation/loneliness and affordable housing. Older homeowners living alone with a spare room provide affordable accommodation for younger people close to their work, study and social needs. The homeowner benefits from companionship, peace of mind and extra help around the home, reducing the need for some home support services.

HomeShare is facilitated by Holdsworth Community. Staff match homeowners and sharers in an organised and mutually beneficial way. Over 12 months, Holdsworth responded to 108 sharer enquiries and 79 owner enquiries mostly from women. By June 2021, 38 people were interviewed and 6 matches were in place. There were 7 sharers and 3 owners waiting to be matched. COVID-19 has impacted the service.

In 2019, Woollahra Council provided a \$50,000 grant to support the program. In July 2021 Holdsworth received \$200,000 from the Department of Communities and Justice to pilot the program across Sydney.

More funding would allow Holdsworth to continue to offer HomeShare and expand it, as well as allowing other organisations to develop similar initiatives.

- 1.74 One type of meanwhile use that has been considered by stakeholders is tiny houses/relocatable homes. We heard that several councils including Shoalhaven City, Byron Shire and Lake Macquarie City have investigated tiny homes because they are quick to construct, relocatable and can include best-practice building and design guidelines for safe and comfortable housing.<sup>77</sup>
- 1.75 Organisations like the Community Housing Industry Association NSW, Churches Housing Incorporated and Hope Haven felt that tiny and relocatable homes could be deployed quickly to provide alternative and crisis accommodation. However, they stressed that they should not be considered as long-term housing due to their limited size and facilities.<sup>78</sup>
- 1.76 Lake Macquarie Council told us about a successful tiny homes project in Gosford. The development was approved as a boarding house and has four separate single occupancy lodgings with shared kitchen, lounge and laundry buildings on site. The development can easily be moved from the site when the land is needed for development or infrastructure in future.<sup>79</sup>

#### Case study 4: Tiny homes for youth<sup>80</sup>

BackTrack Youth Services has partnered with the Tiny Homes Foundation to build four 14-square-metre tiny homes for at-risk young people in the Armidale area. The homes have a full kitchen, bathroom and veranda and are designed to create a pathway to independence.

<sup>&</sup>lt;sup>76</sup> Submission 43, Woollahra Municipal Council, pp 1-2; Woollahra Council, Questions on notice, p 2.

<sup>&</sup>lt;sup>77</sup> Submission 33, <u>Shoalhaven City Council</u>, p 3; Submission 37, Byron Shire Council, p 3; Submission 39, <u>Lake Macquarie City Council</u>, p 3.

<sup>&</sup>lt;sup>78</sup> Submission 6, <u>Hope Haven</u>, p 1; Submission 41, <u>Churches Housing Incorporated</u>, p 12; Submission 77, <u>Community Housing Industry Association NSW</u>, p 13.

<sup>&</sup>lt;sup>79</sup> Submission 39, <u>Lake Macquarie City Council</u>, pp 3-4.

<sup>&</sup>lt;sup>80</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 15.

Young residents are responsible for paying rent, on-going maintenance and keeping the homes clean. The project will help them to gain a tenancy history to support their transition to the private rental and housing market.

The homes are designed to work with BackTrack's education, training and support programs. BackTrack has employed a number of young people to help to build the tiny homes, providing over 100 hours of on-the-job-training.

#### Grants and co-contribution programs to fund social housing

#### **Summary**

The Government should provide grants to local councils and housing providers to support innovative housing programs. Grants and co-contribution schemes are a cost-effective way to fund additional social housing.

#### **Recommendation 3**

That the Department of Planning and Environment provides grants to local councils and housing providers for innovative housing programs, such as home sharing and tiny homes while longer term solutions are developed.

- 1.77 We are recommending that the Government provides grants to local councils and housing providers for innovative housing programs. We heard that grants could enable wider implementation of meanwhile use housing options by reducing costs incurred by housing providers.
- 1.78 Churches Housing Incorporated told us that upfront costs such as design, land tax, and development applications—on top of actual building costs— are barriers for CHPs, especially smaller ones, who wish to build more social, crisis, transitional and affordable housing. 81
- 1.79 The Association said that CHPs across NSW have shovel ready projects that can deliver thousands of new social and affordable homes, if they can secure capital funding or land from government.<sup>82</sup>
- 1.80 Tweed Shire Council has been exploring a concept with the Government and housing providers to establish up to 200 small dwellings on council land in the Wardrop Valley. This project could be a collaborative showcase for government, as well as encouraging partnerships with affordable housing providers.<sup>83</sup>
- 1.81 We heard that the Council needs to put together a business case which would cost around \$50,000. An estimated additional \$300,000 would be needed for technical studies to develop the masterplan design. The Council has requested government and community housing providers to contribute to these expenses.<sup>84</sup>
- 1.82 The Government told us about the Community Housing Renewal Program. Under

<sup>&</sup>lt;sup>81</sup> Submission 41, Churches Housing Incorporated, p 12.

<sup>82</sup> Submission 77, Community Housing Industry Association NSW, pp 7-8.

<sup>83</sup> Submission 15, <u>Tweed Shire Council</u>, pp 6-7.

<sup>&</sup>lt;sup>84</sup> Submission 15, <u>Tweed Shire Council</u>, pp 6-7.

this model, CHPs can access a project finance package from the National Housing Finance and Investment Corporation (NHFIC) and Cbus Super. CHPs can build new social and market rental housing on LAHC-owned land with a long-term lease. At the end of the lease, the land and all improvements, fixtures, fittings and dwellings on LAHC's land will be handed back. The successful CHP will manage and deliver the developments over a 49-year lease term.<sup>85</sup>

- 1.83 According to the NHFIC, the model increases the amount of debt funding available to CHPs and could be scaled to allow hundreds of millions of dollars of extra capital to be invested in the housing sector. The pilot program includes six sites in Sydney with 96 dwellings. A second tranche will include 300 new social, affordable and private dwellings in metropolitan and regional NSW. 86
- 1.84 The CHIA also noted that CHPs get funding from the NHFIC and other sources. However, they said borrowing capacity is not enough to cover the full costs of development. This means, to start construction in the current environment, CHPs need a capital grant or equity funding to unlock financing options. This could be delivered as an upfront grant to enable a project to proceed, together with an annual income subsidy for very low and low-income households.<sup>87</sup>
- 1.85 The City of Newcastle noted the Australian Housing and Urban Research Institute's (AHURI) finding that debt guarantees can be a cost-effective way to channel private investment in housing via the community housing sector. 88

#### Case study 5: Arncliffe Estate<sup>89</sup>

Homes at the Arncliffe estate were vacated before the COVID-19 pandemic, awaiting planned renewal as mixed tenure housing. In 2020 LAHC spent \$1.5 million to refurbish 130 vacant units as temporary housing for vulnerable people in response to the pandemic. LAHC worked with CHP, Evolve Housing, which sourced additional philanthropic funding for community development, tenancy management and assets services.

The temporary housing will continue until 2023, when the site will be redeveloped as 744 new homes including 180 social housing units. The project is due to be completed in 2028.

#### Finding 4

Co-contribution programs like the Community Housing Innovation Fund are an effective way to fund social housing.

<sup>&</sup>lt;sup>85</sup> Submission 86, <u>NSW Government</u>, p 19.

<sup>&</sup>lt;sup>86</sup> National Housing Finance and Investment Corporation, New social housing to be delivered in innovative partnership, media release, 20 August 2020, viewed 18 February 2022.

<sup>&</sup>lt;sup>87</sup> Submission 77, Community Housing Industry Association NSW, pp 7-8.

<sup>&</sup>lt;sup>88</sup> Submission 75, <u>City of Newcastle</u>, p 10. Guarantees influence the credit allocation of lenders by giving comfort to investors in the form of an agreement, outlining conditions of coupon payment in the event of default by the borrower. Debt guarantees are a policy tool used by well-established social and affordable housing finance systems in Europe and the US.

<sup>&</sup>lt;sup>89</sup> Submission 86, NSW Government, Appendix C, p 36.

- 1.86 The Government told us about the Community Housing Innovation Fund (CHIF). Upfront grants are provided to CHPs with a requirement that they co-contribute a portion of the development's cost. Tranche 1 of the fund yielded \$37.1 million in co-contribution from CHPs in the form of debt, equity and land. The total \$60 million worth of projects will yield 171 primarily social housing dwellings. 90
- 1.87 We heard that the approximate 60 per cent co-contribution from CHPs is a major saving to government and is a good model to replicate in the construction of social and affordable housing in NSW. CHPs will own these dwellings with government interest registered on title, securing them in perpetuity.<sup>91</sup>
- 1.88 Homes North Community Housing stated that the CHIF grants should be continued and expanded. They said this funding approach is efficient and requires less government funds to administer. Muslim Women Australia said that the Government should commit further funding to the CHIF. 92
- 1.89 We heard from many stakeholders that innovative meanwhile use housing solutions require financial support from the Government. The Housing Matters Action Group said the Government should fund pilot projects aimed at developing housing in collaboration with developers, councils, planners and architects. Byron Shire Council noted that housing solutions need to be provided with appropriate, adequately funded support services.<sup>93</sup>
- 1.90 Shoalhaven City Council supported a dedicated funding stream targeted at encouraging partnerships between Councils, CHPs and not-for-profits to deliver affordable housing.<sup>94</sup>
- 1.91 Southern Youth and Family Services told us that research by AHURI and the City Futures Research Centre has shown the best way to invest in the construction and operation of social and affordable housing is through capital grants. 95

# Community housing providers can deliver more social and affordable housing

#### **Summary**

Community housing providers have the capacity and skills to provide more social housing. Transferring the management and ownership of government-owned social housing to community housing providers has improved providers' ability to fund new housing.

<sup>90</sup> Submission 86, NSW Government, pp 19-20.

<sup>91</sup> Submission 86, NSW Government, p 20.

<sup>&</sup>lt;sup>92</sup> Submission 74, Homes North Community Housing Co Ltd, p 4; Submission 88, Muslim Women Australia, p 7.

<sup>&</sup>lt;sup>93</sup> Submission 33, <u>Shoalhaven City Council</u>, p 8; Submission 37, <u>Byron Shire Council</u>, p 4; Submission 42, <u>Housing Matters Action Group Inc</u>, p 5.

<sup>&</sup>lt;sup>94</sup> Submission 33, Shoalhaven City Council, p 18.

<sup>&</sup>lt;sup>95</sup> Mr Craig Lyons, Senior Project Worker, Southern Youth and Family Services, <u>Transcript of evidence</u>, 8 November 2021, p 19.

#### Finding 5

Community housing providers have the capacity to provide more social and affordable housing.

- 1.92 We heard that community housing providers have the capacity to deliver more social housing.
- 1.93 CHPs and Aboriginal CHPs deliver crisis, transitional, social, affordable and specialist disability accommodation. They own and/or manage around 33 per cent of social and affordable homes in NSW, owning 8 per cent of these properties. The Government told us that a key part of the CHP business model is to cross-subsidise social housing with affordable housing. CHPs are not-for-profit charities that can provide lower cost housing by accessing benefits including:
  - Higher rents with Commonwealth Rent Assistance
  - GST, land tax and rates concessions
  - Low-cost finance, free legal costs, more generous local government development settings, planning concessions and bonuses, and philanthropic grants
  - Partnerships with private organisations.<sup>96</sup>
- 1.94 We heard that the CHP model is a cost-effective way to provide social housing. CHIA noted that CHPs will use tax benefits and developer margins to provide additional housing. This means they can 'potentially deliver between 25 and 30 per cent more social and affordable properties than would otherwise be available if the CHP or government purchased them from a private developer.'97
- 1.95 CHIA cited economic modelling showing that delivering more social housing through CHPs would provide a return on investment over 50 per cent higher than delivery through public housing. The modelling suggested that this could save the NSW Government between \$316 million to \$631 million a year.<sup>98</sup>
- 1.96 Inquiry participants supported the delivery of social housing by CHPs. Coffs Harbour Council said that not-for-profit CHPs have conducted many successful residential development projects, providing social or supported housing to 'those in need'. The Council said that 'the not-for-profit sector is better placed to deliver social housing than the private sector given this is their objective and profit is not a motivation'. 99
- 1.97 Compass Housing told us that CHPs 'provide a well-regulated and competent model for improving the supply of social housing'. They noted that CHPs have shown 'considerable innovation' in their approach to increasing housing supply

<sup>&</sup>lt;sup>96</sup> Submission 86, NSW Government, p 8.

<sup>&</sup>lt;sup>97</sup> Submission 77, Community Housing Industry Association, p 6.

<sup>&</sup>lt;sup>98</sup> Submission 77, Community Housing Industry Association, p 6.

<sup>&</sup>lt;sup>99</sup> Submission 10, Coffs Harbour City Council, p 4.

and are willing to borrow against their existing assets to invest in new housing. 100

- 1.98 The CHIA noted that in the last decade the sector has 'significantly increased its development capacity and pipeline', providing over 4,000 new homes, investing more than \$1.5 billion. 101
- 1.99 We heard that government policies to transfer property ownership and management to CHPs have increased housing providers' capacity to obtain finance to build new housing.
- 1.100 In 2018-19, LAHC and the Department of Communities and Justice transferred the management of around 14,000 social housing tenancies to CHPs under the Social Housing Management Transfer program. The Government stated that the program 'allows CHPs to take on delivery and management of housing at greater complexities/scales, achieve efficiencies by delivering housing across locations, and pursue cost-effective locally managed maintenance arrangements.' 102
- 1.101 Through this program, social housing managed by CHPs grew from 19 per cent to 32 per cent. We heard that this will allow \$1 billion of Commonwealth Rental Assistance to be available to NSW over 20 years, funding that would not have been available otherwise. 103
- 1.102 Other government programs have also helped build the sector's capacity. CHIA said that the sector has built a record in developing and managing social and affordable housing through programs like the Social and Affordable Housing Fund, Communities Plus and the Social Housing Initiative. 104
- 1.103 Several inquiry participants observed that resuming transfers of social housing would improve the sector's capacity to build new housing. <sup>105</sup> CHIA supported transfers of ownership of social housing assets, rather than transfers of the management of social housing leases. Title transfers mean that public housing assets are transferred to CHPs for continued use as social housing. <sup>106</sup>
- 1.104 CHIA said that title transfers 'provide maximum public value' as they increase CHPs capacity to leverage private finance for additional social housing. They said that the transfer of over 6,000 social housing properties to CHPs in 2009 allowed providers to deliver an additional 1,000 affordable homes. 107
- 1.105 Compass Housing, LGNSW and Orange City Council also supported transfers of housing stock with title, to enable CHPs to borrow funds to build new social

<sup>&</sup>lt;sup>100</sup> Submission 38, Compass Housing, pp 5, 6-7.

<sup>&</sup>lt;sup>101</sup> Submission 77, Community Housing Industry Association, pp 2, 4.

<sup>&</sup>lt;sup>102</sup> Submission 86, NSW Government, pp 16-17.

<sup>&</sup>lt;sup>103</sup> Submission 86, NSW Government, pp 16-17.

<sup>&</sup>lt;sup>104</sup> Submission 77, Community Housing Industry Association, p 6.

<sup>&</sup>lt;sup>105</sup> Submission 38, <u>Compass Housing</u>, pp 6-7; Submission 20, <u>Central Coast Council</u>, p 11; Submission 80, <u>NSW Aboriginal Land Council</u>, pp 6-7.

<sup>&</sup>lt;sup>106</sup> Submission 77, Community Housing Industry Association, p 9.

<sup>&</sup>lt;sup>107</sup> Submission 77, Community Housing Industry Association, p 9.

housing.  $^{108}$  The CEO of Housing Trust described stock transfers as a 'game changer', agreeing that it had allowed CHPs to use assets to build more housing.  $^{109}$ 

- 1.106 The NSW Aboriginal Land Council supported the Government's plan to transfer management of 1,500 dwellings to Aboriginal CHPs by 2022 and called for more stock transfers. The NSWALC said that support for the sector through property management and ownership transfers has allowed Aboriginal CHPs to develop specialised capabilities at scale. They added that more property transfers will help Aboriginal CHPs build their strengths in culturally appropriate service provision, and support staffing and planning needed to invest in more social housing. 110
- 1.107 CHPs also have the ability to provide wraparound supports to their housing tenants. CHIA said that CHPs place tenants first, providing services in addition to housing, like employment programs and education assistance scholarships. They said that tenant satisfaction surveys have shown that community housing tenants are consistently more satisfied with their homes and are more likely to report better social, health and economic outcomes than public housing tenants.<sup>111</sup>
- 1.108 Faith based members of Churches Housing also offer wraparound services that support the health and wellbeing of individuals. We heard that Churches Housing members provide much more than affordable housing and add significant overall value as a solution to poverty and homelessness.<sup>112</sup>

<sup>&</sup>lt;sup>108</sup> Submission 38, <u>Compass Housing</u>, pp 6-7; Submission 47, <u>Local Government NSW</u>, p 15; Submission 11, <u>Orange City Council</u>, p 2; Submission 20, <u>Central Coast Council</u>, p 11.

<sup>&</sup>lt;sup>109</sup> Ms Adair, <u>Transcript of evidence</u>, 22 October 2021, p 24.

<sup>&</sup>lt;sup>110</sup> Submission 80, NSW Aboriginal Land Council, pp 6-7.

<sup>&</sup>lt;sup>111</sup> Submission 77, Community Housing Industry Association, p 7.

<sup>&</sup>lt;sup>112</sup> Submission 41, <u>Churches Housing</u>, pp 3-4.

# Chapter Two – Barriers to the supply of social and affordable housing

#### Barriers that impede meanwhile use and alternative affordable housing

Long, complex and costly approval processes

#### Summary

Planning approvals can be a barrier for proponents of meanwhile use and affordable housing projects. The approval process can delay projects and add to their costs, which can make them less viable.

#### Finding 6

Planning processes and timeframes can be a barrier for proponents of alternative social and affordable housing.

- 2.1 Inquiry participants acknowledged the need for alternative solutions to the social housing crisis, but highlighted the many barriers associated with a long, complex and costly approval process.
- 2.2 Mr Leonard Slabbert, the principal town planner at Tract Consultants said there is too much red tape. He told us that, in their partnership with Housing All Australians, Tract often requires development application approvals and that this was often a lengthy process. By the time approval is granted, the people who were to be accommodated might have moved on.<sup>113</sup>
- 2.3 We heard many examples of the barriers faced by proponents of alternative affordable housing projects. Women's Community Shelters (WCS) converted a private hospital for their Mosman House project, to provide transitional housing for single women exiting crisis accommodation and affordable housing. Even without the need for development consent, the complicated process meant the overall time the property would be available was halved due to challenges with navigating the planning system.<sup>114</sup>
- 2.4 At their Parramatta Women's Shelter, WCS found that the costs and time needed to pursue development consent for change of use to permit a group home was prohibitive. This led to a decision to occupy the properties in a reduced capacity.<sup>115</sup>
- 2.5 Shoalhaven City Council told us there are many steps to implementing meanwhile use, which are spread across many roles and agencies. This includes demographic needs analysis, planning approvals, property negotiation, development and

<sup>&</sup>lt;sup>113</sup> Mr Leonard Slabbert, Principal Town Planner, Tract Consultants, <u>Transcript of evidence</u>, 22 October 2021, pp 10-11.

<sup>&</sup>lt;sup>114</sup> Submission 54, Women's Community Shelters, p 5.

<sup>&</sup>lt;sup>115</sup> Submission 54, Women's Community Shelters, p 5.

leasing, procurement, design and construction, and tenancy consultation and management.  $^{\rm 116}$ 

- A personal example was shared by Ms Rose Thomson of Churches Housing Incorporated. She and her sons bought a block of land to develop as six affordable housing villas in Newcastle. The development approval took thirteen months and cost \$100,000, which increased the costs needed to be recovered from the project. When the costs were added to the selling price it reduced the villas' affordability. Ms Thomson said that other citizens might be interested in doing similar projects but that it just 'gets too hard'. 117
- 2.7 Byron Shire Council told us that it is trying to provide additional temporary housing through tiny home villages, relocatable home parks and caravan parks. However, a tiny home project in Mullumbimby was not completed due to a lengthy planning proposal process. 118
- 2.8 Shoalhaven City Council told us that barriers to meanwhile use 'are not necessarily confined to the planning system, and also relate to the processes, asset planning priorities, risk approaches and financial circumstances, of government agencies and local governments who own land.' 119
- 2.9 The Council said that the planning barriers that impact meanwhile use relate to permissibility, approval pathways, community concerns and resourcing and skills constraints. In terms of permissibility, they noted that some land use zones may not allow for residential accommodation or higher density residential accommodation. Proposals to change planning zones or allow additional forms of development can take around one to two years to finalise. 120
- 2.10 As temporary meanwhile use is not recognised in the planning system, the same approval pathways and processes apply as for a permanent use, and the design and planning approval processes can be lengthy. 121
- 2.11 Shoalhaven Council also observed that 'community opposition can stifle or substantially delay development proposals of this nature, especially if meanwhile use projects are defined in planning terms as "boarding houses" which can be controversial and misunderstood.'122

#### Lack of affordable land

2.12 Stakeholders told us that access to land is a major barrier to the development of more social housing and that it is the most expensive part of any development

<sup>&</sup>lt;sup>116</sup> Submission 33, Shoalhaven City Council, p 11.

<sup>&</sup>lt;sup>117</sup> Ms Rose Thomson, CEO, Churches Housing Inc, <u>Transcript of evidence</u>, 8 November 2021, p 19.

<sup>&</sup>lt;sup>118</sup> Submission 37, <u>Byron Shire Council</u>, p 3.

<sup>&</sup>lt;sup>119</sup> Submission 33, Shoalhaven City Council, p 10.

<sup>&</sup>lt;sup>120</sup> Submission 33, <u>Shoalhaven City Council</u>, pp 10-11.

<sup>&</sup>lt;sup>121</sup> Submission 33, Shoalhaven City Council, p 10.

<sup>&</sup>lt;sup>122</sup> Submission 33, <u>Shoalhaven City Council</u>, p 10.

proposal. 123

- 2.13 Wollongong City Council said that not-for-profit CHPs must compete in the open housing market to buy property for affordable housing. However, developers are able to pay more and can build higher quality apartments which they sell for a profit. This prices not-for-profits out of the market.<sup>124</sup>
- 2.14 Shoalhaven City Council told us that 'access to affordable land is a key factor in CHPs providing additional fit-for-purpose social and affordable housing'. 125
- 2.15 We heard that if land costs are not subsidised, gifted or leased on a subsidised basis, the possibilities of housing developments under the current CHP business model are limited. For this reason, many inquiry participants suggested that unused or underused government land should be made available at low-cost or subsidised over a long-term leasehold. Access to government land is discussed in detail later in this chapter.
- 2.16 Current legislation can act as a barrier to implementing meanwhile use housing projects. Hope Haven submitted that rural property is a huge, untapped resource, but legislation makes it difficult to use. Relocatable homes and tiny homes are a possible solution, but there is no provision for tenancy arrangements longer than three months. If by-laws, zoned property use and other related compliance regulations were changed at a state and local level, a large supply of low-cost housing could be released.<sup>127</sup>

#### Government to reduce barriers in the planning process

#### **Summary**

The Government should work with community housing providers and local councils to reduce the barriers that can impede alternative housing projects, including by simplifying and speeding up planning processes.

#### Recommendation 4

That the Department of Planning and Environment works with local councils and community housing providers to reduce barriers to the provision of meanwhile use, social and affordable housing.

#### **Recommendation 5**

That the Department of Planning and Environment consults with local councils on ways to speed up the planning approval process for meanwhile use.

<sup>&</sup>lt;sup>123</sup> Submission 86, <u>NSW Government</u>, p 23; Submission 77, <u>Community Housing Industry Association NSW</u>, p 8; Submission 73, <u>Wollongong City Council</u>, p 3; Ms Adair, <u>Transcript of evidence</u>, 22 October 2021, p 23.

<sup>&</sup>lt;sup>124</sup> Submission 73, Wollongong City Council, p 3.

<sup>&</sup>lt;sup>125</sup> Submission 33, Shoalhaven City Council, p 16.

<sup>&</sup>lt;sup>126</sup> Submission 33, Shoalhaven City Council, p 16; Submission 45, Social Futures, pp 3, 5; Ms Adair, Transcript of evidence, 22 October 2021, p 23.

<sup>&</sup>lt;sup>127</sup> Submission 6, <u>Hope Haven</u>, p 1; Submission 41, <u>Churches Housing Incorporated</u>, p 7; Submission 86, <u>NSW Government</u>, p 24.

2.17 We consider that the Department of Planning and Environment should work with CHP and councils to reduce barriers that impede meanwhile use and affordable housing. The Department should also work with councils on changes to planning processes to make it easier and faster to implement meanwhile use and affordable housing projects. We outline the changes suggested by inquiry participants below.

#### **Changing the Affordable rental housing SEPP**

- 2.18 Inquiry participants supported clarification of planning and development controls for meanwhile use.
- 2.19 Some buildings can be used for housing and do not require development consent or building alterations. However, we heard that many buildings may not be safe, or do not meet the needs of the target group. In this case an approval is needed for changes to development controls such as zoning, land use and permissibility, site suitability, and serviceability and compliance with the National Construction Code. 128
- 2.20 Some inquiry participants suggested that these approval processes can hinder the implementation of meanwhile use.
- 2.21 WCS submitted that when local councils do not support the change and require lengthy planning approval processes, meanwhile use can be costly and self-defeating, both financially and in the 'time lost' to obtain the maximum social benefit. 129
- 2.22 Shelter NSW told us that the current planning framework supports 'meanwhile use' in theory but in practice it can be very difficult to apply. Wollongong City Council added that the Affordable Housing guidelines outline a process that takes years to complete and recommended they be reviewed and simplified. 130
- 2.23 Inquiry participants told us that meanwhile use is not an identified land use in the planning framework. Another issue is that boarding houses are not defined as a type of affordable housing. 131
- 2.24 We heard that organisations like women's shelters and churches are trying to implement meanwhile use projects with the support of local councils and the community. However, planning regulations 'only serve to chew up' the amount of time the meanwhile use accommodation could have been available.<sup>132</sup>
- In some situations, the proposed meanwhile use is different to the current development approval. WCS gave the example of using an approved aged care facility as general residential accommodation. They observed that there is no provision under the current planning system for meanwhile use outside of a preexisting development approval. WCS said that in these situations, a more flexible,

<sup>&</sup>lt;sup>128</sup> Submission 86, NSW Government, p 10; Submission 87, City of Sydney, pp 6-7.

<sup>&</sup>lt;sup>129</sup> Submission 54, Women's Community Shelters, p 4.

<sup>&</sup>lt;sup>130</sup> Submission 59, Shelter NSW, pp 5-7; Submission 73, Wollongong City Council, p 4.

<sup>&</sup>lt;sup>131</sup> Submission 87, City of Sydney, pp 6-7; Submission 43, Woollahra Municipal Council, p 5.

<sup>&</sup>lt;sup>132</sup> Submission 59, Shelter NSW, p 3; Submission 37, Byron Shire Council, p 3.

collaborative approach is needed from the local council to ensure success. 133

#### Fast tracking development approvals

- 2.26 We heard that fast tracked approvals for meanwhile use, renewal and new affordable housing projects by not-for-profits would allow more housing to be built quickly and more affordably.
- 2.27 Inquiry participants told us that measures for a fast-track approval process could be introduced as part of the new Housing SEPP.<sup>134</sup>
- 2.28 One solution provided by many stakeholders is to include meanwhile use as a complying development in the *State Environmental Planning Policy (Affordable Rental Housing) 2009* and the proposed new Housing Diversity SEPP to reduce barriers in the planning system and support easy implementation of meanwhile use opportunities.<sup>135</sup>
- 2.29 The complying development would be measured against a checklist of state development standards with an outcome regarding approval to be made within a short period such as 14 days. 136
- 2.30 This would allow meanwhile use to be used in a wide range of residential settings without the need for development consent and, in turn, benefit the community by providing more affordable housing as soon as possible.
- 2.31 The Community Housing Industry Association NSW, and other inquiry participants, argued that a fast-track approval process for meanwhile use would reduce red tape and maximise the time vacant buildings can be used for housing. The process could use the exempt and complying development approval pathways, guided by a set of clear development standards and safeguards to ensure housing is safe and secure. Inquiry participants suggested that simple conversions, involving minor building works should be classified as exempt development and not require development approval. Projects involving more substantial changes should be classified as complying development and have a fast-track process.<sup>137</sup>
- 2.32 We heard that the new, streamlined development approval pathway should apply to not-for-profits such as CHPs and organisations interested in meanwhile use and renewal projects through Communities Plus, LAHC and other

<sup>&</sup>lt;sup>133</sup> Submission 54, Women's Community Shelters, p 4.

<sup>&</sup>lt;sup>134</sup> SEPP stands for State Environmental Planning Policy.

<sup>&</sup>lt;sup>135</sup> Submission 54, Women's Community Shelters, p 7; Submission 59, Shelter NSW, p 8; Submission 87, City of Sydney, pp 6-7; Submission 9, Upper Hunter Shire Council, p 2; Submission 22, Narrabri Shire Council, p 2. Complying development is an approval for routine works that comply with the relevant development standards in the State Policy which can save time and money. Approvals under fast-track complying development can be issued in as little as 20 days.

<sup>&</sup>lt;sup>136</sup> Submission 59, Shelter NSW, p 8; Submission 87, City of Sydney, pp 6-7.

 <sup>&</sup>lt;sup>137</sup> Submission 77, Community Housing Industry Association NSW, p 12; Submission 88, Muslim Women Australia, p
 4; Submission 89, Housing Trust, p 3; Submission 69, Housing Plus, p 2; Submission 47, Local Government NSW, pp
 5-6; Submission 65, Domestic Violence NSW, p 10.

programs. 138

- 2.33 Muslim Women Australia suggested that fast tracked approval processes for larger initiatives should provide an outcome within four months. To support this, local councils should 'assign a dedicated assessment officer to support 'meanwhile use' applications'. 139
- 2.34 Local Government NSW told us that the Government could provide guidance to councils on how best to fast-track and encourage meanwhile use where it is appropriate. 140

#### **Inclusionary zoning**

- 2.35 Inclusionary zoning is a requirement that a certain percentage of each new housing development must be affordable housing. We heard that it is widely practised in Europe and North America, however, in New South Wales it is applied inconsistently, requires large amounts of resources and has little support from the development industry.<sup>141</sup>
- 2.36 Homes North noted that a report by AHURI states that inclusionary planning tools can leverage large quantities of affordable housing, but such planning is limited in Australia. While NSW has an Affordable Rental Housing SEPP, AHURI says housing developers still face barriers and delays in obtaining development approval.<sup>142</sup>
- 2.37 Councils, CHPs and advocacy groups told us that inclusionary zoning rules would work to increase the amount of affordable housing in NSW. 143
- 2.38 Supporters of inclusionary zoning suggested that there should be a requirement of 15 to 30 per cent affordable housing in all new developments. He Shoalhaven City Council said that inclusionary zoning should be applied at a federal or state level to create an equal playing field for the development industry and not distort local housing markets and development activity. He Shoalhaven City Council said that inclusionary zoning should be applied at a federal or state level to create an equal playing field for the development industry and not distort local housing markets and development activity.

#### **Concessions for planning costs**

- 2.39 For CHPs, especially smaller CHPs, upfront costs for design, land tax and development applications, in addition to building costs are barriers to building more social, crisis, transitional and affordable housing.
- 2.40 Stakeholders including local councils, CHPs, peak bodies and social interest

<sup>&</sup>lt;sup>138</sup> Submission 89, Housing Trust, p 3; Submission 69, Housing Plus, p 2.

<sup>&</sup>lt;sup>139</sup> Submission 88, Muslim Women Australia, pp 4-5.

<sup>&</sup>lt;sup>140</sup> Submission 47, Local Government NSW, pp 5-6.

<sup>&</sup>lt;sup>141</sup> Submission 33, Shoalhaven City Council, pp 16-17; Submission 74, Homes North Community Housing Co Ltd, p 6.

<sup>&</sup>lt;sup>142</sup> Submission 74, Homes North Community Housing Co Ltd, p 6.

<sup>&</sup>lt;sup>143</sup> Submission 11, Orange City Council, p 1; Submission 33, Shoalhaven City Council, pp 16-17; Submission 51, Southern Sydney Regional Organisation of Councils, p 6; Submission 83, Uniting NSW.ACT, p 2; Submission 89, Housing Trust, p 4; Submission 77, Community Housing Industry Association NSW, pp 8-9.

<sup>&</sup>lt;sup>144</sup> Submission 51, Southern Sydney Regional Organisation of Councils, p 6; Submission 83, Uniting NSW.ACT, p 2; Submission 89, Housing Trust, p 4.

<sup>&</sup>lt;sup>145</sup> Submission 33, <u>Shoalhaven City Council</u>, p 17.

groups expressed the need for concessions for development applications. 146

2.41 Ms Michele Adair, the CEO of Housing Trust, a tier 1 CHP, said that local councils had never waived their development application fees. She noted the councils say 'It's only \$25,000' but that money could be used for three new kitchens in their affordable housing projects. 147

#### Waiving or reducing land tax

- 2.42 We heard that another possible way to overcome barriers to meanwhile use projects is an exemption or reduction of land tax.
- 2.43 Exempting meanwhile use housing projects from land tax and council rates, or applying a discount rate similar to build-to-rent properties, would be in addition to the exemptions available to not-for-profit CHPs. Community Housing Industry Association NSW also proposed that meanwhile use projects be exempted from paying infrastructure contributions. 148

## Affordable housing contribution schemes

- 2.44 Inquiry participants told us that affordable housing contribution schemes should be required, with levies collected by councils provide funding for affordable housing. 149
- 2.45 Affordable housing contribution schemes are council-led documents which set out how, where, and at what rate development contributions can be collected by councils for affordable housing.
- 2.46 The Community Housing Industry Association NSW also suggested that extra support be given to councils to ensure schemes are established in a timely manner and that opportunities for new supply are not missed. 150

# Easier access to government land for social housing projects

#### Summary

The Government should work with community housing providers and councils to address policy barriers that are limiting access to government land for social and affordable housing.

#### **Recommendation 6**

That the Department of Planning and Environment works with community housing providers and local councils to address policy barriers that hinder the use of government land for social and affordable housing.

<sup>&</sup>lt;sup>146</sup> Submission 11, Orange City Council, p 1; Submission 41, Churches Housing Incorporated, p 12; Submission 54, Women's Community Shelters, p 7; Ms Adair, Transcript of evidence, 22 October 2021, p 23.

<sup>&</sup>lt;sup>147</sup> Ms Adair, <u>Transcript of evidence</u>, 22 October 2021, p 23.

<sup>&</sup>lt;sup>148</sup> Submission 77, Community Housing Industry Association NSW, p 12.

<sup>&</sup>lt;sup>149</sup> Submission 81, <u>SydWest Multicultural Services</u>, p 6; Submission 69, <u>Housing Plus</u>, p 1; Submission 77, <u>Community Housing Industry Association NSW</u>, p 3.

<sup>&</sup>lt;sup>150</sup> Submission 77, Community Housing Industry Association NSW, p 3.

- 2.47 Access to land and the high cost of land are barriers for stakeholders, especially CHPs seeking to provide social and affordable housing. We heard that a solution may be to use government land, but policy barriers must first be addressed. We believe that continued coordination between Government agencies, local government and CHPs can help to remove barriers to access of government land.
- 2.48 We heard that there are barriers that limit social and affordable housing on government land. In 2017 Shoalhaven City Council sought to use vacant land owned by Transport NSW, which was planned for longer term highway widening but was not immediately needed. The Council wanted to use the land to help relieve local homelessness.<sup>151</sup>
- 2.49 The Council said that the NSW Government did not have a clear policy on this type of land use and expected the project to be carried out via a lease at a commercial rate, which makes these projects unviable. 152
- 2.50 Mr Gordon Clark, Director of City Futures for Shoalhaven City Council, told us that the proposal was not successful as 'it did not seem to be that there was much appetite and also much procedure around it.'153
- 2.51 Shoalhaven Council land holdings in Ulladulla are also currently being explored for affordable housing development as an action of the Shoalhaven Affordable Housing Strategy but have constraints that require further investigation. 154
- 2.52 Mr Ben Hewett, Executive Director of Innovation, Strategy and Integration at DPE, told us 'There are Government policies around ... realising highest and best use and that can be a challenge for social and affordable housing on Government land.' He noted that DPE are working on a number of projects that are 'trying to facilitate Government agencies to drive an outcome' in this area.<sup>155</sup>
- 2.53 Wollongong City Council pointed out that some public land has minimal recreation or public value and would be suitable for short-term or long-term housing opportunities. However, they noted that there had been a one-year delay in signing an amending LEP that would include opportunities for seniors housing and CHPs. 156
- 2.54 Several stakeholders told us that there are many vacant Government properties that will not be needed for many years and could be used for social, affordable and meanwhile use accommodation. 157
- 2.55 BlueCHP argued that the Government can help to increase the supply of social

<sup>&</sup>lt;sup>151</sup> Submission 33, <u>Shoalhaven City Council</u>, p 7.

<sup>&</sup>lt;sup>152</sup> Submission 33, Shoalhaven City Council, p 7.

<sup>&</sup>lt;sup>153</sup> Mr Gordon Clark, Director, City Futures, Shoalhaven City Council, <u>Transcript of evidence</u>, p 2.

<sup>&</sup>lt;sup>154</sup> Submission 33, <u>Shoalhaven City Council</u>, p 7.

<sup>&</sup>lt;sup>155</sup> Mr Ben Hewett, Executive Director, Innovation, Strategy and Integration, Department of Planning and Environment, <u>Transcript of evidence</u>, p 17.

<sup>&</sup>lt;sup>156</sup> Submission 73, Wollongong City Council, p 2.

<sup>&</sup>lt;sup>157</sup> Submission 73, Wollongong City Council, p 2; Submission 69, Housing Plus, p 3; Submission 5, BlueCHP Limited, p 1; Submission 33, Shoalhaven City Council, p 5; Submission 45, Social Futures, pp 4-5; Submission 26, Shellharbour City Council, pp 2-3; Submission 90, Domestic Violence Service Management, p 4.

housing by using government land occupied by social housing, for redevelopment. They said that land owned by Land and Housing Corporation 'is the only real policy lever at the NSW Government's disposal'. <sup>158</sup>

- 2.56 BlueCHP Limited told us that using government land would allow CHPs to access private finance, including from the NHFIC. Homes North Community Housing also added that using existing Crown land will reduce overall cost. 159
- 2.57 Wollongong City Council said that each Government department should review their assets, noting that unneeded assets could hold an opportunity for short-term meanwhile use accommodation. 160
- 2.58 We note that the Government is looking at partnerships with CHPs, CHP-led consortia, or small scale local not-for-profits who own land or have long-term government leased land. Caveats or statutory interest would be placed on title to ensure all homes are used for the purpose for which they were funded. 161

#### Access to Crown land

- 2.59 The Crown Lands Management Act 2016 guides the use of Crown Reserves.

  Wollongong City Council noted that the Act's stated purpose is a barrier to the use of Crown Reserves for residential accommodation, as it requires their use to be consistent with the Reserve Purpose. As most reserves are marked for public recreation, vacant buildings on a recreation reserve cannot be used for accommodation. 162
- 2.60 We heard that DPE is working to address policy barriers that inhibit the use of government land. The Housing and Property Group, which includes Crown Lands, is working to identify Government land to assist with the Crown land 2031 Action Plan. 163
- 2.61 The Government submitted that Crown Lands has a long history of allocating land for residential housing. Supply of Crown land for new and alternative uses, including for social housing, is contingent on addressing Aboriginal interests, existing tenant rights, and environmental constraints and offsets. Crown Lands is seeking to better manage these interests through a strategic plan for Crown land. 164
- 2.62 This strategy will reset how Crown land is managed, used, accessed and allocated. It will be implemented through three-year action plans, the first of which was released in April 2022. 165

<sup>&</sup>lt;sup>158</sup> Submission 5, <u>BlueCHP Limited</u>, p 1.

<sup>&</sup>lt;sup>159</sup> Submission 74, Homes North Community Housing Co Ltd, p 3; Submission 5, BlueCHP Limited, p 1.

<sup>&</sup>lt;sup>160</sup> Submission 73, Wollongong City Council, p 2.

<sup>&</sup>lt;sup>161</sup> Submission 86, <u>NSW Government</u>, p 20.

<sup>&</sup>lt;sup>162</sup> Submission 73, Wollongong City Council, p 2.

<sup>&</sup>lt;sup>163</sup> Mr Hewett, <u>Transcript of evidence</u>, p 10.

<sup>&</sup>lt;sup>164</sup> Submission 86, NSW Government, p 9.

<sup>&</sup>lt;sup>165</sup> Submission 86, NSW Government, p 9; Department of Planning and Environment, <u>Crown land 2031 First Action Plan</u>, April 2022, p 1, viewed 20 May 2022.

# Housing Strategy and the use of government-owned land

- 2.63 The St Vincent de Paul Society noted that the Government's Housing Strategy commits to establishing a register of NSW Government land, assessing its suitability for housing outcomes. 166
- 2.64 St Vincent de Paul urged the Government to assess the suitability of government-owned land for much-needed social and affordable housing before it is sold. If land is identified for sale, the Society suggested that it be assessed for meanwhile use housing until it is sold. When the land is sold, the Society proposed that the proceeds be invested in new social and affordable housing. 167
- 2.65 One of five priority areas of the Housing Action Plan is 'maximising the impact of government-owned land, investment or assets and government-led development projects or funding to achieve the housing objectives'. 168
- 2.66 Ms McClellan, Director of Housing Strategy Implementation at DPE, told us that the Department is considering the use of Government land and is having conversations with interested groups outside Government. These considerations will be included in the TSA (meanwhile use) framework that the Government is developing. 169
- 2.67 Mr Ben Hewett, of DPE, told us that state government agencies meet regularly to discuss land availability, divestment and related issues through the Property Strategy Collaboration Committee. He said that there is potential to work with local government in this space. 170
- 2.68 Shoalhaven City Council supported the establishment of affordable housing roundtables involving councils, the Government, CHPs and not-for-profits. Inner West Council also identified the benefit of collaboration about Government land. 171
- 2.69 We note that the Regional Housing Taskforce Recommendations Report aims to increase the availability of affordable and diverse housing across regional NSW through the 'removal of policy obstacles that prevent utilisation of existing government land and property assets for housing'.<sup>172</sup>

# Better use of vacant dwellings

#### **Summary**

The Government should review data on vacant dwellings and consider reforms to make better use of unoccupied dwellings.

<sup>&</sup>lt;sup>166</sup> Submission 70, St Vincent de Paul Society NSW, p 9.

<sup>&</sup>lt;sup>167</sup> Submission 70, St Vincent de Paul Society NSW, p 9.

<sup>&</sup>lt;sup>168</sup> Department of Planning and Environment, <u>2021-22 Action Plan</u>, March 2021, p 15, viewed 20 May 2022.

<sup>&</sup>lt;sup>169</sup> Ms McClellan, <u>Transcript of evidence</u>, pp 10-11.

<sup>&</sup>lt;sup>170</sup> Mr Hewett, <u>Transcript of evidence</u>, p 13.

<sup>&</sup>lt;sup>171</sup> Mr Clark, <u>Transcript of evidence</u>, 2 December 2021, p 7; Submission 82, <u>Inner West Council</u>, p 4.

<sup>&</sup>lt;sup>172</sup> Department of Planning and Environment, <u>Regional Housing Taskforce Recommendations Report</u>, October 2021, p 5, viewed 20 May 2022.

#### **Recommendation 7**

That the Department of Planning and Environment reviews data on vacant private dwellings and considers reforms to maximise the use of unoccupied dwellings.

- 2.70 Stakeholders from across NSW—including areas like Tweed, Armidale and Broken Hill—told us that there are many vacant dwellings and rooms that could be used to ease the housing shortage. <sup>173</sup> Balranald Shire Council reported that over 23 per cent of private dwellings in the Shire are unoccupied. <sup>174</sup>
- 2.71 In her submission, Ms Tamara Smith MP referred to census data which shows that across NSW more than 10 per cent of housing stock is empty.<sup>175</sup>
- 2.72 Warra Warra Legal Service submitted that vacant properties could be used to support community members who have trouble finding tenancies and instead may resort to couch surfing or other similar measures. 176
- 2.73 Barnardos Australia supported underused or vacant properties being repurposed as townhouses or apartments for vulnerable women and children to live in and access family support, youth support and intensive family preservation services located onsite.<sup>177</sup>
- 2.74 Another option for vacant or spare bedrooms is home sharing. This is discussed in chapter one as a solution to assist key workers. Chapter three covers the merit of home sharing for young people and the older generation.
- 2.75 We also heard that that vacancy data should be captured and made available to stakeholders, to identify vacant properties and spare bedrooms and better understand their potential. Inquiry participants supported having access to vacancy data in urban and regional areas, including spare bedrooms and vacant properties. 178
- 2.76 The School of the Built Environment at the University of Technology Sydney told us that a fine-grain understanding of the distribution of vacancy is paramount when evaluating policies to address vacancy. Vacancy solutions, including meanwhile use, need to be tailored to specific vacancy 'hot spots' in NSW. 179
- 2.77 The Government said that vacancy rates are sourced from Australian Bureau of Statistics census data. The average vacancy for NSW properties is 9.3 per cent but is higher in holiday destinations like Eurobodalla (29.5 per cent) and some inland

<sup>&</sup>lt;sup>173</sup> Submission 15, <u>Tweed Shire Council</u>, p 4; Submission 61, <u>Mr Gerry Bailey</u>, p 1; Submission 67, <u>Armidale Women's Homelessness Support Service</u>, p 7; Submission 73, <u>Wollongong City Council</u>, p 2; Submission 57, <u>Warra Warra Legal Service</u>, p 2.

<sup>&</sup>lt;sup>174</sup> Submission 12, Balranald Shire Council, p 2.

<sup>&</sup>lt;sup>175</sup> Submission 58, Ms Tamara Smith MP, p 3.

<sup>&</sup>lt;sup>176</sup> Submission 57, Warra Warra Legal Service, p 2.

<sup>&</sup>lt;sup>177</sup> Submission 72, Barnardos Australia, p 5.

<sup>&</sup>lt;sup>178</sup> Submission 56, <u>Housing Affordability Advisory Committee of the Inner West Council</u>, p 7; Submission 15, <u>Tweed Shire Council</u>, p 5; Submission 54, <u>Women's Community Shelters</u>, p 7; Submission 29, <u>School of the Built Environment</u>, <u>University of Technology Sydney</u>, p 3.

<sup>&</sup>lt;sup>179</sup> Submission 29, School of the Built Environment, University of Technology Sydney, p 3.

regions like Central Darling (27.8 per cent). The share of vacant homes is lowest (around 4 to 5 per cent) in some areas of Western Sydney like Wollondilly, Penrith, The Hills Shire, Campbelltown, Fairfield, Blacktown, Liverpool and Camden. 180

#### **Proposed vacancy tax**

- 2.78 Stakeholders told us that a possible solution to discourage owners from letting their properties sit vacant is introducing a vacancy tax. This has been done in other jurisdictions. 181
- 2.79 Churches Housing suggested that the revenue from a vacancy tax on vacant residential, and perhaps commercial, buildings could be used to support social, affordable and meanwhile use housing. 182
- 2.80 The Housing Affordability Committee of the Inner West Council said that a tax could be imposed on landlords where residential dwellings are left empty for longer than a set period, such as three or six months. They noted that Victoria already has a tax like this in place. 183
- 2.81 Another option offered by the Housing Affordability Committee of the Inner West Council is incentives, like tax concessions, for landlords who provide vacant properties for social and affordable housing. This is similar to the United States' Low Income House Tax credit. 184
- 2.82 Churches Housing told us that Vancouver has an Empty Homes Tax which began in 2017 at a rate of 1 per cent. It has since been increased to 3 per cent and \$61.3 million of net revenues from the tax has been used to support affordable housing projects. The number of vacant properties has dropped by 25 per cent. 185
- 2.83 Churches Housing also noted that British Columbia has a Speculation and Vacancy Tax. Since 2019 the tax rate has been at 2 per cent for foreign owners and satellite families and 0.5 per cent for Canadian citizens and permanent residents. In the 2019 tax year the revenue from the tax was \$88 million. 186
- 2.84 Mr Roland Stanmore, Director of the Justice and Housing Branch of NSW Treasury told us that he was not aware of a vacancy tax being considered in New South Wales. He said that property tax reform was, however, being considered and that property tax was a disincentive to keeping properties vacant on a long-term basis. 187

<sup>&</sup>lt;sup>180</sup>Answers to questions on notice, NSW Government, 24 January 2022, p 4. This data was drawn from the 2016 census. According to 2021 census data, 299,524 private dwellings were unoccupied in NSW and 3,058,269 private dwellings were occupied.

<sup>&</sup>lt;sup>181</sup> Submission 41, <u>Churches Housing Incorporated</u>, p 8; Submission 56, <u>Housing Affordability Advisory Committee of the Inner West Council</u>, pp 3-4; Submission 61, <u>Mr Gerry Bailey</u>, p 1.

<sup>&</sup>lt;sup>182</sup> Submission 41, Churches Housing Incorporated, p 8.

<sup>&</sup>lt;sup>183</sup> Submission 56, Housing Affordability Advisory Committee of the Inner West Council, pp 3-4.

<sup>&</sup>lt;sup>184</sup> Submission 56, Housing Affordability Advisory Committee of the Inner West Council, pp 3-4.

<sup>&</sup>lt;sup>185</sup> Submission 41, Churches Housing Incorporated, p 8.

<sup>&</sup>lt;sup>186</sup> Submission 41, <u>Churches Housing Incorporated</u>, p 8.

<sup>&</sup>lt;sup>187</sup> Mr Roland Stanmore, Director, Justice and Housing Branch, Treasury NSW, <u>Transcript of evidence</u>, pp 16-17.

# Regulation of community housing providers is adequate

#### **Summary**

The current regulatory framework for community housing providers is adequate and provides appropriate oversight of the sector.

- 2.85 As part of our inquiry, we considered the accountability of CHPs. We heard that the regulation of CHPs is adequate and that they are suitably accountable.
- 2.86 The Government told us that the National Regulatory System for Community Housing (NRSCH) aims to 'ensure a well-governed, well-managed and viable community housing sector, in addition to a reduced regulatory burden for CHPs'. 188 The regulatory framework seeks to:
  - Protect tenants and improve tenant outcomes, giving assurance to the Government and tenants that CHPs are capable of managing their portfolios.
  - Protect government assets and funding to ensure that regulated CHPs develop on a sustainable foundation and can manage government funding and assets.
  - Facilitate private sector investment, giving investors confidence to invest in CHPs and provide assurance of their creditworthiness.<sup>189</sup>
- 2.87 The Registrar of Community Housing maintains the NRSCH. In doing so it assesses the suitability of entities to be registered as a CHP, registers and cancels CHP registrations, monitors CHP compliance with legislation and performs enforcement and intervention functions, and investigates complaints about the compliance of registered CHPs. 190
- 2.88 Inquiry participants told us that the current framework is appropriate. Compass Housing said that the NRSCH 'provides assurance of compliance with relevant standards, financial probity, competent governance and public accountability', and supported its extension to all states to ensure uniform regulation. Compass Housing also noted that CHPs welcomed improved accountability, as it improves lender and investor confidence.<sup>191</sup>
- 2.89 The Inner West Council Housing Affordability Committee said that registered CHPs must meet 'stringent accountability standards to demonstrate fitness to operate in order to maintain their registered status'. 192
- 2.90 Housing Plus told us that the CHP sector is subject to a strong and independent regulatory framework that 'provides assurance to stakeholders, government and

<sup>&</sup>lt;sup>188</sup> Submission 86, <u>NSW Government</u>, p 24. The NSW scheme mirrors the NRSCH, but without 'wind-up' conditions of registration, focusing on registering LALCs that would not register if their land could be claimed by the state.

<sup>&</sup>lt;sup>189</sup> Submission 86, NSW Government, p 24.

<sup>&</sup>lt;sup>190</sup> Submission 86, NSW Government, p 24.

<sup>&</sup>lt;sup>191</sup> Submission 38, Compass Housing Services, pp 7-8.

<sup>&</sup>lt;sup>192</sup> Submission 56, <u>Inner West Council Housing Affordability Committee</u>, p 6.

financial institutions lending into the sector that the organisation is well governed, meets the national standards and are viable. $^{193}$ 

- 2.91 Housing Plus noted that NRSCH performance requirements for CHPs cover tenant and housing services, governance, management and financial viability. CHPs must submit annual registration submissions to the Registrar to show compliance with these requirements. CHPs that are charitable organisations are overseen by the Australian Charities and Not-for-profits Commission, and there are additional accreditation requirements for disability accommodation providers and specialist homelessness service providers. 194
- 2.92 Housing Plus observed that the Government also has policies and performance measures for CHPs, and that compliance is enforced through contracts between Government and CHPs under different programs.<sup>195</sup>
- 2.93 The Community Housing Industry Association echoed this view. The CHIA told us that the NRSCH 'exists to ensure that regulation of the community housing sector is proportionate, accountable, consistent, transparent, flexible, and targeted'. 196
- 2.94 Inquiry participants told us that CHPs are subject to higher regulatory and performance standards than government housing departments. <sup>197</sup> The CHIA said that state housing authorities are not monitored under an independent regulatory system, and that public housing should be subject to similar scrutiny. <sup>198</sup> Housing Plus also supported an independent regulatory framework for state housing authorities to ensure consistent standards for tenants. <sup>199</sup>

# Simplifying reporting requirements for community housing providers

#### **Summary**

There is duplication in the compliance reports that community housing providers submit to state and federal regulators and departments. This should be addressed to ensure that more resources are available for social and affordable housing projects.

#### **Recommendation 8**

That the Department of Planning and Environment and the Department of Communities and Justice consult with community housing providers on ways to reduce duplication and overlaps in compliance reporting for community housing providers.

2.95 We consider that compliance reporting for CHPs could be simplified to reduce duplication and overlaps. This would assist CHPs to direct more of their finite

<sup>&</sup>lt;sup>193</sup> Submission 69, Housing Plus, pp 2-3.

<sup>&</sup>lt;sup>194</sup> Submission 69, Housing Plus, pp 2-3.

<sup>&</sup>lt;sup>195</sup> Submission 69, Housing Plus, pp 2-3.

<sup>&</sup>lt;sup>196</sup> Submission 77, Community Housing Industry Association NSW, pp 6-7.

<sup>&</sup>lt;sup>197</sup> Submission 74, Homes North Community Housing, p 5.

<sup>&</sup>lt;sup>198</sup> Submission 77, Community Housing Industry Association NSW, pp 6-7.

<sup>&</sup>lt;sup>199</sup> Submission 69, <u>Housing Plus</u>, p 2.

resources to providing housing and services to people in need.

- 2.96 Inquiry participants told us that there is duplication and overlap in CHPs' reporting to the Department of Communities and Justice and LAHC, and that they are also subject to performance assessment by the Registrar for Community Housing. CHPs observed that cost savings from streamlined reporting could be redirected to service provision.
- 2.97 Housing Plus said that NSW Government policies, performance measures and operational direction duplicate the role of the Registrar, 'adding enormous unnecessary cost to Government and the CHP sector and stifling innovation'.<sup>200</sup>
- 2.98 Churches Housing told us that CHPs report to three regulatory bodies the Registrar, Land and Housing Corporation, and DCJ. Reporting requirements for these bodies 'are redundant and the repetition of reports have become a time-consuming process for the CHPs'.<sup>201</sup>
- 2.99 Churches Housing noted that CHPs often start as volunteer organisations with limited experience in compliance and governance processes, and little support to navigate these processes. Churches Housing recommended that red tape be reduced and duplication of reporting removed across the three bodies for CHPs. 202
- 2.100 Ms Maree McKenzie, CEO of Homes North Community Housing also noted the requirement for CHPs to report to two departments, and the Registrar. She said that 'duplication of our reporting is very costly and that is money that is not going into housing and services to the people most in need'. Ms McKenzie observed that reporting could be consolidated and the focus should be on outcomes that CHPs are delivering.<sup>203</sup>
- 2.101 Homes North told us that the accountability system for public and community housing providers is 'perpetuating inequities and inefficiencies'. They observed that LAHC's approach to patterning with CHPs is increasingly legalistic rather than outcomes-based and is imposing a 'significant compliance burden on CHPs'. 204
- 2.102 Homes North submitted that CHPs that manage LAHC properties are incurring rapidly rising costs due to compliance reporting to LAHC and DCJ. The information reported is similar to, or duplicates, information provided to NRSCH. Homes North said that it would be more 'efficient and effective for Government to adopt a "one stop shop" for compliance and focus on reporting on delivery of outcomes. 1205
- 2.103 Inquiry participants noted that reducing the regulatory burden on CHPs is consistent with possible reforms identified in the 2018 Review of the NRSCH. The Review proposed that the NRSCH, other regulators, funders and data collectors

<sup>&</sup>lt;sup>200</sup> Submission 69, <u>Housing Plus</u>, pp 3-4.

<sup>&</sup>lt;sup>201</sup> Submission 41, Churches Housing, pp 12-13.

<sup>&</sup>lt;sup>202</sup> Submission 41, Churches Housing, pp 12-13.

<sup>&</sup>lt;sup>203</sup> Ms Maree McKenzie, CEO, Homes North Community Housing, <u>Transcript of evidence</u>, 22 October 2022, pp 26-27.

<sup>&</sup>lt;sup>204</sup> Submission 74, <u>Homes North Community Housing</u>, p 5.

<sup>&</sup>lt;sup>205</sup> Submission 74, <u>Homes North Community Housing</u>, p 5.

Improving access to existing and alternate accommodation to address the social housing shortage

Barriers to the supply of social and affordable housing

better align their reporting requirements and work to implement data sharing mechanisms across the bodies. <sup>206</sup>

2.104 The CHIA supported reforms identified in the Review, including streamlining reporting requirements and data sharing arrangements between key agencies to reduce the regulatory burden for CHPs. CHIA said that the reforms would 'enhance the operations of an already robust and well-regulated sector'. 207

<sup>&</sup>lt;sup>206</sup> Department of Communities and Justice, <u>Review of the National Regulatory System for Community Housing</u> (NRSCH) – <u>Potential Future Reform Options Report</u>, p 9, viewed 20 May 2022.

<sup>&</sup>lt;sup>207</sup> Submission 77, Community Housing Industry Association NSW, pp 3, 7.

# Chapter Three – Housing that meets the needs of the community

# Culturally appropriate social housing for the Aboriginal community

Over-representation of Aboriginal and Torres Strait Islander peoples in social housing

#### **Summary**

There is high demand for social housing for Aboriginal and Torres Strait Islander peoples. Social housing for First Nations communities should be culturally appropriate. Involving local communities in the design of community housing can ensure that housing meets the needs of First Nations communities.

- 3.1 Inquiry participants told us that there is an over-representation of Aboriginal and Torres Strait Islander peoples in social housing in NSW, and they are more likely to live in overcrowded housing and experience homelessness. They are also less likely to own a home or have access to affordable and secure housing.<sup>208</sup>
- 3.2 This is due to historical events that contributed to a divide in education, job security, health and economic well-being between Aboriginal and non-Aboriginal people.<sup>209</sup>
- 3.3 The NSW Government observed that barriers that prevent Aboriginal and Torres Strait Islander peoples from accessing safe and secure housing include location of available stock, greater demand than supply, private rental market discrimination and a lack of culturally sensitive and appropriate housing pathways.<sup>210</sup>
- 3.4 We heard that demand modelling showed a shortage of 10,855 social housing and 13,506 affordable housing dwellings for Aboriginal and Torres Strait Islander people in 2017. This is projected to increase to 30,124 and 34,924 dwellings, respectively, by 2031. Demand for social housing for Aboriginal households in NSW is projected to rise by 62 per cent by 2031.<sup>211</sup>
- 3.5 In December 2020, 850 Aboriginal households in NSW were on the waitlist for priority social housing due to homelessness, being at risk, medical reasons, disability, tenancy reinstatement and domestic and family abuse.<sup>212</sup>
- 3.6 The Aboriginal Housing Office (AHO) owns and funds affordable, culturally appropriate social housing for Aboriginal and Torres Strait Islander people in

<sup>&</sup>lt;sup>208</sup> Submission 80, <u>NSW Aboriginal Land Council</u>, pp 2, 3; Mr Ross Hampton, Councillor for Western Region, NSW Aboriginal Land Council, <u>Transcript of evidence</u>, 8 November 2021, p 32; Submission 86, <u>NSW Government</u>, pp 9, 12; Submission 87, <u>City of Sydney</u>, pp 5-6.

<sup>&</sup>lt;sup>209</sup> Submission 80, NSW Aboriginal Land Council, p 2.

<sup>&</sup>lt;sup>210</sup> Submission 86, NSW Government, p 9.

<sup>&</sup>lt;sup>211</sup> Submission 80, NSW Aboriginal Land Council, p 3.

<sup>&</sup>lt;sup>212</sup> Submission 86, NSW Government, p 9.

NSW. The AHO owns over 6,000 properties with an estimated value of \$2.2 billion. <sup>213</sup> We heard that the AHO is allocating \$20 million to build around 45 new culturally appropriate homes for Aboriginal families in Far Western NSW, Western Sydney, Lake Macquarie, Bega Valley, Gunnedah and Orange. <sup>214</sup>

#### Housing must be culturally appropriate

- 3.7 Many inquiry participants, including the Government, told us that housing for Aboriginal and Torres Strait Islander peoples must be culturally appropriate. The National Agreement on Closing the Gap sets out the right for Aboriginal and Torres Strait Islander people to 'secure appropriate, affordable housing that is aligned with their priorities and need'. <sup>216</sup>
- 3.8 We heard that culturally appropriate housing would include an intake model that meets culture, land and kinship needs, provision by Aboriginal Community Housing Providers, wraparound support provided by Aboriginal organisations, and sufficient employment of Aboriginal and Torres Strait Islander people.<sup>217</sup>
- 3.9 Mr Ross Hampton of the NSW Aboriginal Land Council (NSWALC) told us that Aboriginal and Torres Strait Islander communities accommodate extended family and anyone who needs somewhere to sleep. This means culturally appropriate housing should include extra bedrooms and bathrooms to support kinship obligations. Mr Hampton said culturally appropriate housing should address the 'nucleus of the family' rather than just an applicant or family on a waiting list.<sup>218</sup>
- 3.10 Ms Nattlie Smith of the AHO said that it is important for Aboriginal and Torres Strait Islander people to have the opportunity to age in place without the need for nursing homes. This means that housing should be available on a long-term basis.<sup>219</sup>

#### Aboriginal and Torres Strait Islander community involvement in housing design

#### **Recommendation 9**

That the Department of Planning and Environment works with First Nations representative organisations and local First Nations communities in the design of Aboriginal community housing to ensure it is culturally appropriate.

3.11 Involving local Aboriginal communities in the design of community housing will help to ensure that it is culturally appropriate and meets the local community's needs. We also note that culturally appropriate housing means that a proportion of employees working for community housing providers, wraparound support

<sup>&</sup>lt;sup>213</sup> Submission 86, NSW Government, p 9.

<sup>&</sup>lt;sup>214</sup> Mr Kara, <u>Transcript of evidence</u>, 2 December 2021, p 12.

<sup>&</sup>lt;sup>215</sup> Submission 80, <u>NSW Aboriginal Land Council</u>, pp 2-3; Submission 65, <u>Domestic Violence NSW</u>, p 8; Submission 87, <u>City of Sydney</u>, p 6; Submission 86, <u>NSW Government</u>, pp 11-12; Mr Hampton, <u>Transcript of evidence</u>, 8 November 2021, p 33.

<sup>&</sup>lt;sup>216</sup> Australian Government, National Agreement on Closing the Gap, viewed 24 February 2022.

<sup>&</sup>lt;sup>217</sup> Submission 87, City of Sydney, p 6; Submission 86, NSW Government, pp 11-12.

<sup>&</sup>lt;sup>218</sup> Submission 86, NSW Government, pp 11-12; Mr Hampton, Transcript of evidence, 8 November 2021, p 33.

<sup>&</sup>lt;sup>219</sup> Ms Nattlie Smith, Director, Aboriginal Housing Office, Transcript of evidence, 2 December 2021, p 18.

providers and other services would be from the local community.

- The NSWALC told us that it is important that Aboriginal and Torres Strait Islander communities be involved in a co-design approach to housing, including location, design concepts, fit-outs and layouts. This ensures that the housing includes the cultural needs of the community and is not 'one size fits all.' Community codesign allows for a sense of involvement and ownership and can lead to better care of the property by tenants and improved rental collection.<sup>220</sup>
- 3.13 We heard that the AHO has tested and tried different models that NSW communities have requested. For example, a project in Gunnedah converted a pub that had been vacant for two years. The bottom level became a drop-in centre where community members could access wraparound supports and discuss their housing needs. The upstairs was converted into transitional housing.<sup>221</sup>
- 3.14 The AHO told us they are currently consulting with communities in the development of 45 new properties to ensure that community needs are met and the sizes of the properties are appropriate. One aim of this consultation process is to ensure that Elders and community members can age in place.<sup>222</sup>
- 3.15 The Government has taken the same approach at the LAHC site at Armidale, applying the Government Architect's Connecting with Country Draft Framework. LAHC is connecting with the local community and organisations about potential locations and to ensure that cultural needs are included in the site's design and use.<sup>223</sup>

#### Using Aboriginal-held land for social housing

#### **Summary**

The Government should work with Aboriginal Land Councils and housing providers to identify Aboriginal-held land that would be appropriate for social and affordable housing.

#### **Recommendation 10**

That the Department of Planning and Environment works with Aboriginal Land Councils and Aboriginal housing providers to identify Aboriginal-held land that would be suitable for social and affordable housing.

3.16 The ALC is a major provider of dedicated social and affordable housing for Aboriginal and Torres Strait Islander people, with the Land Council Network representing about 60 per cent of the Aboriginal housing portfolio in NSW, which

<sup>&</sup>lt;sup>220</sup> Mr Hampton, <u>Transcript of evidence</u>, 8 November 2021, p 33.

<sup>&</sup>lt;sup>221</sup> Ms Smith, <u>Transcript of evidence</u>, 2 December 2021, p 18.

<sup>&</sup>lt;sup>222</sup> Ms Smith, <u>Transcript of evidence</u>, 2 December 2021, p 18.

<sup>&</sup>lt;sup>223</sup> Submission 86, NSW Government, pp 13-14.

is managed by Aboriginal CHPs. 224

- 3.17 Under the *Aboriginal Land Rights Act 1983*, Aboriginal communities in NSW can claim Crown Land. However, there are land claims that have been outstanding for some time. The NSWALC told us they would like to work with Government to negotiate a new pathway to help reduce outstanding land claim numbers. Mr Ross Hampton suggested that some undetermined land claims could be withdrawn and swapped to allow for housing developments to take place.<sup>225</sup>
- 3.18 The Inner West Council's Housing Affordability and Advisory Committee told us that underused land held by Local Aboriginal Land Councils (LALCs) could be used for social housing, but that ALCs may need help with development costs and managing the housing stock if it is not part of their core business.<sup>226</sup>
- 3.19 We note that greater access to land for Aboriginal and Torres Strait Islander peoples would meet the objectives of the 2021-22 Action Plan under the NSW Housing Strategy: 'maximising the impact of government owned land' and supporting 'better outcomes for Aboriginal people and communities'.<sup>227</sup> It would also meet a priority of the *Crown land 2031* strategic plan to 'accelerate the realisation of Aboriginal land rights and native title in partnership with Aboriginal people'.<sup>228</sup>

Ensuring the Aboriginal Community Housing Investment Fund fosters local employment

#### **Summary**

Government funded repairs and maintenance work on Aboriginal community housing should aim to employ members of the local community to increase their skills and capacity.

# Finding 7

Repair and maintenance upgrades of Aboriginal community housing through the Aboriginal Community Housing Investment Fund should be adequately supported to build to build capacity and create local employment opportunities.

- 3.20 Programs to fund repairs and upgrades of Aboriginal community housing should aim to build local capacity and employment opportunities in communities. In addition to the benefits that social housing provides to those in need of accommodation, there is also the potential to create employment in the local community.
- 3.21 The Government's Aboriginal Community Housing Investment Fund (ACHIF) provides grants to Aboriginal CHPs and LALCs from a \$50 million fund to build and

<sup>&</sup>lt;sup>224</sup> Mr Hampton, <u>Transcript of evidence</u>, 8 November 2021, p 32. The NSWALC is a peak body representing Aboriginal peoples, made up of 120 autonomous LALCs. NSWALC is a self-funded statutory corporation with a mandate to provide for the development of land rights for Aboriginal people.

<sup>&</sup>lt;sup>225</sup> Mr Hampton, <u>Transcript of evidence</u>, 8 November 2021, pp 36-37.

<sup>&</sup>lt;sup>226</sup> Submission 56, Housing Affordability Advisory Committee of the Inner West Council, pp 5-6.

<sup>&</sup>lt;sup>227</sup> NSW Department of Planning and Environment, <u>2021-22 Action Plan</u>, pp 15-19.

<sup>&</sup>lt;sup>228</sup> Department of Planning and Environment, <u>Crown land 2031</u>, June 2021, p 13.

- upgrade social housing. The AHO expects to deliver up to 1,500 upgrades and over 35 new homes through ACHIF by 30 June 2022. 229
- 3.22 The Government submitted that the ACHIF aims to increase the skills and capacity of ACHPs and LALCs and enables self-determination of Aboriginal community-controlled organisations. The ACHIF prioritises jobs for Aboriginal people where the works are being undertaken.<sup>230</sup>
- 3.23 We note that the ALC told us that when procurement tenders have been put out in the past, contractors have come from outside the community, travelling from Sydney, to work in far west NSW. This does not result in investment or capacity building in the community. Mr Ross Hampton from the NSWALC told us that opportunities need to be provided for locals to take ownership of maintaining properties and that sustainable employment would be created as a consequence.<sup>231</sup>
- 3.24 We heard that housing stock in Aboriginal and Torres Strait Islander communities needs upgrade and repair. Historically, around a third of LALC housing stock came from the transfer of reserves and missions, which were on the outskirts of towns, isolated from local centres and services. The settlements did not receive the same upgrades to roads, infrastructure, water, sewerage and housing as that of surrounding communities.<sup>232</sup>
- 3.25 Mr Hampton said much of this stock has been a financial burden to LALCs, with a backlog of liabilities and legacy issues including substandard housing and asbestos. Revenue from rent does not cover the cost of fixing these issues, and providing and maintaining on-site services like roads, water and sewerage.<sup>233</sup>
- We heard that the Government has recognised some of these challenges and has undertaken programs to improve water, sewerage and road infrastructure.
   However, the ALC stated that 'a comprehensive program to address the long-standing issues with housing has not been implemented'.<sup>234</sup>
- 3.27 We note that the procurement process for the \$50 million ACHIF fund received tender submissions totalling over \$175 million.<sup>235</sup> The NSWALC said that this gap shows the need for more funding and advocated for the ACHIF to be expanded.<sup>236</sup>

<sup>&</sup>lt;sup>229</sup> Submission 86, <u>NSW Government</u>, p 19.

<sup>&</sup>lt;sup>230</sup> Submission 86, NSW Government, p 19.

<sup>&</sup>lt;sup>231</sup> Mr Hampton, <u>Transcript of evidence</u>, 8 November 2021, p 34.

<sup>&</sup>lt;sup>232</sup> Submission 80, NSW Aboriginal Land Council, p 3.

<sup>&</sup>lt;sup>233</sup> Mr Hampton, <u>Transcript of evidence</u>, 8 November 2021, pp 32, 34; Submission 62, <u>Community Industry Group</u>, p 8; Submission 80, <u>NSW Aboriginal Land Council</u>, pp 3, 4-5; Submission 60, <u>Muswellbrook Shire Council</u>, p 2.

<sup>&</sup>lt;sup>234</sup> Submission 80, NSW Aboriginal Land Council, p 3.

<sup>&</sup>lt;sup>235</sup> Submission 86, NSW Government, p 19; Mr Hampton, Transcript of evidence, 8 November 2021, p 34.

<sup>&</sup>lt;sup>236</sup> Mr Hampton, <u>Transcript of evidence</u>, 8 November 2021, p 32.

# More affordable housing for key workers

#### **Summary**

Key workers face challenges with finding affordable housing close to their work. Programs to increase housing supply should focus on affordable and social housing that would be suitable for key workers.

#### Finding 8

Programs to increase the supply of housing in regional areas should prioritise affordable and social housing that is suitable for key workers.

- 3.28 Key workers are in employment that is key to the functioning of cities and they earn low to moderate incomes. They work in industries like retail, warehousing, hospitality, service and transport. They may also work as cleaners, educators, nurses, carers, social workers and emergency workers. The importance of key workers was highlighted during the COVID-19 pandemic.
- 3.29 We heard that key workers are often on casual or insecure contracts and struggle with housing security.<sup>237</sup>
- 3.30 We note that the Department of Regional NSW has begun a key worker housing pilot program to address key worker housing challenges in four regional locations, including West Wyalong, Gunnedah, Broken Hill and Walgett.<sup>238</sup>
- 3.31 The Government said the pilot program is intended to inform the Government's overall approach to housing in regional areas. The pilot will identify current assets available to key workers in each location, identify current and projected key worker housing requirements, develop a gap analysis, and propose a three-year pilot program.<sup>239</sup>
- On a regional level, the Government advised that the Minister for Planning and Public Spaces set up a Regional Housing Taskforce.<sup>240</sup> Many issues raised during this inquiry were addressed in the Taskforce's October 2021 report.<sup>241</sup>
- 3.33 As a result of the report's recommendations, the Regional Housing Funding Program was announced in February 2022. The Fund is a grant program that provides incentives for regional councils to support new affordable housing supply by delivering infrastructure and open space projects.<sup>242</sup>

#### Recent trends have increased housing pressure

3.34 Inquiry participants noted that key worker accommodation is hard to find in regional centres. This has worsened with more people moving to regional areas

<sup>&</sup>lt;sup>237</sup> Submission 48, Mission Australia, p 5; Submission 21, Southern Youth and Family Services, p 3.

<sup>&</sup>lt;sup>238</sup> Answers to questions on notice, NSW Government, 2 December 2021, p 1.

<sup>&</sup>lt;sup>239</sup> Answers to questions on notice, NSW Government, 2 December 2021, p 1.

<sup>&</sup>lt;sup>240</sup> Submission 86, NSW Government, p 7.

<sup>&</sup>lt;sup>241</sup> Department of Planning and Environment, <u>Regional Housing Taskforce Recommendations report</u>, October 2021, viewed 6 April 2022

<sup>&</sup>lt;sup>242</sup> Department of Planning and Environment, <u>NSW Regional Housing Fund Guidelines</u>, p 2.

- from Sydney due to COVID-19. Increasing migration has driven up private housing costs and put pressure on the limited supply of social housing.<sup>243</sup>
- 3.35 Shoalhaven City Council told us that key workers struggle with securing rental properties and home ownership. They may move between short-term rentals or other options—like share houses, boarding houses or couch-surfing—out of necessity rather than choice.<sup>244</sup>
- 3.36 The St Vincent de Paul Society NSW stated that without access to affordable housing, many households on low to moderate incomes, including key workers, live in insecure, poor quality and inadequate housing. This includes couch-surfing or living in overcrowded conditions. Living like this can affect people's physical and mental health, employment opportunities, their children's education, and their relationships with family, friends and the wider community.<sup>245</sup>
- 3.37 Kingsford Legal Centre told us that in Sydney, 20 per cent of key workers experience housing stress. This means they spend more than 30 per cent of their household income on rent or mortgage payments.<sup>246</sup>
- 3.38 Many inquiry participants observed that if key workers cannot find suitable affordable housing near their employment, it not only affects their quality of life, it also affects the local community. Without enough key workers, businesses and industries cannot grow. When key worker shortages are critical, businesses may need to close or relocate outside the community. This, in turn, affects the local economy.<sup>247</sup>
- 3.39 Shoalhaven and Newcastle city councils told us that a shortage of key workers can also limit diversity in the community, impact the sense of community, reduce community engagement and extended family support.<sup>248</sup>

#### Key workers need long-term housing close to their workplaces

- 3.40 We heard that key workers need affordable housing options in the CBD, inner city or regional centres. The housing should be close to places of employment, services and public transport.<sup>249</sup>
- 3.41 The City of Newcastle submitted that access to locations near employment is very important for employees who work irregular shifts and respond to emergency situations, but may have limited access to affordable transport.<sup>250</sup>
- 3.42 Compass Housing Services told us that locating affordable housing close to places

<sup>&</sup>lt;sup>243</sup> Submission 74, Homes North Community Housing Co Ltd, p 5; Submission 45, Social Futures, p 3.

<sup>&</sup>lt;sup>244</sup> Submission 33, Shoalhaven City Council, p 13.

<sup>&</sup>lt;sup>245</sup> Submission 70, St Vincent de Paul Society NSW, pp 5-6.

<sup>&</sup>lt;sup>246</sup> Submission 40, <u>Kingsford Legal Centre</u>, <u>UNSW Australia</u>, p 8.

<sup>&</sup>lt;sup>247</sup> Submission 33, <u>Shoalhaven City Council</u>, p 13; Submission 47, <u>Local Government NSW</u>, pp 7-8; Submission 75, <u>City of Newcastle</u>, p 11; Submission 21, <u>Southern Youth and Family Services</u>, p 3.

<sup>&</sup>lt;sup>248</sup> Submission 33, <u>Shoalhaven City Council</u>, p 13; Submission 75, <u>City of Newcastle</u>, p 11.

<sup>&</sup>lt;sup>249</sup> Submission 38, <u>Compass Housing Services</u>, p 6; Submission 47, <u>Local Government NSW</u>, p 7; Submission 75, <u>City of Newcastle</u>, p 3.

<sup>&</sup>lt;sup>250</sup> Submission 75, <u>City of Newcastle</u>, p 3.

of employment lessens the disadvantage of key workers and promotes economic development, reduces travel related congestion and pollution, and improves quality of life for key workers and their clients.<sup>251</sup>

3.43 Many stakeholders agreed that affordable housing for key workers must be long-term. This allows them to have access to employment, build community ties and care for family members in a stable environment. Access to long-term affordable housing will attract and retain a stable workforce. 252

## Measures to increase affordable housing in regional areas

#### **Summary**

The Government should look at ways to increase the supply of affordable housing in regional areas. Inclusionary zoning targets and mixed tenure developments could help create additional housing.

#### **Recommendation 11**

That the Department of Planning and Environment considers ways to increase the supply of affordable and social housing in regional areas, including through inclusionary zoning targets and mixed tenure development.

- 3.44 We recommend that the Department of Planning and Environment looks at ways to increase the supply of affordable housing in regional areas. We heard that inclusionary zoning targets and mixed tenure developments can help create additional affordable housing.
- 3.45 Requiring a percentage of new housing developments to be affordable and to remain affordable can be a solution for key workers on low to moderate incomes who perform key roles in the community.
- 3.46 Stakeholders agreed that mandatory inclusionary zoning is one solution to increase the supply of affordable housing for key workers. <sup>253</sup> Inclusionary zoning is a type of planning intervention that creates incentives for residential development to include a number of affordable housing dwellings.
- 3.47 The Affordable Rental Housing State Environmental Planning Policy (SEPP) encourages developers to provide affordable housing by offering bonus floor space. However, the Southern Sydney Regional Organisation of Councils noted that the requirement to develop affordable housing is limited to ten years and

<sup>&</sup>lt;sup>251</sup> Submission 38, Compass Housing Services, p 6.

<sup>&</sup>lt;sup>252</sup> Submission 33, Shoalhaven City Council, p 13; Submission 47, Local Government NSW, p 7; Submission 33, Shoalhaven City Council, p 13; Submission 73, Wollongong City Council, p 3; Submission 40, Kingsford Legal Centre, UNSW Australia, p 8.

<sup>&</sup>lt;sup>253</sup> Submission 56, Housing Affordability Advisory Committee of the Inner West Council, p 8; Submission 51, Southern Sydney Regional Organisation of Councils, pp 6-7; Submission 41, Churches Housing Incorporated, p 10; Submission 33, Shoalhaven City Council, pp 16-17; Submission 11, Orange City Council, pp 1-2; Submission 70, St Vincent de Paul Society NSW, pp 5-6; Mr Brian Murnane, CEO, Amelie Housing, Transcript of evidence, 8 November 2021, p 5.

that this does not address the need for permanent affordable housing.<sup>254</sup>

- 3.48 We note that under the new State Environmental Planning Policy (Housing) 2021, in-fill affordable housing and residential flat buildings must be used for affordable housing for at least 15 years and that boarding houses must be used for affordable housing in perpetuity.<sup>255</sup>
- 3.49 The St Vincent de Paul Society NSW suggested that the Government requires at least 15 per cent of new residential developments on privately owned land and at least 30 per cent of developments for state and local government owned land to be set aside for affordable housing. This arrangement would be in perpetuity, meaning that the housing would continue to be affordable in the future.<sup>256</sup>
- 3.50 The St Vincent de Paul Society argued that the Greater Sydney Commission's current affordability target of 5 to 10 per cent of new residential floor space is 'insufficient to meet the community need for affordable housing'.<sup>257</sup>
- 3.51 Another solution offered by a number of inquiry participants is mixed tenure developments. These developments house a mix of tenancies on the same block, such as social and affordable housing, and private rentals. We heard that requiring mixed tenure developments ensures a greater supply of social and affordable housing and enables a mix of tenants to live in housing developments.<sup>258</sup>
- 3.52 The Community Industry Group (CIG) referred to a site in Glendale that was redeveloped, combining six social housing units, five affordable housing units and 10 private units. CIG stated that the project shows how partnerships between government and the non-profit housing sector can build new communities.<sup>259</sup>
- 3.53 CIG told us that the Illawarra has provided examples of social housing planning, where public housing development has been mixed with private housing. This has helped to avoid pockets of disadvantage.<sup>260</sup>
- 3.54 Inquiry participants noted that CHPs and local councils can play a key role in mixed tenure developments. CHPs can assist in subsidising these developments and then managing them. On the other hand, local councils know what is required in their communities and what is available, which makes them effective partners with CHPs. <sup>261</sup>

<sup>&</sup>lt;sup>254</sup> Submission 51, Southern Sydney Regional Organisation of Councils, pp 6-7.

<sup>&</sup>lt;sup>255</sup> State Environmental Planning Policy (Housing) 2021, Part 2, viewed 30 May 2022.

<sup>&</sup>lt;sup>256</sup> Submission 70, St Vincent de Paul Society NSW, pp 5-6.

<sup>&</sup>lt;sup>257</sup> Submission 70, St Vincent de Paul Society NSW, p 6.

<sup>&</sup>lt;sup>258</sup> Submission 45, <u>Social Futures</u>, pp 3, 6; Submission 33, <u>Shoalhaven City Council</u>, p 13; Submission 62, <u>Community Industry Group</u>, pp 4-5, 8. Mr Degotardi, <u>Transcript of evidence</u>, 8 November 2021, p 30.

<sup>&</sup>lt;sup>259</sup> Submission 62, Community Industry Group, p 8.

<sup>&</sup>lt;sup>260</sup> Submission 62, <u>Community Industry Group</u>, pp 4-5.

<sup>&</sup>lt;sup>261</sup> Submission 33, <u>Shoalhaven City Council</u>, p 13; Submission 11, <u>Orange City Council</u>, p 1; Mr Degotardi, <u>Transcript of evidence</u>, 8 November 2021, pp 30-31.

# Housing that meets the needs of vulnerable people

#### **Summary**

Vulnerable cohorts have specific housing needs which can include the need for wraparound support. Programs to help vulnerable people to secure housing should be expanded.

#### **Recommendation 12**

That the Department of Planning and Environment and Department of Communities and Justice continue to work with housing providers and community service organisations and experts to develop and expand programs that provide short and long-term housing for specific cohorts who are often vulnerable, including young people, women experiencing domestic and family abuse, the elderly and people with disability.

3.55 It is important that housing meets the needs of vulnerable groups in our community, supporting them on a path to independence. Many vulnerable people suffer disadvantage, lack of housing and housing stress, including women and children fleeing domestic and family abuse, older women, young people, and people with physical and mental disability.

#### Women experiencing domestic and family abuse

- 3.56 Domestic and family abuse makes a woman's home the least safe place she can be and getting to safety often means finding somewhere new to live. 262
- 3.57 Women's Community Shelters told us that 35 per cent of people seeking help from Specialist Homelessness Services are women and children escaping domestic and family abuse.<sup>263</sup>
- 3.58 Barnardos Australia said that in metropolitan Sydney 28 per cent of family referrals to their homelessness programs were due to domestic and family abuse. Barnardos submitted that in rural NSW, domestic and family abuse was the main reason families being referred to their homelessness services. 264
- 3.59 Inquiry participants told us that only 3.2 per cent of women and children escaping domestic and family abuse can access long-term housing when they need it. They may have no shelter, live in improvised dwellings, couch-surf or stay in short-term accommodation.<sup>265</sup>
- 3.60 We heard that women often delay leaving a perpetrator due to limited and complex housing pathways, which put them in a situation of housing uncertainty. Other factors that make it difficult are no or low income, minimal rental history, rental discrimination, income inequality and a lack of available housing.<sup>266</sup>

<sup>&</sup>lt;sup>262</sup> Submission 58, Ms Tamara Smith MP, p 2.

<sup>&</sup>lt;sup>263</sup> Submission 54, Women's Community Shelters, p 1.

<sup>&</sup>lt;sup>264</sup> Submission 72, <u>Barnardos Australia</u>, p 3.

<sup>&</sup>lt;sup>265</sup> Submission 54, Women's Community Shelters, p 1; Submission 65, Domestic Violence NSW, p 4.

<sup>&</sup>lt;sup>266</sup> Submission 88, Muslim Women Australia, p 6; Submission 72, Barnardos Australia, p 4.

3.61 A report by Equity Economics in July 2021 estimated that the lack of long-term social housing led to 7,690 women a year returning to violent partners and 9,120 women becoming homeless. The report found that 16,810 more social housing units were needed nationally for women to have somewhere safe when they leave their homes due to domestic and family abuse.<sup>267</sup>

## Needs of women with children

- 3.62 Domestic Violence NSW stated that of the overall homeless population seeking help from specialist homelessness services, 35 per cent were single parent families with children.<sup>268</sup>
- 3.63 Many stakeholders agreed that accommodation for women with children must be safe and supportive. We heard that transitional housing can offer a period of stability after an experience of domestic and family abuse. It is important that the housing is available for a period of 12 to 18 months to address barriers to permanent housing and long-term independence, like trauma, physical and mental health, financial insecurity, unemployment, and family court and immigration matters. Some inquiry participants felt a minimum of two years accommodation was necessary. <sup>269</sup>
- In practical terms, accommodation should be large enough to support a woman and her children with private facilities like a full kitchen and bathroom.
   Stakeholders told us that small crisis accommodation such as single hotel rooms can cause further distress for those already experiencing trauma.<sup>270</sup>
- 3.65 We heard it is important for women and children to remain in their communities, where they have support connections and family networks. Children need to be near schools with teachers they know. Keeping families in the community also means they can be close to doctors and other trusted amenities.<sup>271</sup>
- 3.66 CIG observed that individuals living in the same crisis or transitional housing as women and children must also be considered. If other residents are managing issues like violence or substance abuse, children could be exposed to traumatising events such as overdoses and further violence.<sup>272</sup>
- 3.67 Barnardos Australia said that women and children need access to wraparound support to address issues and progress to long-term independence in the community. Networking between government, property owners, domestic abuse and family support services and community housing providers can ensure that

<sup>&</sup>lt;sup>267</sup> Submission 88, <u>Muslim Women Australia</u>, p 6; Submission 47, <u>Local Government NSW</u>, p 8; Submission 52, <u>Mercy Foundation</u>, pp 2-3; Equity Economics, <u>Nowhere to go-the benefits of providing long term social housing to women that have experienced domestic and family violence</u>, viewed 7 March 2022.

<sup>&</sup>lt;sup>268</sup> Submission 65, <u>Domestic Violence NSW</u>, p 4.

<sup>&</sup>lt;sup>269</sup> Submission 54, <u>Women's Community Shelters</u>, p 2; Submission 72, <u>Barnardos Australia</u>, p 4; Submission 82, <u>Inner West Council</u>, p 3; Ms Livia Stanton, Policy and Advocacy Officer, Domestic Violence NSW, <u>Transcript of evidence</u>, 8 November 2021, p 26.

<sup>&</sup>lt;sup>270</sup> Submission 62, Community Industry Group, p 4; Ms Stanton, Transcript of evidence, 8 November 2021, p 21.

<sup>&</sup>lt;sup>271</sup> Submission 62, <u>Community Industry Group</u>, p 4; Submission 47, <u>Local Government NSW</u>, pp 9, 10.

<sup>&</sup>lt;sup>272</sup> Submission 62, Community Industry Group, p 4.

vulnerable people get the support they need. <sup>273</sup>

#### Case study 6: Pathways Home<sup>274</sup>

In 2017 Women's Community Shelters (WCS) established a meanwhile use program called Pathways Home. They partnered with community housing providers, property developers and other landholders to identify vacant or underused property and have provided over 35,000 nights of safe accommodation to over 200 women and children.

The first Pathways Home project was a partnership between WCS, the PAYCE Foundation and Bridge Housing. PAYCE provided 5 properties awaiting redevelopment in the Parramatta area and modified them to make them fit for purpose. They also provided seed funding for maintenance costs. Bridge Housing delivers tenancy management and maintenance.

The project supports women and children leaving violence with transitional housing and support services for up to 18 months. WCS Shelters provides case management, focusing on developing skills to find independent sustainable housing.

The project has provided transitional housing and wraparound support services to 27 women and 30 children since November 2017. Five per cent of clients were Aboriginal and Torres Strait Islander and 50 per cent were from culturally and linguistically diverse backgrounds.

#### Case study 7: Georges River Council's crisis accommodation<sup>275</sup>

In May 2018, Georges River Council made a property available to Kingsway Community Care to be transformed into a women's crisis accommodation facility.

Prior to its opening the Georges River Council LGA did not have a facility of this kind. Local crisis accommodation allows those who are not safe in their own homes to stay in their communities, near schools with teachers that know their children, GPs, and support networks they trust.

Georges River Council subsidises the property's annual rental costs, which would amount to \$50,000 on the private market.

#### Older women

Older women are the fastest growing group experiencing homelessness in Australia. In the 2016 census, an estimated 6,866 women over 50 were homeless, an increase of 31 per cent from the 2011 census.<sup>276</sup> Research by Ageing on the Edge Forum showed that an estimated 110,000 women over 55 in New South Wales are at risk of homelessness.<sup>277</sup>

<sup>&</sup>lt;sup>273</sup> Submission 72, <u>Barnardos Australia</u>, p 3.

<sup>&</sup>lt;sup>274</sup> Submission 54, Women's Community Shelters, pp 3-4.

<sup>&</sup>lt;sup>275</sup> Submission 47, <u>Local Government NSW</u>, p 10.

<sup>&</sup>lt;sup>276</sup> Submission 65, <u>Domestic Violence NSW</u>, p 6; Submission 88, <u>Muslim Women Australia</u>, p 6.

<sup>&</sup>lt;sup>277</sup> Ms Dini Liyanarachchi, Ageing on the Edge Advocacy Lead, Ageing on the Edge Forum, <u>Transcript of evidence</u>, 8 November 2021, pp 38-39.

- 3.69 The NSW Homelessness Strategy 2018-2023 identifies older women as over the age of 55, and highlights that they are more likely to experience homelessness for the first time later in life.<sup>278</sup>
- 3.70 We heard that older women may be at risk of homelessness due to domestic and family abuse, unequal pay, little or no superannuation or savings, divorce, and time taken out of employment as unpaid carers.<sup>279</sup>
- 3.71 Mercy Foundation noted that the risk of homelessness for older women is magnified, as older women in need of housing cannot go on the priority housing waitlist until they are 80 years old.<sup>280</sup>
- 3.72 Ageing on the Edge Forum added that even where housing is available, older women may not know how to navigate complex systems to find appropriate housing, as they may, for example, not have access to computers or the internet.<sup>281</sup>
- 3.73 Several inquiry participants agreed that older women need affordable housing that is long-term so they can age in place. This helps with health concerns, which can increase with age and worsen due to insecure housing or homelessness. Housing also needs to be accessible and close to public transport, recreation and community services. Some stakeholders told us that meanwhile use solutions are not suitable for older women for these reasons.

## Case study 8: Mercy Foundation project helping older women invest in housing<sup>284</sup>

The Mercy Foundation funded a project with Women's Property Initiatives to help older women who are not eligible for social housing because of their assets.

The program allows low-income women over 55 with modest assets to invest in safe, secure and affordable housing where their assets/contribution will be preserved. They pay rent on a portion of the property, while knowing that the rent is affordable and their capital investment and tenancy are secure.

This project may be a replicable model of high quality, appropriate, accessible and affordable housing for women to age in place. It will prevent them from becoming homeless or needing more costly social housing in the future.

#### Barriers to housing for young people

3.74 While the need for social housing is felt by people of all ages, we heard that young people face greater challenges to secure affordable housing than any other age group.

<sup>&</sup>lt;sup>278</sup> Submission 78, Ageing on the Edge NSW Forum, pp 4-5.

<sup>&</sup>lt;sup>279</sup> Submission 65, Domestic Violence NSW, p 6.

<sup>&</sup>lt;sup>280</sup> Submission 52, Mercy Foundation, p 2.

<sup>&</sup>lt;sup>281</sup> Ms Liyanarachchi, <u>Transcript of evidence</u>, 8 November 2021, p 38.

<sup>&</sup>lt;sup>282</sup> Submission 52, Mercy Foundation, pp 2, 5; Submission 78, Ageing on the Edge NSW Forum, pp 4-5; Ms Liyanarachchi, Transcript of evidence, 8 November 2021, pp 38-39.

<sup>&</sup>lt;sup>283</sup> Submission 65, <u>Domestic Violence NSW</u>, p 6; Ms Liyanarachchi, <u>Transcript of evidence</u>, 8 November 2021, p 38.

<sup>&</sup>lt;sup>284</sup> Submission 52, Mercy Foundation, p 5.

- 3.75 Homes North told us that a lack of housing for young people creates long-term costs for society due to insecurity, lack of safety, exposure to drugs and alcohol, higher levels of health and medical issues, and the likelihood of increased contact with the criminal justice system.<sup>285</sup>
- 3.76 Young people struggle more than the general population to find housing due to higher rates of unemployment, underemployment and uncertain work. YFoundations submitted that in the past decade young people's wages have fallen as older Australians' wages have continued to rise. This has worsened during COVID-19, as young people are disproportionally affected by closures in the tourism and hospitality industries. 286
- 3.77 Platform Youth Services pointed out that young people can be taken advantage of by landlords. In share housing, where there are many people in a small space, landlords may charge high rents even though the accommodation may be inadequate, unsafe and not provide privacy. These situations often involve private agreements, which means that young people are not protected and may be evicted if they raise concerns with landlords.<sup>287</sup>
- 3.78 Even when young people can afford private rent, they face other challenges when trying to secure a property. These include age-based discrimination, a lack of rental references and insecure share housing.<sup>288</sup>
- 3.79 Ted Noffs Foundation explained that due to intense competition for social housing, young people can be put at the bottom of the waitlist or be removed altogether, on the basis that they can return to their parental home. However, there are cases where this is a risk due to domestic and family abuse, sexual abuse and criminality. There is a need to find housing options for young people under the age of 18 who cannot stay at their family home for safety and welfare reasons.<sup>289</sup>
- 3.80 The Office of the Advocate for Children and Young People found that young people reported needing support much earlier than they received it. Young people said they remained in unsafe situations because they did not know where to go for help or what services were available in their area.<sup>290</sup>
- 3.81 We also heard that young people who are in crisis find it hard to navigate the 'complicated' housing application system.<sup>291</sup>

#### Young people's needs

3.82 Yfoundations told us that mainstream social housing does not offer wraparound support to help young people with skills to maintain a tenancy and transition to

<sup>&</sup>lt;sup>285</sup> Submission 74, <u>Homes North Community Housing Co Ltd</u>, p 4.

<sup>&</sup>lt;sup>286</sup> Submission 63, <u>Yfoundations</u>, p 4.

<sup>&</sup>lt;sup>287</sup> Submission 17, <u>Platform Youth Services</u>, p 1.

<sup>&</sup>lt;sup>288</sup> Submission 63, <u>Yfoundations</u>, p 4; Submission 17, <u>Platform Youth Services</u>, p 1.

<sup>&</sup>lt;sup>289</sup> Submission 30, <u>Ted Noffs Foundation Ltd</u>, p 4.

<sup>&</sup>lt;sup>290</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 6.

<sup>&</sup>lt;sup>291</sup> Submission 63, <u>Yfoundations</u>, pp 6-7; Submission 71, <u>Office of the Advocate for Children and Young People ACYP</u>, p 7.

adulthood.<sup>292</sup> Young people have said they need more wraparound supports for health, education, housing, employment and financial needs, and that it is hard to find the right support at the right time.<sup>293</sup>

- 3.83 The Ted Noffs Foundation said that many young people who find themselves homeless or in crisis accommodation experience trauma, grief and loss. For many of them, long-term, intensive support and stability is needed to develop life skills to move to transitional accommodation or the private rental market.<sup>294</sup>
- Platform Youth Services said that studies have shown that housing young people earlier with wraparound support increases both their capacity and the likelihood that they will live independently. In this environment they are able to work on their trauma and are less likely to require this support later in life.<sup>295</sup>
- 3.85 We heard that a youth-specific housing model should have application processes that are clear and easy to navigate. There needs to be flexible rent models to support young people's changing work situations as they move between casual, part-time and full-time work. Young people also need options for education and training. <sup>296</sup>
- Inquiry participants submitted that case support is needed to help young people meet their psychological and health needs, and to address outstanding mental health or drug and alcohol issues. Young people should learn life skills and budgeting and identify and pursue educational and employment goals. They also need to participate fully in exit planning.<sup>297</sup>
- 3.87 Platform Youth Services highlighted the need for housing for young people to be close to public transport and amenities, and that it be low or medium-density to reduce the potential for high concentration of disadvantage.<sup>298</sup>
- 3.88 Yfoundations noted that, as with the wider population, young people need disability accessible housing, culturally appropriate housing and options for those who are not Australian residents or are on temporary visas. Housing must also be long-term to allow them to develop the skills and support to live independently.<sup>299</sup>
- 3.89 We heard that underused properties can be used to house young people as a step to independent housing. Platform Youth Services proposed that meanwhile use arrangements provide lease agreements to ensure residents have a rental history when entering the private rental market.<sup>300</sup>

<sup>&</sup>lt;sup>292</sup> Submission 63, <u>Yfoundations</u>, pp 6-7.

<sup>&</sup>lt;sup>293</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 7.

<sup>&</sup>lt;sup>294</sup> Submission 30, <u>Ted Noffs Foundation Ltd</u>, p 4.

<sup>&</sup>lt;sup>295</sup> Submission 17, Platform Youth Services, p 3.

<sup>&</sup>lt;sup>296</sup> Submission 63, <u>Yfoundations</u>, p 8.

<sup>&</sup>lt;sup>297</sup> Submission 30, <u>Ted Noffs Foundation Ltd</u>, p 3; Submission 63, <u>Yfoundations</u>, p 8.

<sup>&</sup>lt;sup>298</sup> Submission 63, <u>Yfoundations</u>, p 8.

<sup>&</sup>lt;sup>299</sup> Submission 63, <u>Yfoundations</u>, p 8.

<sup>&</sup>lt;sup>300</sup> Submission 17, Platform Youth Services, p 2.

#### Youth foyer model

- 3.90 Youth foyers are an example of meanwhile use. The Office of the Advocate for Children and Young People told us that the model allows for government buildings like old hospitals, TAFEs and land to be repurposed as temporary housing for young people.<sup>301</sup>
- 3.91 Youth foyers are a combined accommodation and learning model for young people, usually aged 16 to 24, who are at risk of, or are experiencing homelessness and cannot get the family support they need in their formative years. The focus is on providing them with wraparound supports.<sup>302</sup>
- 3.92 When they enter a youth foyer, young people must commit to participating in education, training and employment, looking after their accommodation, and participating in other activities and services. In exchange, they are given stable accommodation for up to two years in a supported living environment. The model also teaches young people how to manage a property and helps them transition to independent living. 303
- The CHIA stated that youth foyers enable young people to exit sustainably from welfare and service dependence. CHIA also noted that foyer models are appropriate for young people with low to moderate needs, but that other supportive accommodation models may be more suitable for young people with high needs and/or lower levels of readiness to engage in employment and education.<sup>304</sup>

#### Case study 9: My Foundations transitional housing for young people<sup>305</sup>

My Foundations Youth Housing is a transitional housing model for young people at risk of homelessness. It has a stepped rent model, gradually increasing rent to prepare young people for the private market.

The program offers accommodation for up to five years as renewable six-month leases, with the opportunity to exit before the five-year period. As with foyer models, participants must sign a contract agreeing to participate in education, training or employment.

The program has around 90 community housing properties in Sydney, Newcastle and the Mid-North Coast.

While foyer models focus on having services available on site, this program partners with external specialist support services to meet the needs of young people. This provides flexibility in the location of the properties that are used.

<sup>&</sup>lt;sup>301</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 12.

<sup>&</sup>lt;sup>302</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 12; Submission 77, Community Housing Industry Association NSW, pp 17-18.

<sup>&</sup>lt;sup>303</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 12.

<sup>&</sup>lt;sup>304</sup> Submission 77, Community Housing Industry Association NSW, pp 17-18.

<sup>305</sup> Submission 63, Yfoundations, p 9.

# Home sharing for young people and the elderly

- 3.94 Home sharing can help both young people and elderly people. The model matches older people who need some help with young people seeking affordable housing. 306 This model is discussed in more detail in chapter 1.
- 3.95 We heard that Holdsworth Community started a home sharing pilot in 2018 to support isolated seniors and young people seeking safe and affordable housing in the Northern, Central and Southeastern Sydney Regions. The program has recently received a grant from the Department of Communities and Justice, which will allow it to expand in inner, eastern and northern Sydney.<sup>307</sup>

#### Barriers to housing for people with disability

- 3.96 People with disabilities, including physical and intellectual disabilities, face unique challenges. The Physical Disability Council of NSW told us that the experiences people with disability face when securing housing depend on factors like their socioeconomic status, access to government supports like the National Disability Insurance Scheme (NDIS), and the level of disability-related functional limitation they experience. 308
- 3.97 The Physical Disability Council said that people who are particularly disadvantaged are those with physical disabilities that do not meet the high levels of impairment needed to qualify for supported accommodation like Specialist Disability Accommodation and aged care homes, and who cannot buy their own homes.<sup>309</sup>
- 3.98 Spinal Cord Injuries Australia highlighted that the provision of accessible housing for people with disability coincides with the NDIS priority of a more inclusive and accessible Australian society where all people with disability can fulfil their potential as equal members of the community.<sup>310</sup>
- 3.99 CIG stated that people living with disabilities have little appropriate housing available to them and often require housing adaptations to help them to keep living in the community. This can be difficult without secure housing tenure. They have significantly higher levels of housing stress than the general population. Young people with disability are often given housing that is not suitable for them, such as in aged care facilities, because there are no other appropriate housing options. 311
- 3.100 The Physical Disability Council told us that in 2018 NSW was the worst performing Australian jurisdiction for amenity across social housing. This included ease of access, entry, and modifications for functional needs. Thirteen per cent of

<sup>&</sup>lt;sup>306</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 17.

<sup>&</sup>lt;sup>307</sup> Submission 71, Office of the Advocate for Children and Young People ACYP, p 17.

<sup>&</sup>lt;sup>308</sup> Submission 35, Physical Disability Council of NSW, p 6.

<sup>&</sup>lt;sup>309</sup> Submission 35, Physical Disability Council of NSW, p 7.

<sup>&</sup>lt;sup>310</sup> Submission 84, <u>Spinal Cord Injuries Australia</u>, p 2.

<sup>311</sup> Submission 62, Community Industry Group, p 4.

residents stated that their access and entry needs were not being met. 312

#### **Liveable Housing Design guidelines**

- 3.101 Liveable Housing Design guidelines define best practice standards, providing a common language and reference point for liveable housing design and construction. 313 Dwellings qualify for three levels, Platinum, Gold and Silver, judged on 15 criteria. 314
- 3.102 We heard that policies to make social housing owned by LAHC more accessible focus on building new dwellings to LHA Silver level. The Physical Disability Council told us that this benchmark does not meet the 2010 targets set by the National Dialogue on Universal Housing Design, where state and territory social housing authorities committed to 100 per cent Gold level standards by 2019.<sup>315</sup>
- 3.103 The Physical Disability Council said that it is important that the Government provides social housing that promotes best practice and reflects the needs of residents. Gold Level liveable design standards achieve this and represent a compromise between building costs and accessibility and include features beneficial to every household.<sup>316</sup>

#### Needs of people with disability

- 3.104 Project Independence told us that issues relevant to people with disability are having access to suitable, safe and affordable housing, resident and family support and wellbeing, economic empowerment that supports home ownership, and services that protect their rights and foster independence.<sup>317</sup>
- 3.105 As with the general population, it is important that accessible housing is located throughout NSW, including rural and remote communities, with nearby amenities like public transport, shops and medical facilities. 318
- 3.106 The NSW Disability Council suggested that a co-design design process can be adopted to ensure that housing meets the diverse needs of all tenants.<sup>319</sup>
- 3.107 Social housing has elements that are often not met in the private housing market for people with disability. These include rent that is proportioned to household income, the facility to specify geographical locations, properties that are suitable for families, stable tenure, the facility to specify accessibility needs, the option of

<sup>&</sup>lt;sup>312</sup> Submission 35, Physical Disability Council of NSW, p 10.

<sup>&</sup>lt;sup>313</sup> Livable Housing Australia, <u>Leading the development of safer, more comfortable and easier to access homes for everybody</u>, viewed on 7 March 2022. Livable Housing Australia is a not-for-profit partnership between community groups, consumer groups, government and industry to develop safer homes that provide easier access for everyone.

<sup>&</sup>lt;sup>314</sup> Livable Housing Australia, <u>Silver, Gold and Platinum</u>, viewed on 7 March 2022. Silver is the minimum level with at least seven criteria that focus on structural and spatial elements critical for future flexibility and adaptability of the home. Gold Level has twelve elements with higher requirements. Platinum is the highest level of accessibility and liveability.

<sup>&</sup>lt;sup>315</sup> Submission 35, Physical Disability Council of NSW, pp 10-11.

<sup>&</sup>lt;sup>316</sup> Submission 35, Physical Disability Council of NSW, pp 10-11.

<sup>&</sup>lt;sup>317</sup> Submission 27, <u>Project Independence</u>, p 2.

<sup>&</sup>lt;sup>318</sup> Submission 55, NSW Disability Council, p 1.

<sup>&</sup>lt;sup>319</sup> Submission 55, <u>NSW Disability Council</u>, p 1.

maintaining a connection to community, providing capacity for independent living, and the capacity to seek modifications.<sup>320</sup>

#### Case study 10: Project Independence<sup>321</sup>

Project Independence is a social housing development that gives people with an intellectual disability the opportunity to obtain equity in a property and live as independently as possible.

Residents buy their unit in a larger complex by paying a 10 per cent deposit of their own funds. The remaining funds are loaned by Project Independence as an interest-free loan. Repayments build home ownership rather than being used as rent. The residents' weekly repayments are 75 per cent of their disability support pension. They cover the interest-free loan, building equity in the property and paying for expenses like meals and utilities.

If a resident wants to leave, Project Independence manages the sale of the unit and the resident leaves with a lump sum that can be used to buy another home. A number of project residents have used the life experience and independence they developed to enter the private housing market.

The model raises funds from donations. A barrier is access to capital to build new units and the initial support of residents. Government investment could accelerate the growth of the model and would be consistent with the Government's social impact investment principles and housing policy objectives.

Financial analyses showed that the model is financially sustainable and offers a return on investment, partly because residents do not rely on social housing.

<sup>&</sup>lt;sup>320</sup> Submission 35, Physical Disability Council of NSW, pp 7-8.

<sup>&</sup>lt;sup>321</sup> Submission 27, <u>Project Independence</u>, pp 2, 5.

# Appendix One – Terms of reference

That the Committee inquire into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW, with particular reference to:

- a) options to better support 'meanwhile use' (temporary supportive accommodation), and the current major planning barriers to 'meanwhile use';
- b) options to improve access to existing accommodation to provide community housing;
- c) options for crisis, key worker and other short-term accommodation models;
- d) barriers to additional supply across NSW, including for smaller non-CHP housing providers;
- e) support for and accountability of registered community housing providers.

# Appendix Two – Conduct of inquiry

#### Inquiry referral

The inquiry was self-referred and the Committee resolved to conduct the inquiry on 25 June 2021.

#### **Call for submissions**

The Committee issued a media release on 28 June 2021 and wrote to key stakeholders inviting them to make a submission to the inquiry.

Submissions closed on 13 August 2021. A total of 91 submissions were received from local councils, advocacy and community groups, community housing providers, academics, the NSW Government and members of the public. A list of submissions is at Appendix Three. Submissions are available on the Committee's webpage.

#### **Briefing**

On 18 October 2021 the Committee held a private briefing with representatives from the Department of Planning, Industry and Environment, the Department of Regional NSW and NSW Treasury.

#### Hearings

The Committee held three public hearings at Parliament House on 22 October, 8 November and 2 December 2021. Representatives of community housing providers, advocacy groups, local councils, academia and government departments appeared in person and via videoconference.

A list of witnesses is at Appendix Four. Transcripts of evidence taken at the hearings are available on the Committee's <u>webpage</u>.

# Appendix Three – Submissions

No	Author
1	Mr Grant Mistler
2	Mr Paul Pierotti
3	Mr Grahame Gee
4	Community Outreach Ministries INC
5	BlueCHP Limited
6	Hope Haven
7	Gwydir Shire Council
8	Nambucca Valley Council
9	Upper Hunter Shire Council
10	Coffs Harbour City Council
11	Orange City Council
12	Balranald Shire Council
13	Ms Carolyn Ienna
14	B Miles Women's Foundation
15	Tweed Shire Council
16	Warren Shire Council
17	Platform Youth Services
18	Canterbury Bankstown Council
19	Housing All Australians and Tract Consultants
20	Central Coast Council
21	Southern Youth and Family Services
22	Narrabri Shire Council
23	Nova for Women and Children
24	Port Macquarie-Hastings Council
25	Community Housing Ltd
26	Shellharbour City Council
27	Project Independence
28	Homelessness NSW
29	School of the Built Environment, University of Technology Sydney
30	Ted Noffs Foundation Ltd
31	The Salvation Army Australia
32	Wagga Wagga City Council

No	Author
33	Shoalhaven City Council
34	Australian Medical Association (NSW) Ltd
35	Physical Disability Council of NSW
36	Public Interest Advocacy Centre (PIAC)
37	Byron Shire Council
38	Compass Housing Services
39	Lake Macquarie City Council
40	Kingsford Legal Centre, UNSW Australia
41	Churches Housing Incorporated
42	Housing Matters Action Group Inc
43	Woollahra Municipal Council
44	Mr Isaac Reed
45	Social Futures
46	Bridge Housing
47	Local Government NSW
48	Mission Australia
49	Dubbo Regional Council
50	Hawkesbury City Council
51	Southern Sydney Regional Organisation of Councils
52	Mercy Foundation
53	Asylum Seekers Centre
54	Women's Community Shelters
55	NSW Disability Council
56	Housing Affordability Advisory Committee of the Inner West Council
57	Warra Legal Service
58	Ms Tamara Smith MP
59	Shelter NSW
60	Muswellbrook Shire Council
61	Mr Gerry Bailey
62	Community Industry Group
63	Yfoundations
64	SGCH
65	Domestic Violence NSW
66	The Shopfront Youth Legal Centre
67	Armidale Women's Homelessness Support Service

No	Author
68	Ballina Shire Council
69	Housing Plus
70	St Vincent de Paul Society NSW
71	Office of the Advocate for Children and Young People
72	Barnardos Australia
73	Wollongong City Council
74	Homes North Community Housing Co Ltd
75	City of Newcastle
76	Central NSW Joint Organisation
77	Community Housing Industry Association NSW
78	Ageing on the Edge NSW Forum
79	Bayside Council
80	New South Wales Aboriginal Land Council
81	SydWest Multicultural Services
82	Inner West Council
83	Uniting NSW.ACT
84	Spinal Cord Injuries Australia
85	Confidential
86	NSW Government
87	City of Sydney
88	Muslim Women Australia
89	Housing Trust
90	Domestic Violence Service Management
91	Penrith City Council

## Appendix Four – Witnesses

22 October 2021 Parliament House, Jubilee Room, Sydney, NSW

Witness	Position and Organisation
Ms Nicky Sloan	CEO, Community Industry Group
Ms Emma Belcher	Vice Chairperson, Housing Matters Action Group In
Mr Leonard Slabbert	Principal Town Planner, Housing All Australians and Tract Consultants
Mr Robert Pradolin	Founder and Board Member, Housing All Australians and Tract Consultants
Professor Sara Wilkinson	Professor of Sustainable Property, School of the Built Environment, University of Technology Sydney
Ms Simone Parsons	Chief Operating Officer, Women's Community Shelters
Ms Maree McKenzie	CEO, Homes North Community Housing Co Ltd
Ms Michele Adair	CEO, Housing Trust
Ms Vicki Munro	Manager, Community and Culture, Woollahra Municipal Council
Mr Troy Green	General Manager, Tweed Shire Council

## 08 November 2021 Parliament House, Jubilee Room, Sydney, NSW

Witness	Position and Organisation
Captain Brad McIver	State Social Mission and Community Engagement
	Coordinator, State Manager for Homelessness
	NSW/ACT, The Salvation Army Australia
Mr Brian Murnane	CEO, Amelie Housing, St Vincent de Paul Society NSW
Mr John Engeler	CEO, Shelter NSW
Mrs Rose Thomson	CEO, Churches Housing Incorporated
Mr Craig Lyons	Senior Project Worker, Southern Youth and Family
	Services
Mr Tony Davies	CEO, Social Futures
Ms Livia Stanton	Policy and Advocacy Officer, Domestic Violence NSW
Ms Sally Grimsley-Ballard	General Manager, Domestic Violence Service
	Management
Mr Mark Degotardi	CEO, Community Housing Industry Association NSW

Mr Ross Hampton	Councillor for Western Region, New South Wales
	Aboriginal Land Council
Ms Dini Liyanarachchi	Ageing on the Edge Advocacy Lead, Ageing on the Edge
	NSW Forum
Ms Glen-Marie Frost	Advocate with Lived Experience, Ageing on the Edge
	NSW Forum

## 02 December 2021 Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Ms Larissa Llowarch	Affordable Housing Officer - Community Programs,
	Central Coast Council
Mr Gordon Clark	Director City Futures, Shoalhaven City Council
Ms Deb Brill	Deputy Chief Executive and Head of Policy and
	Innovation, NSW Land and Housing Corporation,
	Department of Planning, Industry and Environment
	(DPIE)
Mr Luke Walton	Executive Director, Housing and Economic Policy,
	Department of Planning, Industry and Environment
	(DPIE)
Mr Ben Hewett	Executive Director, Innovation, Strategy and Integration,
	Department of Planning, Industry and Environment
Ms Joanna McClellan	Director, Housing Strategy Implementation, Department
	of Planning, Industry and Environment
Ms Natt Smith	Director, Aboriginal Housing Office
Mr Jason Kara	Director, Strategy & Design, Housing & Homelessness,
	Department of Communities and Justice
Mr Roland Stanmore	Director, Justice and Housing Branch, Treasury NSW

## Appendix Five – Extracts from minutes

#### **MINUTES OF MEETING No 11**

9.04 am, 23 June 2021 Meeting Room 1043, Parliament House

## Members present

Ms Wendy Lindsay (Chair), Mr Dugald Saunders (Deputy Chair), Mr Justin Clancy, Ms Trish Doyle, Ms Melanie Gibbons, Mr David Harris, Ms Jenny Leong

#### Officers in attendance

Jonathan Elliott, Rohan Tyler, Leon Last, Amy Pond, Nicolle Gill

## 1. Confirmation of minutes

Resolved on the motion of Ms Doyle, seconded by Mr Clancy: That the minutes of deliberative meeting no. 10 of 16 November 2020 be confirmed.

2 \*\*\*

### 3. Potential new inquiry

The Committee considered the draft terms of reference that had been circulated.

Discussion ensued and the Committee agreed that the secretariat recirculate amended terms of reference for further discussion at the Committee's next meeting.

## 4. Next meeting

The Committee adjourned at 9.31 am until 9 am, Thursday, 24 June 2021.

## **MINUTES OF MEETING No 12**

11.05 am, 25 June 2021 Via Webex

## Members present

Ms Lindsay (Chair), Mr Clancy, Ms Gibbons, Mr Harris

#### Officers in attendance

Rohan Tyler, Leon Last, Amy Pond, Nicolle Gill

## 1. Apologies

Ms Leong, Mr Saunders, Ms Doyle

## 2. Confirmation of minutes

Resolved, on the motion of Mr Clancy, seconded Ms Gibbons: That the minutes of 23 June 2021 be confirmed.

## 3. Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage

The Committee considered the amended draft terms of reference that had been circulated.

Discussion ensued.

Resolved, on the motion of Mr Harris, seconded Mr Clancy: That the Committee adopts the proposed terms of reference, as amended, for an inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage.

The Committee discussed the circulated stakeholder list and members indicated that they would send additional suggestions to the secretariat.

Resolved, on the motion of Mr Clancy, seconded Ms Gibbons:

- That the Committee writes to all stakeholders identified in the circulated list, and any additional suggestions proposed by members, inviting submissions by 30 July.
- That the Committee advertises the inquiry, using social media platforms.

The Chair informed the Committee that she would issue a media release and that an inquiry announcement video would be posted on social media.

## 4. Next meeting

The Committee adjourned at 11.25 am until a date and time to be confirmed.

#### **MINUTES OF MEETING No 13**

12.04 pm, 9 September 2021 Via Webex

## Members present

Ms Lindsay (Chair), Mr Clancy, Ms Gibbons, Mr Harris, Ms Leong, Ms Doyle

#### Officers in attendance

Rohan Tyler, Dora Oravecz, Amy Pond, Nicolle Gill

### 1. Apologies

Mr Saunders

## 2. Confirmation of minutes

Resolved, on the motion of Mr Harris, seconded Ms Gibbons: That the minutes of the meeting of 25 June 2021 be confirmed.

## 3. Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage

## 3.1 Forward planning

The Committee discussed the timeframe and arrangements for public hearings.

The Committee agreed to hold a private briefing with departmental staff and a public hearing in the week beginning 18 October, and a further hearing in November.

## 3.2 \*\*\*

## 3.3 Publishing submissions

Resolved on the motion of Mr Clancy, seconded Ms Doyle:

That the Committee publishes submissions 1, 3 to 21, 23 to 31, 33 to 54, 56 to 84, 86 to 90 in full.

That the Committee publishes submission 2 with the email on page 1 redacted.

That the Committee publishes submission 22 with photos on pages 3 and 4 redacted.

That the Committee publishes submission 32 with the redactions requested by the submission author.

That submission 85 remains confidential to the Committee and not be published.

That the text of submission 35 attached to submission 55 be listed at the end of the submission, and not be published.

### 4. Next meeting

The Committee adjourned at 12.20 pm until a date and time to be confirmed.

#### **MINUTES OF MEETING No 14**

11.33 am, 23 September 2021 Via Webex

### Members present

Ms Lindsay (Chair), Mr Clancy, Ms Gibbons, Mr Harris, Ms Leong, Ms Doyle

#### Officers in attendance

Rohan Tyler, Dora Oravecz, Amy Pond, Nicolle Gill

## 1. Apologies

Mr Saunders

## 2. Confirmation of minutes

Resolved, on the motion of Mr Clancy, seconded Ms Doyle: That the minutes of the meeting of 9 September 2021 be confirmed.

## 3. Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage

#### 3.1 Arrangements for private briefing and public hearings

The Chair noted that the private briefing with departmental staff had been scheduled for Monday 18 October. Hearings will be held on Friday 22 October, and on November dates to be confirmed by committee staff after checking members' availability.

The Committee discussed witness selection and arrangements for the upcoming hearings.

The Committee agreed that a revised witness list would be circulated to members, and members would let committee staff know of any additional witnesses they wish to nominate.

## 3.2 Publishing submissions

Resolved on the motion of Mr Clancy, seconded Ms Gibbons: That the Committee amends its publication order for submission 76 to publish the submission with the photo on page 3 redacted.

Resolved on the motion of Mr Clancy, seconded Ms Doyle: That the Committee publishes submission 91 in full.

#### 4. Next meeting

The Committee adjourned at 11.47 pm until Monday 18 October at 10 am.

#### **MINUTES OF MEETING No 15**

10.05am, 18 October 2021 Webex

## Members present

Ms Lindsay (Chair), Ms Gibbons, Mr Harris, Mr Saunders, Ms Doyle, Mr Clancy

## Officers in attendance

Rohan Tyler, Dora Oravecz, Amy Pond

## 1. Apologies

Ms Leong

## 2. Private briefing

The Committee was briefed by the following departmental staff on issues relevant to the inquiry into improving access to existing and alternate accommodation to address the social housing shortage.

- Michael Wright, Group Deputy Secretary, Housing and Property, Department of Planning, Industry and Environment
- Jody Broun, CEO, Aboriginal Housing Office and Group Deputy Secretary, Department of Planning, Industry and Environment
- Luke Walton, Executive Director, Housing and Economic Policy, Department of Planning, Industry and Environment
- Deborah Brill, Deputy Chief Executive and Head of Policy and Innovation, and Housing Corporation
- Joanna McClellan, Director, Housing Strategy Implementation, Department of Planning, Industry and Environment
- Roland Stanmore, Director, Justice and Housing Branch, Health and Stronger Communities Division, Policy & Budget Group, NSW Treasury
- Jason Kara, Director Strategy & Design, Housing & Homelessness
- Ashley Albury, Director, Regional NSW.

The briefing concluded at 11.28am.

## 3. Deliberative meeting

#### 3.1 Confirmation of minutes

Resolved, on the motion of Ms Doyle, seconded Mr Clancy: That the minutes of the meeting of 23 September 2021 be confirmed.

## 3.2 Witness list for public hearings

The Chair noted that further hearings had been scheduled for Monday 8 November and Monday 15 November.

The Committee discussed witness selection for the November public hearings. The Committee agreed to discuss and approve witnesses for the November hearings on 22 October.

Resolved on the motion of Ms Doyle: That the Committee invites the agreed witnesses to give evidence at the public hearing to be held on Friday 22 October.

## 4. Next meeting

The Committee adjourned at 11.41 pm until Friday 22 October at 10.25 am.

## **MINUTES OF MEETING No 16**

10.26 am, 22 October 2021 Jubilee Room and Webex

## **Members present**

Ms Lindsay (Chair), Mr Harris, Mr Saunders (until 12.38 pm), Ms Leong (Jubilee Room) Ms Gibbons, Ms Doyle (via videoconference)

#### Officers in attendance

Rohan Tyler, Dora Oravecz, Amy Pond, Ilana Chaffey

#### 1. Apologies

Mr Clancy

## 2. Deliberative meeting

#### 2.1 Confirmation of minutes

Resolved, on the motion of Ms Doyle, seconded Ms Gibbons: That the minutes of the meeting of 18 October 2021 be confirmed.

#### 2.2 Media orders

Resolved on the motion of Mr Saunders, seconded Mr Harris: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 22 October 2021, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

## 2.3 Answers to questions taken on notice

Resolved on the motion of Mr Harris: That witnesses be requested to return answers to questions taken on notice and supplementary questions within 2 weeks of the date on which the questions are forwarded to the witnesses.

# 3. Public hearing: Inquiry into improving access to existing and alternate accommodation to address the social housing shortage

The Chair opened the public hearing at 10.30 am and made a short opening statement.

Ms Nicky Sloan, CEO, Community Industry Group, was affirmed and examined by videoconference.

Ms Emma Belcher, Vice Chairperson, Housing Matters Action Group, was affirmed and examined by videoconference.

Mr Robert Pradolin, Founder and Board Member, Housing All Australians, was affirmed and examined by videoconference.

Mr Leonard Slabbert, Principal Town Planner, Tract Consultants, was sworn and examined by videoconference.

Professor Sarah Wilkinson, Professor of Sustainable Property, School of Built Environment, UTS Sydney, was affirmed and examined by videoconference.

Ms Simone Parsons, Chief Operating Officer, Women's Community Shelters, was affirmed and examined by videoconference.

Ms Maree McKenzie, CEO, Homes North Community Housing Ltd, was affirmed and examined by videoconference.

Ms Michele Adair, CEO, Housing Trust, was affirmed and examined by videoconference.

Mr Troy Green PSM, General Manager, Tweed Shire Council, was sworn and examined by videoconference.

Ms Vicki Munro, Manager, Community and Culture, Woollahra Municipal Council, was sworn and examined by videoconference.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew. The public hearing concluded at 4.02 pm.

### 4. Deliberative meeting

The Committee commenced a deliberative meeting at 4.02 pm.

### 4.1 Witnesses for further public hearings

The Committee discussed the circulated witness list for the additional hearings to be held as part of the inquiry. The Committee discussed the date of the third public hearing. Members asked committee staff to canvass availability for dates in December, subject to hearing room availability.

Resolved on the motion of Mr Harris, seconded Ms Doyle: That the Committee invites the listed witnesses to give evidence at public hearings to be held on Monday 8 November and a date to be confirmed.

#### 4.2 Publication orders

Resolved on the motion of Mr Harris, seconded Ms Doyle: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's website.

#### 5. Next meeting

The Committee adjourned at 4.13 pm until Monday 8 November.

## **MINUTES OF MEETING No 17**

9.58 am, 8 November 2021 Jubilee Room and Webex

## Members present

Ms Lindsay (Chair), Mr Harris, Mr Saunders

Mr Clancy, Ms Leong, Ms Gibbons, Ms Doyle (until 2.30pm) (via videoconference)

#### Officers in attendance

Rohan Tyler, Dora Oravecz, Amy Pond, Nicolle Gill

#### 1. Deliberative meeting

#### 1.1 Confirmation of minutes

Resolved, on the motion of Mr Saunders, seconded Ms Doyle: That the minutes of the meeting of 22 October 2021 be confirmed.

#### 1.2 Media orders

Resolved on the motion of Ms Leong, seconded Mr Clancy: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 8 November 2021, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

## 1.3 Answers to questions taken on notice

Resolved on the motion of Mr Clancy, seconded Ms Doyle: That witnesses be requested to return answers to questions taken on notice and supplementary questions within one week of the date on which the questions are forwarded to the witnesses.

#### 1.4 Publication orders

Resolved on the motion of Ms Doyle, seconded Mr Saunders: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's website.

## 2. Public hearing: Inquiry into improving access to existing and alternate accommodation to address the social housing shortage

The Chair opened the public hearing at 10.01 am and made a short opening statement.

Captain Brad Mciver, State Social Mission and Community Engagement Coordinator, State Manager for Homelessness NSW/ ACT, Salvatio1n Army Australia, was sworn and examined by videoconference.

Mr Brian Murnane, CEO, Amelie Housing, St Vincent de Paul, was sworn and examined by videoconference.

The hearing adjourned due to technical issues.

The hearing resumed at 10.28 am. Members examined the witnesses by videoconference.

Mr John Engeler, CEO, Shelter NSW, was sworn and examined by videoconference.

Mrs Rose Thomson, CEO, Churches Housing Inc, was sworn and examined by videoconference.

Mr Craig Lyons, Senior Project Worker, Southern Youth and Family Services, was affirmed and examined by videoconference.

Mr Tony Davies, CEO, Social Futures, was affirmed and examined by videoconference.

Ms Livia Stanton, Policy & Advocacy Officer, Domestic Violence NSW, was affirmed and examined by videoconference.

Ms Sally Grimsley-Ballard, General Manager, Domestic Violence Service Management, was

affirmed and examined by videoconference.

Mr Mark Degotardi, CEO, Community Housing Industry Association, was affirmed and examined by videoconference.

Mr Ross Hampton, Councillor for Western Region, NSW Aboriginal land Council, was sworn and examined by videoconference.

Ms Dini Liyanarachchi, Ageing on the Edge Advocacy lead, Ageing on the Edge Forum, was affirmed and examined by videoconference.

Ms Glen-Marie Frost, Advocate with Lived Experience, was affirmed and examined by videoconference.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The public hearing concluded at 4.50 pm.

## 3. Deliberative meeting

The Committee commenced a deliberative meeting at 4.50 pm.

## **December public hearing**

Resolved on the motion of Mr Harris, seconded Mr Saunders: That the Committee holds a public hearing for the inquiry on Thursday 2 December.

## 4. Next meeting

The Committee adjourned at 4.51 pm until Thursday 2 December.

#### **MINUTES OF MEETING No 18**

10.28 am, 2 December 2021

Macquarie Room and Webex

## Members present

Ms Lindsay (Chair), Mr Harris, Mr Saunders

Mr Clancy, Ms Leong, Ms Gibbons, Ms Doyle (from 11.05am) (via videoconference)

#### Officers in attendance

Rohan Tyler, Dora Oravecz, Amy Pond, Nicolle Gill

## 1. Deliberative meeting

### 1.1 Confirmation of minutes

Resolved, on the motion of Mr Saunders, seconded Mr Clancy: That the minutes of the meeting of 8 November 2021 be confirmed.

#### 1.2 Media orders

Resolved on the motion of Mr Clancy, seconded Mr Saunders: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 2 December 2021, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

## 1.3 Answers to questions taken on notice

Resolved on the motion of Ms Leong, seconded Ms Gibbons: That witnesses be requested to return answers to questions taken on notice and supplementary questions within one week of the date on which the questions are forwarded to the witnesses.

## 1.4 Publishing answers to questions on notice

The Committee resolved to publish answers to question on notice received from:

- Professor Sarah Wilkinson
- Woollahra Municipal Council
- Ageing on the Edge Forum
- Southern Youth and Family Services
- Domestic Violence NSW
- Domestic Violence Service Management.

#### 1.5 Publication orders

Resolved on the motion of Mr Saunders, seconded Ms Gibbons: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's website.

## 2. Public hearing: Inquiry into improving access to existing and alternate accommodation to address the social housing shortage

The Chair opened the public hearing at 10.32 am and made a short opening statement.

Ms Larissa Llowarch, Affordable Housing Officer, Community Programs, Central Coast Council, Central Coast Council, was affirmed and examined by videoconference.

Mr Gordon Clark, Director, City Futures, Shoalhaven City Council, was sworn and examined by videoconference.

Mr Roland Stanmore, Director, Justice and Housing Branch, Treasury NSW, was sworn and examined by videoconference.

Ms Joanna McClellan, Director, Housing Strategy Implementation, Department of Planning, Industry and Environment, was affirmed and examined by videoconference.

Ms Nattlie Smith, Director, Aboriginal Housing Office, was affirmed and examined by videoconference.

Ms Deborah Brill, Deputy Chief Executive and Head of Policy and Innovation, NSW Land and Housing Corporation, Department of Planning, Industry and Environment, was affirmed and examined by videoconference.

Mr Ben Hewett, Executive Director, Innovation, Strategy and Integration, Department of Planning, Industry and Environment, was affirmed and examined by videoconference.

Mr Jason Kara, Director, Strategy & Design, Housing & Homelessness, Department of Communities and Justice, was affirmed and examined by videoconference.

Mr Luke Walton, Executive Director, Housing and Economic Policy, Department of Planning, Industry and Environment, was affirmed and examined by videoconference.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The public hearing concluded at 12.30 pm.

## 3. Deliberative meeting

The Committee commenced a deliberative meeting at 12.31 pm.

The Committee discussed issues raised during the inquiry.

## 4. Next meeting

The Committee adjourned at 12:38 pm until a date to be confirmed.

#### **MINUTES OF MEETING No 19**

1.33 pm, 24 March 2022 Room 1136

#### Members present

Ms Lindsay (Chair), Mr Clancy, Ms Doyle, Ms Leong

#### **Apologies**

Mr Saunders, Ms Gibbons, Mr Harris

#### Officers in attendance

Rohan Tyler (WebEx), Dora Oravecz, Amy Pond, Nicolle Gill (WebEx)

#### 1. Confirmation of minutes

Resolved, on the motion of Ms Leong, seconded by Mr Clancy: That the minutes of the meeting of 2 December 2021 be confirmed.

## 2. Publishing answers to questions taken on notice

Resolved, on the motion of Mr Clancy: That the Committee publishes answers to questions on notice received from the NSW Government.

3. \*\*\*

#### 4. Next meeting

The Committee adjourned at 1.51pm until Thursday 31 March.

## **MINUTES OF MEETING no 22**

10.31am, 8 August 2022 Room 1136 and videoconference

#### Members present

Mrs Pavey (Chair), Mr Harris, Ms Leong, Ms Doyle

Via videoconference: Mr Clancy (Deputy Chair), Ms Gibbons, Mrs Overall

### Officers present

Rohan Tyler, Dora Oravecz, Amy Pond, Nathalie Pinson, Nicolle Gill

1. \*\*\*

## 2. Confirmation of minutes

Resolved, on the motion of Mr Harris, seconded by Ms Doyle: That the minutes of the

meeting of 17 May 2022 be confirmed.

## 3. \*\*\*

# 4. Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage

Consideration of Chair's draft report

Resolved, on the motion of Ms Leong: That finding 1 be amended by inserting the word 'help' before the word 'address'.

Resolved, on the motion of Ms Leong: That a new finding 3 be inserted after finding 2 to read: 'Short-term temporary supportive accommodation cannot address the critical shortage of appropriate, affordable, secure and long-term housing' and that paragraphs 1.3, 1.4, 1.14, 1.15, 1.16, 1.17, 1.18, 1.23, 1.24, 1.25, 1.26 and 1.27 be located with this new finding.

Resolved, on the motion of Ms Leong: That a new recommendation be inserted after finding 3 to read: The NSW Government should continue to increase investment in the provision and maintenance of public and social housing to address the critical shortage of housing options for those who are eligible for it.

Resolved, on the motion of Ms Leong: That finding 2 be amended by inserting the words 'short-term' following the word 'useful'.

Resolved, on the motion of Ms Leong: That recommendation 1 be amended by omitting the words 'develops' and inserting instead 'co-designs with housing and homelessness experts'.

Resolved, on the motion of Ms Leong: That finding 3 be amended by omitting the words 'the social housing shortage' and inserting instead 'filling a short-term gap whilst the current public, social and affordable housing shortage continues to be addressed'.

Resolved, on the motion of Ms Leong: That recommendation 2 be amended by inserting the words 'while longer term solutions are developed' at the end of the sentence.

Resolved, on the motion of Ms Leong: That recommendation 3 be amended by inserting the word 'social' after the words 'meanwhile use,'.

Resolved, on the motion of Ms Leong: That finding 7, which reads: 'The framework for regulation and accountability of registered community housing providers is adequate.' be omitted.

Resolved, on the motion of Ms Leong: That recommendation 8 be amended by omitting the words 'involves local communities' and inserting instead 'works with First Nations representative organisations and local First Nations communities'.

Resolved, on the motion of Ms Leong: That finding 8 be amended by omitting the word 'aim' and inserting instead 'be adequately supported'.

Resolved, on the motion of Ms Leong: That recommendation 11 be amended by:

- omitting the words 'advocacy groups' and inserting instead 'community service organisations and experts'
- omitting the words 'vulnerable cohorts' and inserting instead 'specific cohorts who are often vulnerable'.

Resolved, on the motion of Ms Doyle, seconded by Ms Gibbons: That the draft report, as amended, be the report of the Committee and that it be signed by the Chair and presented to the House.

Resolved, on the motion of Ms Leong, seconded by Ms Gibbons:

- That the Chair and Committee staff be permitted to correct stylistic, typographical and grammatical errors
- That, once tabled, the report be posted on the Committee's webpage.
- 5. \*\*\*

## 6. Next meeting

The meeting adjourned at 11.27am until 16 August at 9.30am.