

20th March 2025

Dear Committee,

Please find below my response to the question taken on notice during my appearance at the Options for Essential Worker Housing inquiry.

Thank you,

Leo Patterson Ross
Chief Executive Officer
Tenants' Union of NSW

Question:

If we find the silver bullet to be able to fix this next week—budget week, we're going to fix affordable housing in New South Wales—do our community housing providers have capacity for that level of management suddenly? If we were to change the Airbnb or the short-term rental situation and suddenly we had 80,000 homes on the market, do our community providers have capacity to manage that or would we need to keep that in mind as well, that length of time that it would take to develop them?

Response:

Currently community housing providers manage approximately 54,000 dwellings in NSW, compared to 94,000 managed by public housing. If we are looking at both capacity to scale up rapidly, and the lasting benefits of that scale-up, we believe government has more built-in capacity and structures to support this, including greater financial reserves with which to support the necessary growth in workforce and interim transitional measures.

The transfer of tenancy management to community housing providers was predicated on a claim that it would result in more competition and diversity in the provision of tenancy management services, and that this would result in better outcomes for renters. However this theory relies on renters having a choice between providers which has not been afforded them. For many tenants, the transfer of public housing stock to community housing providers has not been a positive experience. There is a lack of consistency in the policies and practices of community housing providers in NSW and policies developed by providers may not meet the level which is provided in public housing. The sector is not consistently managed and the regulatory structures are not strong enough to prevent poor outcomes. Where good practice exists it tends to be driven by particular leaders with a particular interest and passion, rather than being structurally supported. This means that under

pressure, the good practice can fade. We ultimately need much greater transparency regarding both the expectations and the results delivered by the community housing sector.

The National Regulatory Scheme for Community Housing should be strengthened to ensure the system meets the needs of tenants and applied to all providers, including public housing. We have also seen a growth in for-profit providers registered as CHPs, both affiliated with traditional CHPs and affiliated with private development or real estate companies. These entities should not be encouraged or facilitated and would be a risk in a rapid scaling-up event. Regardless of the particular structure, housing provided with government funding is providing a public service and should be accountable to the community and to residents in the same way.

In this hypothetical, given we are talking about managing already existing buildings, the primary logistics concern is for the recruitment of necessary staff. Community housing providers appear to average about 1 staff FTE position for every 36 dwellings under management. To staff 80,000 dwellings this suggests around 2,000 additional FTE employees would be needed. It is not clear where this workforce would be sourced from. There has been a tendency in times of rapid growth to recruit staff from the real estate industry which has caused some problems with workplace culture. We would recommend raising the capacity of existing public and community housing tenants.