

**Submission  
No 21**

**OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE  
ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE**

**Organisation:** Southern Youth and Family Services

**Date Received:** 11 August 2021

SYFSSubmissionInquirySocialHousing2021

5 August 2021

Leon Last  
Committee Manager  
Legislative Assembly Committee on Community Services  
Parliament House  
6 Macquarie Street  
Sydney NSW 2000

**Re: Potential inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage**

Dear Leon,

Please accept the following as a submission to the potential Legislative Assembly inquiry noted above.

**About Southern Youth and Family Services (SYFS)**

Southern Youth and Family Services (SYFS) is a medium-sized community based organisation that has developed over the past four decades in the Illawarra, Shoalhaven and Southern NSW.

SYFS has the principal purpose of relieving the poverty, misfortune and distress of children young people who are disadvantaged, and their families. This includes children and young people who are homeless or at risk of homelessness, abused and/or neglected, placed in the care of the State, and involved with the criminal justice system.

SYFS is the largest provider who work with this cohort in these areas. In 2020/21, Southern Youth and Family Services received 8,840 referrals for support from children, young people, adults and families. From those referrals we were able to provide substantial support to 5,246 young people. In addition, 2,507 families received family relationship support and other services and there were 11,494 instances of short term support. Approximately 25% of all SYFS clients were Aboriginal and 18% were from Cultural and Linguistically Diverse (CALD) backgrounds.

SYFS currently manages more than 50 different services, through 9 different funding programs, across a range of different State and Federal Government Departments. The organisation is composed of six program areas:

- Accommodation and Housing Services
- Out of Home Care Services
- Youth Outreach Support Services
- Family Support Services
- Youth Health Services
- Youth Employment, Education and Training Services

SYFS has integrated its programs to deliver a comprehensive “wrap around” model which values the developmental / cultural needs of children and young people and the importance of therapeutic interventions. A vital part of our service encompasses providing people with a pathway out of homeless through the provision of a spectrum of housing options from crisis and emergency accommodation through to independent living

and community housing. To this end, SYFS are accredited to provide Specialist Homelessness Services (SHS), transitional housing, a Youth Foyer, and are a Tier 2 Community Housing Provider (CHP) under the National Regulatory Scheme for Community Housing (NRSCH). These housing offerings, combined with wrap around services including outreach support, family services, Employment, Education, and Training (EET) services, health services, and other supports, equip young people and families with the skills they need to survive in the contemporary economy. Our submission is from the perspective of a medium-sized community service embedded within a number of regional communities in NSW.

The fundamental problem driving this inquiry is a lack of available social and affordable housing for low income people in NSW. To that end, the most straightforward solution is a sustained program of investment in social housing stock in NSW, to alleviate the pressure currently placed on the system with over 50,000 people currently on the waiting list and wait times routinely stretching out beyond a decade. This is becoming more acute in regional areas as those areas experience an influx of residents due to the COVID-19 pandemic as well as the lingering effects of the bushfires, and a sharp increase in rents in the private market, making access to housing difficult not only for individual tenants but for community housing providers and other support services.

#### Response to terms of reference:

##### 1. Options to better support 'meanwhile use' (temporary supportive accommodation), and the current major planning barriers to 'meanwhile use';

Temporary and meanwhile use describes a wide range of property and contractual arrangements that allow for the use of space until such time as the owners of property wish to use it for their intended use. These arrangements have been used for many years in a variety of contexts, but particularly in the arts sector. It is our view that while temporary use arrangements may facilitate some time-limited social benefit through access to space for underserved or marginalised groups, the underlying precarity within the model undermines overall security of tenure, and become vehicles for conditional or time-limited delivery of social programs that should be unconditional and universal. Initial enthusiasm for the temporary use model has in recent years given way to a concern for its long-term social detriment<sup>1</sup>. For this reason temporary/meanwhile uses should not detract from the fundamental problem, which is the shortfall of funding for social housing construction in NSW.

There are examples of temporary or meanwhile use happening in other jurisdictions and in NSW both prior to and during the pandemic. Some services have already negotiated temporary use agreements in Sydney and regional NSW, and they have reported that these projects have been successful in their aims, in that they were able to assist expanded numbers of clients and those clients reported better outcomes upon exit. We do note however that these projects are temporary in nature and thus do not reduce the need for long-term solutions through capital investment in social housing in NSW.

We hold a number of concerns about this model in an operational sense that primarily revolve around ensuring that the accommodation is adequately supported to meet the clients' needs. These include appropriate eviction protections, quality and suitability of accommodation in terms of safety, co-location or proximity to appropriate support services, accessibility, design suitability, and appropriateness for different cohorts of people in need of housing (for example, suitability for DFV clients, children, or people with disabilities). These kinds of issues already arise in the Temporary Accommodation (TA) program where hotels and motels do not have sufficient training to provide trauma-informed housing services and there is a

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<sup>1</sup> Mara Ferreri (2020) Learning from temporary use and the making of on-demand communities in London's Olympic "fringes", *Urban Geography*, 41:3, 409-427, DOI: [10.1080/02723638.2019.1679527](https://doi.org/10.1080/02723638.2019.1679527)

Ali Madanipour (2018) "Temporary Use of Space: Urban Processes between Flexibility, Opportunity and Precarity." *Urban Studies* 55:5, 1093–1110. DOI: <https://doi.org/10.1177/0042098017705546>.

potential that this problem could be magnified or simply transferred through the expansion of temporary or meanwhile use.

Additionally, there are a number of potential pitfalls of temporary or meanwhile use, primarily arising from its time-limited nature. There are no assurances as to what will happen to clients upon the cessation of temporary use arrangements, and there is potential that the meanwhile use system becomes a longer-term version of TA and does not contribute to successful housing outcomes. This approach should be avoided. Furthermore, there are a number of commercial operators (for example hotels and student housing operators) who are seeking alternative revenue sources in the wake of reduced turnover due to COVID-related travel restrictions. These operators will potentially benefit financially from temporary use arrangements, and will gain reputational benefits from contributing to the alleviation of the housing crisis in NSW through temporary use. However currently under most temporary use agreements there are very short notice periods for the cancellation of agreements (often 30 days) which reinforces the precariousness of meanwhile and temporary arrangements. This has the potential to undermine housing security in NSW despite intending otherwise.

Due to the time-limited nature of temporary use, it may not be prudent to carry out maintenance, renovations or alterations to a property when properties are in a state of disrepair or require modifications for accessibility or safety reasons. It is also unclear how such modifications would be funded without capital investment.

If temporary or meanwhile arrangements are to be utilised in an ongoing way it is important to ensure that agreements are structured in such a way as to prevent clients from being exited back into homelessness and that there are, when possible, opportunities given to community agencies to operate these distressed assets on an ongoing basis through longer-term leasing arrangements or transfer of title through donations or sales of property. It is important to ensure, as much as possible, that temporary and supportive accommodation is not simply ended as soon as a site can be restored to a more profitable use as the NSW economy begins to open up, as this would create serious problems in the housing system and result in the mass displacement of the state's most marginalised tenants.

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

The COVID-19 pandemic has demonstrated that the cities and regions of New South Wales overwhelmingly rely on low-paid workers in retail, warehousing, hospitality, and transport industries to ensure that vital supply chains in food and medical supplies are able to be maintained during lockdown periods. It is an unfortunate reality that many workers in these low-paid industries – often on casual or other insecure contracts – struggle to achieve housing security, with overcrowding, precarity and homelessness the unfortunate result. In regional areas where rents have increased astronomically over the past 12 months, these circumstances are exacerbated. Many local businesses in our service area in Southern NSW are unable to attract workers in these industries because there is no affordable accommodation for workers in these areas.

It should not be the case anywhere in New South Wales that workers in key industries are unable to afford the cost of housing. Additionally the pandemic has shown that the definition of “key worker” is an ambiguous and relational term and that large swathes of the workforce are central to its overall functioning. To that end, measures should be taken to improve housing affordability overall, rather than identifying sub-sections of the workforce that may be eligible for any subsidised or more affordable model.

At SYFS we have found that a major contributing factor pushing young people into homelessness are (1) inadequate levels of income support for unemployed people, particularly in overheated housing markets, and (2) young people in the workforce facing extreme disadvantage due to precarious, casual, and under-employment. When young people do find themselves facing a housing crisis, SYFS do provide SHS Crisis

Accommodation, but crisis services are at capacity and there is no growth funding for SHS services to expand to meet the growth in demand.

### 3. Options to improve access to existing accommodation to provide community housing;

The biggest barrier to increasing supply of social and affordable housing in NSW is that Government has been reluctant to accept the responsibility and the urgent need to build social housing throughout NSW. In the youth space, regional areas have very low housing stock available and agencies are competing in very tight markets. This leads to situations where agencies are competing in the market with each other using various schemes (Rent Choice Youth, Premiers Youth, CHPs) over dwindling numbers of already-existing properties and with low levels of social housing construction activity. This has partially been driven by the ongoing selloff of public housing and lack of maintenance of public housing which can accelerate the need for CHP social housing properties, especially in regional areas.

From a CHP perspective, medium-term leasing of LAHC properties, rather than the transfer of properties freehold, restricts the capacity of CHPs to leverage those assets to expand their own housing stock. This will be made more difficult with the *LAHC Draft Policy for Consent to Secure Community Housing Provider Debt* which is currently being formulated. It is our view that this policy needs to be re-drafted with genuine input from the Community Housing Providers and peak bodies including the Community Housing Industry Association (CHIA).

A key policy measure that would reduce the strain on the NSW housing system is to improve the security of tenure for tenants in NSW. This would involve adopting the calls by the Tenants Union of NSW and other organisations to abolish no-fault evictions, to strengthen eviction protections overall for tenants in NSW, fairer rules regarding rental increases, allowing for longer lease periods and to provide a higher standard of rental accommodation overall. This would benefit NSW economically as households with secure tenure are more likely to active contributors to their communities and local economies. It would also reduce the strain placed upon the social and affordable housing sector by giving households more opportunities to successfully gain and retain housing.

There is an urgent need to expand funding for support services available to tenants which will aid the achievement of positive housing outcomes for tenants in NSW.

### 4. Barriers to additional supply across NSW, including for smaller non-CHP housing providers

In regional areas such as Southern NSW where we operate, it is our general impression that overheated demand is much more of a contributing factor to housing unaffordability than lack of supply. Many young and marginalised people are unable to compete in housing markets because the market to purchase homes is dominated by wealthy investors, who are subsidised in their investment activity through negative gearing and the capital gains tax discount. As a result, families with more stable employment who would otherwise be looking to purchase property are priced out and thus enter the tight regional rental markets. This has been exacerbated short-term holiday rental such as Airbnb – a “meanwhile use” that has become a near-permanent fixture in tourist economies and reduces housing supply from regional markets. In this context, many agencies looking for properties to operate as social or transitional housing can’t compete as the subsidies that may be provided are capped too low for the cost of the market. The small number of properties that are affordable are often unsuitable due to being in poor condition or being too far away from urban infrastructure such as transport, employment, health, education, etc. Despite these issues, it remains the case that an increase in supply in a context of near-limitless demand will do little to reduce prices in the medium to long term.

We understand that a Regional Housing Task Force has been appointed to investigate this issue further. We would recommend that in addition to looking at questions of supply, that due consideration be given to demand-side issues that can be addressed through State Policy.

## 5. Support for and accountability of registered community housing providers.

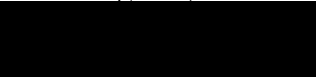
In regional areas there is a need to provide greater support for smaller (especially Tier 2) registered CHPs which in many circumstances may be the main or only affordable housing provider in the area. Increasing administrative burdens and costs, as well as increasing expectations from funding providers disproportionately affect smaller providers who cannot achieve the economies of scale of the large providers and have smaller internal project and research capacity, and less capacity to engage external consultants. Accreditation systems are often more based around compliance and less around building positive reinforcement and service improvement. The costs of insurance are increasing astronomically and are becoming unaffordable for smaller providers. The time and cost of Development Applications – often required to be held before applying for tenders – is also expanding and becoming difficult to navigate.

## 6. Recommendations

- That the NSW Government commit to an ambitious program of social housing construction to address current and future needs, acknowledging that constructing 5,000 per year for 10 years would only meet current levels of need;
- That temporary use is only to be used in contexts where agencies are adequately resourced to provide supported accommodation, where there are clearly articulated opportunities for medium-long term stability of tenure, and where exits into homelessness are minimised;
- That additional funding to be provided for crisis accommodation services;
- That no worker should be unable to afford housing in any market, and that all workers – but particularly young workers in retail, hospitality, transport, food, and warehousing – be acknowledged as “key workers” vital to the functioning of the economy;
- That security of tenure be improved for tenants in NSW by removing no-fault evictions, improving rental accommodation standards, protecting tenants against exorbitant rent increases, and making longer lease terms standard;
- That support services for tenants (such as the Tenants Advice and Advocacy Services, or TAAS) be urgently expanded throughout NSW, particularly in regional areas;
- That the *LAHC Draft Policy for Consent to Secure Community Housing Provider Debt* be re-drafted with genuine input and collaboration with the CHP sector, including agencies and peak bodies;
- That examinations of housing affordability such as the Regional Housing Task Force give due consideration to demand-side issues that can be addressed through State policy.
- That greater support be given to smaller (especially Tier 2) and regional CHPs, especially with regards to administrative burdens and costs.

We thank the inquiry for drawing attention to the important issue of the social housing shortage in New South Wales. Temporary solutions may alleviate the issue in the short term but the only long-term solution is an ambitious program of social housing construction along with measures to reduce investor demand and improve affordability overall. Making housing universally accessible and affordable will provide greater social and economic benefit to New South Wales and contribute to a better society. We look forward to following the progress of the inquiry and are available to provide further evidence or input as required.

Kind Regards,

  
Ms Narelle Clay AM  
Chief Executive Officer