

**Submission
No 26**

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

Organisation: Shellharbour City Council

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The Chair
Committee on Community Services
Parliament House
Macquarie Street
Sydney NSW 2000

Emailed to: communityservices@parliament.nsw.gov.au

Addressing the social housing shortage

Dear Committee on Community Services

Shellharbour City Council welcomes the opportunity to comment on the *Parliamentary Inquiry on options to improve access to existing and alternate accommodation to address the social housing shortage*.

Background

At the 2016 Census, Shellharbour had a population of 68,460 (up from 63,605 in 2011)¹. This population is expected to increase to 94,877 in 2041¹. Shellharbour had a total of 24,727 occupied dwellings at the 2016 Census (up from 24,469 in 2011)¹. It is noted that at the 2016 Census, at least 85.6% of Shellharbour dwellings had three or more bedrooms¹.

Safe, secure housing is essential for good health, employment, education and community wellbeing. Without access to social and affordable housing, some people face homelessness or struggle to meet utility, food and other basic living costs².

Housing stress is defined as per the National Centre for Social and Economic Modelling model as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on housing costs. In 2016, 35.6% of Shellharbour residents were experiencing rental stress and 9.9% of residents were experiencing mortgage stress. In 2016 in Shellharbour City, 6.9% of households were renting social housing compared to 4.4% in NSW¹. There is a need for additional, affordable social and public housing to be facilitated within the planning framework for Shellharbour³.

¹ Australian Bureau of Statistics. [Census of Population and Housing](#). Informed Decisions (.id), 2016

² Department of Finance, Services and Innovation. Human Services Outcomes Framework, 2017.

³ Shellharbour City Council. Shellharbour Local Housing Strategy, 2019.

Key issues for Shellharbour

- There was a total of 1,718 public housing dwellings in the Shellharbour Local Government Area (LGA) at June 2017, but 638 approved applicants on the social housing wait list³. This suggests a considerable increase in existing public housing stock may be needed to meet demand. There may be opportunities to include redevelopment of public housing stock to deliver newer and more appropriate dwelling types for people requiring public housing (for example, adaptable dwellings).
- There is unmet demand for social housing places in the Shellharbour Allocation Zone with wait times for all types of dwellings being at least five years. The wait times for 2 bedroom and 4+ bedroom dwellings are at least ten years³.
- According to the NSW Department of Communities and Justice, people are staying in social housing longer and fewer are exiting³. Private rental affordability is an issue and there is a strong need for affordable housing to be made available across the board. That means there has to be housing that is affordable for people to buy, rental accommodation that is affordable and also an adequate supply of social housing. When assessing the adequacy of supply of affordable rental housing, it should be noted that lower cost stock is often occupied by moderate and higher income households, which are able to compete favourably with lower income households, particularly in a tight rental market³.
- Those areas within Shellharbour with the lowest Socio-Economic Indexes for Areas (SEIFA) scores, including Lake Illawarra, Mount Warrigal, Warilla and Barrack Heights are those that have the highest percentage of people renting social housing¹. The areas with the lowest SEIFA scores also have higher incidences of crime⁴.
- There is a need for more one bedroom, studio and boarding house style accommodation to assist in meeting the needs of the community through different stages of the housing life cycle and particularly for young people and elderly people on lower incomes. There are an increasing percentage of residents who live alone and the percentage of couples without children has been shown to be increasing¹.
- Lack of affordable housing for purchase for low and moderate earners has become evident. There has been a significant decline in the proportion of housing for purchase in Shellharbour that is affordable for lower income earners². There is also the question of whether lower income earners are able to contend with higher income earners for affordable properties, suggesting the need for affordable purchase opportunities to be targeted.

Responding to the Terms of Reference

Information provided during consultation with internal staff and local service providers is outlined below under the specified Terms of Reference for your consideration.

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

- This is primarily a national and state issue and, as such, much of the policy setting to address social housing has to occur at this level. The NSW Government's Illawarra Shoalhaven Regional Plan (ISRP) notes the importance of social housing and affordable

⁴ Bureau of Crime, Research and Statistics, 2021

housing. Increasing the supply of social and affordable housing requires planning mechanisms that are supported by other measures, including a whole-of-government approach, strong leadership, government-owned land and collaboration. Creating opportunities for collaboration between councils, community housing providers, industry and the NSW Government will create a stronger platform to drive positive change in the social housing sector.

- The ISRP contains an action that will establish an Illawarra Shoalhaven Affordable Housing Roundtable with councils, community housing providers, the NSW Government and housing development industry to collaborate, build knowledge and identify barriers to increase the supply of affordable housing. It would be beneficial if the Terms of Reference for this Roundtable reflect the Terms of Reference for this parliamentary inquiry.
- Specific at-risk or vulnerable people, including the elderly, women, people with disabilities and carers are at risk in social housing estates unless there are integrated policies across various jurisdictions. This will help to ensure that factors impacting on safety are identified and managed across policy areas and funding streams. In addition, cheaper and more affordable housing tends to be located in areas of poorer amenity, away from employment centres or with limited access to public transport. Measures are needed to encourage infill development and reduce concentrations of disadvantage.
- Affordable, social and public housing should be distributed across different areas in the Shellharbour LGA, where appropriately located and serviced. This will assist in reducing the waiting list, minimising costs of repair, demolition and relocation, and increasing the number of properties that are perceived as desirable.
- Older social housing stock could potentially be redeveloped with respect to the age and social profile of the population and the existing housing stock in the Local Government Area as it is in an ideal location and close to schools, hospital, shops and the like. This would be as opposed to a philosophy of no net loss in dwelling stock by selling property or redeveloping to higher densities its retained land stocks. If densities and population are to increase, however, then the capacity of infrastructure and services needs to be adjusted accordingly.
- Regarding temporary or “meanwhile use”, there are examples of this 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 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.

b) Options to improve access to existing accommodation to provide community housing;

- A sustained program of investment in social housing stock in NSW is needed to alleviate the pressure currently placed on the system with a large number of people currently on the wait 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 pandemic as well as the lingering effects of the bushfires, and a sharp increase in rents in the private market. These factors are making access to housing difficult not only for individual tenants but for community housing providers and other support services.

- It is recommended that opportunities to increase public/social housing stock through redevelopment are provided, to deliver smaller, newer and more appropriate dwelling types for people requiring public/social housing.
- Regulations on rent control would allow for housing to be more affordable and tenants to be maintained.
- Social housing has long been targeted to society's most vulnerable members who already struggle with factors such as employment or education due to age, family commitments, disabilities and long histories of disadvantage. It is imperative that the factors placing a person in need of social housing are addressed.

c) Options for crisis, key-worker and other short term accommodation models;

- Consideration of incentives packages will allow Council to target those types of housing it is seeking to encourage within the region. Provision of specific incentives may prompt developers and housing providers to target the provision of particular housing products, which could include social and public housing and smaller or more affordable dwellings.
- Other initiatives that could be further explored include social bonds, homework clubs, the development of exit plans based on priority and setting up rent to go towards paying off the mortgage of the house.
- Engaging agencies to upskill tenants and provide incentives to undertake home modifications and repairs themselves would be beneficial.
- Examples of successful social and affordable housing models include Nightingale Homes, Victoria, Quayside Village, Canada, and Savonnerie Heymans Public Housing, Brussels. They provide affordable housing and only locate buildings in well-appointed urban areas, accessible by public transport, cycling routes, car share and other local amenities.

d) Barriers to additional supply across NSW, including for smaller non-CHP housing providers; and

- As stated previously, addressing barriers for additional supply needs to occur at a national and state level. However, at a local level, Council can work with the State Government on implementing the ISRP, particularly in relation to the actions and strategies on social and affordable housing. Additionally, Council can review the Development Control Plan to encourage certain types of development.
- Council's Local Housing Strategy (LHS) reflects the need to address barriers to the provision of social and affordable housing³. The LHS identified that it is likely that a considerable increase in existing public housing stock may be needed to meet demand³. One of the options identified in the LHS is to redevelop existing public housing to deliver smaller, newer and more appropriate dwelling types³. Redeveloping public housing stock requires the property owners to be willing and able to redevelop the site. In implementing Council's LHS, Council will consider incentive packages for key types of housing that Council is seeking to encourage within the region, including affordable and social housing products. This may include a targeted marketing program to attract certain types of residential housing products and ongoing business and other support to developers seeking to develop targeted types of housing, particularly housing that will meet the needs of at risk or vulnerable persons. This will require a collaborative approach with industry and the State Government. Council will also consider the

development of a specific policy position around its commitment to the provision of social and public housing and affordable housing within Shellharbour. This work will also investigate further mechanisms to deliver on these policy positions within the realm of what local councils can deliver.

- 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 slightly more long-term version of temporary accommodation 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.

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.

If these 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 this would create serious problems in the housing system and result in the mass displacement of marginalised tenants.

- The biggest barrier to increasing supply of social and affordable housing in NSW is that the Government needs to take a greater level of responsibility in 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, Community Housing Providers) over dwindling numbers of properties. 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 community housing provider social housing properties, especially in regional areas.

e) Support for and accountability of registered community housing providers;

- It is recommended that the Committee on Community Services work with local government and non-government organisations within the Shellharbour area to make significant changes to improve social housing for our community. It is important to work with these agencies to determine who is responsible for receiving information around the ongoing management of the housing.
- NSW Department of Communities and Justice, together with community housing providers and organisations, need to ensure that there are adequate and appropriate

social housing for specific target groups, including families and children with child protection concerns, people with a disability, young people, elderly people, people with a mental illness, Aboriginal people and people from culturally and linguistically diverse communities. A mix of demographics in some properties might be helpful to ensure that people feel safe within their homes.

- It is imperative to support community housing providers through providing longer-term funding to enable providers to take a strategic approach in the provision of affordable, public and social housing.
- Consideration around prioritising land or offering Council fee reductions for developments with a social benefit to the community.
- It is important to consider the need to expand the funding available for support services to tenants, which will aid the achievement of positive outcomes.
- There is a need to emphasise the importance of support local smaller housing providers. The NSW Government supports larger housing providers but small, locally based housing providers are essential in any community to assist in resolving the housing stress.

Thank you once again for the opportunity to comment on the *Parliamentary Inquiry on options to improve access to existing and alternate accommodation to address the social housing shortage*. If you require any further information, please contact [REDACTED]

Yours sincerely

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Melissa Boxall
Director Community and Customers