

**Submission  
No 41**

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

**Organisation:** Churches Housing Incorporated

**Date Received:** 13 August 2021

August 2021

## SUBMISSION

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

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#### 1. Introduction

Established in 2010, Churches Housing Incorporated is a membership based peak body representing faith organizations, churches, and other places of worship, and others who are supportive of our mission to increase the supply of social and affordable housing (including crisis and transition housing inclusive) for the vulnerable.

We believe it is critical that policy settings in the social sector are set to ease inequality and disadvantage for the citizens of NSW, and that the starting point for that is indeed social and affordable housing which in turn supports a much broader suite of economic drivers.<sup>1 2 3</sup>

With the adoption of the Universal Declaration of Human Rights in 1948, the right to adequate housing joined the body of international, universally applicable, and universally accepted human rights law. Accordingly, adequate housing is universally viewed as one of the most basic human needs. The significance of a secure place to live for human dignity, physical and mental health, and overall quality of life, is at the heart of the work we do with our members and in partnership with the NSW government to provide social and affordable housing in our State.

Churches Housing Inc. is pleased to participate in this inquiry to the extent that it might see immediate government action address some of the needs of our most vulnerable in the shorter term, given the distressing impact of the pandemic on both the homeless (both street and hidden) and those needing crisis support, particularly in domestic violence contexts. And, also in support of affordable housing in reasonable locations, to support the housing needs of front-line workers across community housing, health, other social services, and education.

#### Our Concern

Our submission does not support the position that any short-term improvements will resolve long term social and affordable housing issues, or in any way equate to a sustainable plan to address the housing crisis currently faced in both the metro and regional areas of our State, or indeed, across Australia. Responding to homelessness in crisis mode is typically costly and inefficient, notwithstanding that some adjustments may emerge from this inquiry that could perhaps produce beneficial short-term provisions, and we would be pleased to feed into the planning and delivery models for any such provisions.

We encourage the State of NSW to lead the way in the funding and provision of new social and affordable housing to prevent the downward spiral of many more of our citizens, into overt and hidden states of homelessness and deepen the current housing crisis across our State.

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**See ALL links to references in this Submission on Page 16**

<sup>1</sup> NCOSS Commissioned Equity Economics Report, 2021 - Supporting economic recovery in NSW: Investment in social and affordable housing is critical to supporting jobs today and families into the future –

<sup>2</sup> Anglicare Australia Rental Affordability Report – April 2021

<sup>3</sup> Pawson (2020). NSW housing strategy: challenges to be faced, objectives to be owned – Challenge 3: Inequality and economic productivity

## 2. FUNDING - A PRIORITY FOR SUSTAINABLE CHANGE

With over 50,000 NSW families on social housing waitlists, forecasts show that the State needs to build, on average, an additional.....

**5,000 social housing units per year over the next 30 years to meet and maintain the OECD average.**<sup>4</sup>

Prioritizing investment in social and affordable housing as a starting point in budget allocation to meet this need and to support strategic and timely delivery of such, in turn supports a range of drivers in economic development and mobility, and employment of citizens across the cities and regional towns of our State.

From his significant body of research across poverty, eviction, and homelessness, these economic drivers are framed well by Professor Matthew Desmond, the former codirector of the Justice and Poverty Project at Harvard University and currently the Princeton University Maurice P. During Professor of Sociology<sup>5</sup> and Principal Investigator of research at the Eviction Lab.<sup>6</sup>

“We can start with housing, the sturdiest of footholds for economic mobility. A national affordable housing program would be an anti-poverty effort, human capital investment, community improvement plan, and public health initiative all rolled into one.”

Princeton University’s [Eviction Lab](#) works on the premise that ‘**big problems demand big data**’ and has made nationwide eviction data publicly available and accessible. Researchers then use the data to help document the prevalence, causes, and consequences of eviction and to evaluate laws and policies designed to promote residential security and reduce poverty. The hope is that findings will inform programs to prevent eviction and family homelessness, raise awareness of the centrality of housing insecurity in the lives of low-income families, and deepen understanding of the fundamental drivers of poverty

The Eviction Lab’s work aligns to the [initiative to collect and use better data](#) in the Premier’s priority to reduce street homelessness,<sup>7</sup> and could be a possible State model. Commencing with data collection on [street counts](#) is useful, but does not consider the range of hidden states of homelessness and will not inform the underpinning issues that will allow the development of policy and programs that enable sustainable prevention rather than cure.

### RECOMMENDATION 1

Consider the Eviction Lab as a possible model for capturing big data related to homelessness to inform sustainable preventative policy and programs

<sup>4</sup> *Maximising the returns: The role of community housing in delivering NSW’s future housing needs*

<sup>5</sup> Matthew Desmond Princeton Bio - <https://scholar.princeton.edu/matthewdesmond/>

<sup>6</sup> About Eviction Lab - <https://evictionlab.org/about/#work>

<sup>7</sup> *NSW Homelessness Strategy 2018 - 2023*

### 3. THE IMPORTANT ROLE OF THE FAITH-BASED HOUSING PROVIDERS

To increase the number of social housing dwellings, the NSW Government *2016 Future Directions for Social Housing in NSW* (Future Directions) indicated the NSW Government would primarily rely on two programs- Communities Plus and the Social and Affordable Housing Fund.<sup>8</sup>

Four of our faith-based members (indicated in blue below) were the most significant providers of community housing under the NSW State Government Funding SAHF Rounds 1 & 2.

In the first stage (SAHF1) in March 2017, five community housing providers were approved to deliver 2,200 social and affordable houses in both metro and regional NSW:

Baptist Care NSW & ACT	SGCH Sustainability Ltd
UnitingCare	Compass Housing Services Co Ltd.
St Vincent de Paul Housing	

In the second stage (SAHF2) in January 2019, four community housing providers were approved to deliver 1,200 dwellings:

Anglicare	Housing Plus
Uniting NSW & ACT	SGCH Portfolio Ltd

**Table 1 Developments under the Social and Affordable Housing Fund<sup>9</sup>**

		Contracted Provider	Number of new social and affordable housing properties
SAHF Round One-		Baptist Care NSW & ACT	500
		Compass Housing	600 <sup>7</sup>
		SGCH Sustainability Ltd	300
		St Vincent de Paul Housing	502 <sup>9</sup>
		Uniting NSW & ACT	300 <sup>10</sup>
SAHF Round Two <sup>11</sup>		Anglicare	550
		Housing Plus	220
		SGCH Portfolio Ltd	260
		Uniting NSW & ACT	300
<b>TOTAL</b>			<b>3532</b>

As of May 2021, close to 2,800 properties had been completed or were under construction under SAHF.

Churches Housing Inc, established in 2010, commenced its support of faith-based member organisations, many of whom were in early stages of developing their social and affordable housing arms. As time went on and they grew in capability, and with the support through the SAFH funding Rounds and some other sources, we saw a significant contribution to supply in NSW, with a total contribution of 3436 new, under construction, planned or refurbished dwellings. Several more have opened this year The faith-based sector is uniquely placed to help the NSW Government deliver a greater supply of housing in both greater Sydney and regional NSW.

<sup>8</sup> *Social Housing In NSW - Report 1: Contemporary analysis, June 2021* commissioned by St Vincent de Paul Society with the Centre for Social Impact and UNSW

<sup>9</sup> *Social Housing In NSW - Report 1: Contemporary analysis, June 2021* commissioned by St Vincent de Paul Society with the Centre for Social Impact and UNSW

**Table 2 Housing delivery by Churches Housing Members 2010-2020**

Completed	1914
Under Construction	784
Planned	733
Refurbished	5
<b>Total</b>	<b>3436</b>

**Importantly, every funding dollar to a faith-based member of Churches Housing indicatively doubles its value in two key ways, as these organizations typically:**

1. Offer **accessible wrap-around social services** that support the overall health and wellbeing of individuals and each housing community. This enables Churches Housing Inc. members to provide so much more than affordable housing and adds significant overall value as a solution to poverty and homelessness.
2. **Hold land assets** that they bring to the table through their strategic missional land acquisition programs which effectively reduces their funding needs required from government (by up to 50% for the land component) for social and affordable housing building projects. This does not included land attached to individual parishes and places of worship.

## **RECOMMENDATION 2**

Funding Release of SAHF Round 3 to accelerate further supply of social and affordable Housing

## 4. REALISING THE POTENTIAL OF LAND HELD BY CHURCH PARISHES AND OTHER PLACES OF WORSHIP

### The need

NSW needs land in locations for social and affordable housing that will address issues related to;

- affordability of suitable location-based housing for key workers, in particular CBD and inner metro Sydney and some regional locations
- prevent socio-economically disadvantaged populations being substantially clustered into suburbs now predominantly located in middle and outer metropolitan areas<sup>10</sup>
- affordability for the elderly to remain connected to family and supports without relocation

The events of 2020, particularly the COVID-19 Pandemic, have highlighted the vital role many workers play in the functioning of cities and their resilience in times of crisis. But new research has found that many essential workers are struggling to access housing in Australia's most expensive cities. Across Greater Sydney and its adjacent localities only two local government areas had a median house price that was affordable to key workers on moderate incomes, and both these suburbs are over 150 kilometres from Sydney CBD.<sup>11</sup>

"The research findings provide another impetus for governments to address housing affordability, as failure to do so could impact the safety and functioning of our cities into the future." Dr Catherine Gilbert, School of Architecture, Design and Planning, USyd

<sup>10</sup> AHURI (2015). *Addressing concentrations of disadvantage in urban Australia*

<sup>11</sup> AHURI (2021). *Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities*

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## A potential solution

Our members are largely faith-based organisations belonging to a range of denominations and faiths but are separate legal entities – often with only governance links through Board representation, to maintain a measure of alignment to overarching common mission. However, these organisations have independent strategic land acquisition programs, developed into housing more recently through the SAHF program.

**Actual land assets located with and/or near Church Parishes and other places of worship, are currently a potentially rich resource for affordable housing to meet the broad spectrum of housing needs, both in regional and metro NSW.**

**These land assets are currently a largely untapped and rich resource which could and should be part of a longer-term sustainability plan and delivery.**

**Note:** There are also under-utilised parish and church/order owned buildings like manses and residential halls which could be a project within the Terms of Reference of this inquiry related to 'meanwhile use' (temporary supportive accommodation) and improved access to existing accommodation to provide community housing, which are addressed 5 (a) on pages 6-7 of this submission

## The road blocks

Due to its relationships, networks and understanding of the faith sector, Churches Housing Inc is best and uniquely placed to facilitate a project to investigate, identify and facilitate the possibilities of parish land use for affordable housing, to meet the broad spectrum of housing needs, both in regional and metro NSW.

### 1. Complexity roadblocks

Some of the key complexities around such a project include, but are not limited to, the facilitation and/or execution of following phases of activity;

- mapping of the significant body of parishes to understand where land assets suitable for affordable housing exists
- understanding the land-ownership context– many times land is owned by complex property trusts or religious orders, but the local parish has a 'sense' of ownership and often has parish property councils/committees
- navigating the political complexities of denominational hierarchies, ownership and decision-making to progress any possible initiatives
- understanding and prioritising a way forward in terms of government preferred locations relevant to funding of associated build developments, and the consultation with a complex group of professional advisors and stakeholders, and local regulatory requirements.
- working with parties to develop the business case as a proposal for acquisition and/or lease arrangements, and investigation of funding sources and partnerships, across private, public and government.



## 2. Resource Roadblocks and possible solutions

While Churches Housing Inc is uniquely placed to facilitate and anchor such a **Parish Land Program** [a placeholder title] to improve housing supply, our current levels of funding do not provide for the dedicated salaries or required capabilities to anchor such a program, with a current staff profile of just under 2FTE positions.

Solutions include a combination of;

- Provision of government funding, in part, or in full, to establish dedicated resources for such a project until complete
- Partner with government for seconded project officers to provide capability requirements, some of whom might be sourced from departments like, but not limited to;
  - Department of Communities and Justice
  - Crown Solicitors Office
  - NSW Land Registry Services
  - NSW State Archives and Records
  - Department of Planning, Industry and Environment
  - Landcom

### RECOMMENDATION 3

That the Government partner with Churches Housing Inc. to scope, develop and resource the 'Parish Land Program' [a placeholder title] as part of a longer-term land acquisition initiative to increase the supply of social and affordable housing

## 5. RESPONSE TO THE TERMS OF REFERENCE (TOR)

Importantly, a key barrier to the success of improvements and innovations that may emerge from this Inquiry, would be to look at the TOR in isolation to the comprehensive issues of homelessness and housing disadvantage.

To address the TOR of this Inquiry in a considered way, requires a deep understanding of the underpinning issues, facts and figures in respect of homelessness and links to existent initiatives and any outcome gaps which must first, or concurrently, be addressed. Accordingly, we suggest that the Committee, as part of their work and due diligence for this Inquiry, consider the [submission](#) of our peak colleagues Shelter NSW to the *Audit Office of NSW Review of the NSW Homeless Strategy 2018-2023*. We concur with the information, observations and recommendations commencing from page 4, and note its direct relevance and intersection with the focus of this Inquiry.

Churches Housing Inc. acknowledges the important feedback from our members across the CHP TIERS during our research, which has informed parts of this section. Their insights as practitioners provided salient observations and/or practical solutions offered here as part of our commentary, which we would be pleased to speak to as the Inquiry progresses.

## 5a. Options to better support 'meanwhile use' (temporary supportive accommodation), and the current major planning barriers to 'meanwhile use'.

We caution that any reliance on temporary and short-term housing solutions such as 'meanwhile use', may become a barrier to the long-term safety and security of the individual and their access to affordable housing.

### SUPPLY OF TEMPORARY SUPPORTIVE ACCOMMODATION

#### i. Types of holiday and boarding accommodations

Vacancy rates and under-utilised use of holiday and boarding accommodations due to both the long-term impact of the pandemic and related client caution in the market and renewed limitations on movement, mean that owners/providers/developers are *more likely* to be open to partnerships with the government in search of a more consistent income from their assets. Options listed would apply across both metro and regional NSW and include, but are not limited to,

- Under-utilised student accommodation and campus residential halls across the education sector
- Hotels, motels, serviced apartments, and bed-and-breakfast businesses
- Airbnb and other like platform providers
- Camping Grounds
- Vacant dwellings in aged care and over 55 residential villages
- Under-utilised aged care independent living units that no longer meet market needs
- Unsold apartments in new developments
- Reconfigured vacant commercial buildings in the CBD to residential accommodation with key worker accommodation support in mind

#### Barriers

Use of some of these options would require changes to by-laws, zoned property use, and other related compliance regulations for adaptation to a State 'meanwhile use' program. This would add layered approval complexities to be addressed and impact opportunity due to time challenges in the immediate. A critical communications and engagement plan would be a success factor to any program designed and its roll out.

#### ii. Location-based accommodation attached to places of worship and religious orders

From a Churches Housing Inc. perspective, the diminishing use and some vacancy rates of location-based accommodations attached to places of worship and religious orders in both metro and regional NSW also provide an opportunity to negotiate temporary accommodation arrangements/partnerships.

#### Barriers

It is unlikely that the knowledge of these properties is held as a single repository and significant work would be required to accumulate such. This element would be a valuable addition to the land project proposition at the above Section 4.

#### iii. Consideration of a Vacancy Tax – The Canadian Case Study.

Supply for affordable housing and temporary support accommodation could be assisted by the implementation of a taxation provisions targeted at increasing supply from vacant properties. Details of two such instances below show strong outcomes and could be used as part of such considerations.



a. The City of Vancouver [Empty Homes Tax By-law 11674 2017](#)

With the objective to return empty or under-used properties to use as long-term rental homes for people who live and work in Vancouver, this tax commenced in 2017 at the rate of 1% and has increased twice more since, with the rate of 3% ratified in November 2020 to apply in the 2021 tax year.

The City reports that the \$61.3 million of net revenues from the tax have been used to support affordable housing projects in the community so far, and that the number of vacant properties has dropped by 25 per cent.<sup>12</sup>

b. Provincial Government of British Columbia – [Speculation and Vacancy Tax Act \[SBC 2018\]](#)

This tax was established in response to the provinces housing and vacancy crisis and was designed to turn empty homes into housing for British Columbians, with a goal to ensure foreign owners and those with primarily foreign income contributed fairly to the tax system.

The tax contributes towards:

- Turning empty homes into good housing for people who live and work in B.C.
- Supporting affordable housing initiatives

This annual tax is based on how owners use residential properties in major urban areas in B.C. and on ownership as of December 31 each year. The tax rate varies depending on the owner's tax residency. In addition, the tax rate varies based on whether the owner is a Canadian citizen or permanent resident of Canada, or a satellite family.

Since 2019 and subsequent years, the tax rate is:

- 2% for foreign owners and satellite families
- 0.5% for Canadian citizens or permanent residents of Canada who are not members of a satellite family

Published outcomes in the second year (2019 tax year) of the speculation and vacancy tax:

- \$88 million of revenue will help fund affordable housing projects where the tax is applied
- 92% of the revenue comes from foreign owners, satellite families, Canadians living outside B.C. and "other" non-B.C. resident owners<sup>13</sup>

## RECOMMENDATIONS 4-8

4. Consult with CHPs to both consider options at [i. Types of holiday and boarding accommodations] and define the types of facilities aligned to the support needs for best fit 'meanwhile use' categories. This will ensure that properties identified for 'meanwhile use' can provide the tenant/s a safe and functional home— there is no one 'size' or 'approach' that fits all needs.
5. Ensure that properties selected for 'meanwhile use' are in proximity to support services, public transportation, and education or job opportunities.
6. Investigate the adaption of vacant CBD commercial properties as affordable housing for key workers and to provide access to temporary support accommodation for frontline workers who require it in times of crisis response in our State.
7. Ensure longer term accommodation options are ready, and a system is in place, for clients leaving 'meanwhile use' and transitioning to a more secure accommodation.
8. Investigate a vacancy tax scheme on vacant residential (and perhaps commercial) buildings in NSW may sit vacant, as revenue to fund the support of all elements of social and affordable housing, including 'meanwhile use'.

<sup>12</sup> Tindale (2020). Vancouver will triple empty homes tax for 2021, Tindale, City News 1130.com

<sup>13</sup> Official website of the Government of British Columbia – Speculation and vacancy tax

## 5b. Options to improve access to existing accommodation to provide community housing.

### i. Terms of Use of LAHC portfolio

The NSW Land and Housing Corporation (LAHC) owns and manages the NSW Government's social housing portfolio and is responsible for ensuring that the social housing portfolio meets the current and future needs of social housing eligible clients. When LAHC issue a lease, they assign what type of housing a property should be used for. That is, transitional, general social housing, crisis etc., with no option to review and reassign the property for different use type to adapt to changing needs and/or demographic shifts at the local community level.

Community Housing Providers (CHPs) should be invited to collaborate with LAHC to design a model that allows for adapted use. Member feedback suggests that the lease could be more effective in terms of housing provisions by being administered with direction on the number of tenancies which can be offered attached to the property with notice being required if the CHP lease adapts the property to a different type of use, in adapting to local needs throughout the duration of the lease. It should be possible during the term of the lease to make further type adaptations related to need, with advice reported to LAHC of any changes during the lease term. In this way, improvements are made to match access to need in the provision of existing accommodation.

### ii. Centrelink income reporting

Anecdotal evidence has raised *access concerns* related to Centrelink income restrictions in respect of income from casual work and related income limits, and the impacts in [reporting that income](#) - particularly if they are receiving Jobseeker (previously NewStart). The reported complexity arises related to the inconsistency of casual hours - particularly during pandemic lockdowns - and available work during and beyond, driving the need to accept any work they can.

Inconsistency in casual hours is to be expected, but the recent 'feast or famine' aspect of the number of available hours, and managing Centrelink work credits and income limits, means that recipients have reported to our members that they have been discontinued from receiving benefits numerous times during COVID, and that it takes time before the benefit is reinstated meaning they can be without income for a period. A reported and concerning outcome of this is the decision individuals make, not to take hours available to them because of the possible disruption/cessation of benefit and the challenge keeping their housing and/or access to new housing.

While income limits must remain in place, the process related to timeliness of reinstatement of Centrelink benefits should be reviewed with impact assessments made. Improving income reporting and appropriate reinstatement timelines would incentivise accepting work and improve the ability to move out of social housing in the longer term as job outcomes would be improved.

### iii. Funding, regulatory and program innovations underpin access & supply

Continued SAHF funding rounds ensures the engagement of faith-based housing who indicatively double the value of governments funding through their own wrap-round social services for their housing developments, and due to reduced funding needs for development of their builds because of their land assets as articulated at Section 3, page 4 of this Submission.

Timelines involved from planning to delivery in the development of both new builds and repurposed use of existing stock to grow supply of social and affordable housing is a long-term effort. Barriers across the

regulatory layers of State and Council governments and the disconnect between both layers, significantly impact any acceleration of overall supply relative to rising need.

A collaborative and innovative suite of *regulatory exceptions* must be identified and remapped to support the acceleration of developments intended for social and affordable housing. We support the establishment and funding of a special project collaborative task force - with representation from the levels and departments of government relevant to social and affordable housing development - alongside sector representation of housing providers and developers, to identify areas for *regulatory exceptions* for the social and affordable housing sector, to accelerate strategic supply and access outcomes. The timelines and complexities of DA approvals would be a great starting point.

While current policy settings often require a range of developers to provide a percentage of affordable homes across a range of housing development projects, we are receiving strong anecdotal evidence that after going to market, developers are adjusting the agreed percentage of affordable housing to improve profit as compliance reviews are not occurring. Processes related to this matter should be reviewed to ensure contracted percentages are delivered and penalties for defaults should apply, including financial penalty to be directed to social and affordable housing funding.

Concerted effort is needed to investigate and design innovative programs for modern use delivery of social and affordable housing, which can ease and provide for best use supply. Future planning must align to changing demographic and societal trends in the configurations of households. Urban and town planning must anticipate and be informed by big data and research on these changing trends like reduced numbers and types of householder occupant/s, and/or multi-generational and shared living options.<sup>14</sup>

We would like to see a specific commitment to increase the social and affordable housing stock in new developments. The scarcity of affordable housing for low-income households has the potential to seriously impact individual, family and community well-being. **Inclusionary zoning** could meet this need, especially where significant infrastructure investment has led to increased land values, thereby pricing a lot of lower-income households out of the market. In the Greater Sydney region, the disparity between new suburbs with no inclusionary zoning policies in place, and other suburbs where there is a concentration of social and affordable housing is concerning, as it further entrenches already existing socio-economic issues.

The Greater Sydney Regional Plan, released by the Greater Sydney Commission in March 2018, prioritised a range of housing choices of different prices and the provision of affordable rental housing for households on low and very low incomes.<sup>15</sup> The Commission's plan recommends an inclusionary zoning Affordable Rental Housing Target of 5-10% for all new floor space. This target applies to both future private and government urban renewal or land release areas. Several experts across the housing sector have called for higher targets of 15% for private land and 30% for public land, in order to have a long-term and significant impact on the housing crisis across Greater Sydney<sup>16</sup>. We support this higher rate of inclusionary zoning.

Innovative existing programs like [HomeShare](#) - a program which matches older people living alone in a comfortable home with a younger person who can provide companionship in return for affordable accommodation - should be encouraged and supported to expand<sup>17</sup>. This model could also be adapted for new programs to meeting the needs of our changing/ different types of constituent individuals and groups.

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<sup>14</sup> *Changing Demographics and Housing Typologies: Addressing Social and Affordable Housing in Australia*

<sup>15</sup> *Greater Sydney Commission (2018). Greater Sydney regional plan*

<sup>16</sup> *Troy, van den Nouweland, & Randolph (2018). State environmental planning policy (affordable rental housing) 2009 and affordable housing in Central and Southern Sydney*

<sup>17</sup> *De Barro & Kaatz (2018). A City for All: Five game-changers for affordable housing in Sydney*

Such programs offer creative utilisation of existing housing stock while increasing housing options for marginal households and may also provide data to influence the design of new types of housing. They should be encouraged and supported through smart community campaigns and funding for adaption, replication and expansion, in partnership with government and in consultation with housing providers.

#### **RECOMMENDATIONS 9 - 14**

9. That LAHC collaborate with CHPs, to reform the LAHC Terms of Use of portfolios leased to CHPs to allow for the reassignment of a property use type for adaptations to best fit the changing needs and/or demographic shifts at the local community level.
10. Review Centrelink processes related to income reporting particularly in respect of JobSeeker casual hours, to ensure appropriate and timely processes to minimise impact on recipients
11. Establish and fund a special project collaborative task force with representation from the levels and departments of government relevant to social and affordable housing development, alongside sector representation of housing providers and developers, to identify regulatory exceptions for developments serving the social and affordable housing sector to accelerate strategic supply outcomes and expedite access.
12. Review how assessment of compliance to contracted percentages of affordable housing in new or refurbished approved development proposals occurs when taken to market to ensure a suitable compliance process and ensure default of compliance has penalties to apply.
13. Ensure inclusionary zoning applies to both future private and government urban renewal or land release areas with an Affordable Rental Housing Target of 15% for private land and 30% for public land, to have a long-term and significant impact on the housing crisis across Greater Sydney
14. Investigate innovative new and existing program models for the creative utilisation of existing housing stock while increasing supply of housing options for marginal households, and to influence the design of new types of housing.

#### **5c. Options for crisis, key-workers and other short term accommodation models.**

We believe the following options listed at **i. Types of holiday and boarding accommodations** would equally apply across both metro and regional NSW to and include, but are not limited to,

- Under-utilised student accommodation and campus residential halls across the education sector in NSW both metro and regional
- Hotels, motels, serviced apartments, and bed-and-breakfast businesses, across metro and regional areas of NSW
- Airbnb and other like platform providers
- Camping Grounds
- Vacant dwellings in aged care and over 55 residential villages
- Under-utilised aged care independent living units that no longer meet market needs
- Unsold apartments in new developments
- Reconfigured vacant commercial buildings in the CBD to residential accommodation with key worker accommodation support in mind

#### **As does Recommendation 8 in the same section**

“Investigate the adaption of vacant CBD commercial properties as affordable housing for key workers and to provide access to temporary support accommodation for frontline workers who require it in times of crisis response in our State”.

## 5d. Barriers to additional supply across NSW, including for smaller non-CHP housing providers.

Our emphasis remains on the importance of funding for social and affordable housing as the private market is not always the solution.

For CHPs, especially smaller CHPs, the upfront costs such as design, land tax costs, and development applications on top of the actual building costs, become barriers to building more social, crisis, transition and affordable housing. With the conclusion of 2 SAHF rounds to date and no view of a further funding round, CHPs have limited to nil funding options for do what they do best – providing social and affordable housing to the vulnerable.

Currently, many CHPs utilise LAHC-owned properties for their tenants. Alternative low-cost options to affordable housing have been proposed that could be further explored by the government such as granny flats and tiny homes and would be a more manageable type of asset for small CHPs to offer.

De Chastel from the Australian Local Government Association (ALGA)<sup>18</sup> explores tiny homes as an option to address the affordable housing problem in Australia. However, due to inconsistencies in policies around tiny homes across States, and because of a lack of a national dialogue to address the issue of affordable housing, this option has not been explored. The use of Granny Flats and Tiny Homes in designated areas would also be useful for ‘meanwhile use’ and as crisis housing in NSW.

### RECOMMENDATIONS 15 - 17

15. Increase incentives and opportunities for smaller CHPs to tender, including incentivising developers to partner with smaller CHPs, as developers tend to gravitate towards the bigger CHPs.
16. Explore cross-subsidising funding models such as market-based subsidies and affordable housing subsidies to improve the financial viability of CHPs to deliver on housing needs.<sup>19</sup>
17. Review and remove local council barriers to the use of tiny homes and granny flats as affordable housing options.

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

Community Housing Providers are currently reporting to three regulatory bodies, namely,

- the Registrar
- the Land and Housing Corporation (LAHC) and,
- the Department of Communities and Justice (DCJ).

Reporting required for the three different bodies are redundant and the repetition of reports have become a time-consuming process for the CHPs. Many CHPs develop from volunteer organisations with little to no experience in compliance and governance processes and procedures, and with little to no support in navigating these compliance processes.

In addition to this, the feedback from the compliance reports is only returned to the housing provider after 3-6 months, leaving the CHPs with limited time to rectify and implement improvements for the remainder of the

<sup>18</sup> De Chastel, Liz (2018). *Australian local government association – perspective on tiny houses*

<sup>19</sup> AHURI (2018). *Paying for affordable housing in different market contexts*

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financial year. With this in mind, we would like to make the following recommendations to improve the support for the accountability of registered community housing providers.

**RECOMMENDATIONS 18 - 20**

- 18. Reduce red tape and remove the duplication of reporting across the three bodies for CHPs.
- 19. Develop a shorter timeframe for timely feedback from the Registrar to allow CHPs appropriate time to make improvements based on the feedback.
- 20. Rather than imposing penalties for non-compliance, build capacity for smaller and/or challenged CHPs by providing free access to consultancy services to improve outcomes, financially and socially to ensure a stronger community of CHPs.

Thank you

As a society we have failed to fully appreciate how deeply housing is implicated in the creation of poverty. We thank the Committee for holding this inquiry to inform improvements for the social and affordable housing needs of vulnerable Australians and the people we give refuge to.

Churches Housing Inc. appreciates the opportunity to make a submission and we hope the contents and insights bring value to the deliberations and help strengthen strategy and planning for housing policy and programs in our State.

Please note that we have added the following Appendices to assist you,

- Appendix 1 A consolidated list of Recommendations
- Appendix 2 A list of References with live links

We would be pleased to engage on the issues and recommendations provided in our submission. If you have any questions regarding our content, please feel free to contact me:

[Redacted contact information]

Churches Housing would also be most willing to attend inquiry hearings if it would assist your deliberations.

Best Regards

[Redacted signature]

Churches Housing Incorporated



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## APPENDIX 1

# SUMMARY: CHURCHES HOUSING INCORPORATED RECOMMENDATIONS LIST

### **RECOMMENDATION 1**

Consider the Eviction Lab as a possible model for capturing big data related to homelessness to inform sustainable preventative policy and programs

### **RECOMMENDATION 2**

Funding Release of SAHF Round 3 to accelerate further supply of social and affordable Housing

### **RECOMMENDATION 3**

That the Government partner with Churches Housing Inc. to scope, develop and resource the 'Parish Land Program' [placeholder title] as part of a longer-term land acquisition initiative to increase the supply of social and affordable housing

### **RECOMMENDATION 4**

Consult with CHPs to both consider options at [i. Types of holiday and boarding accommodations] and define the types of facilities aligned to the support needs for best fit 'meanwhile use' categories. This will ensure that properties identified for 'meanwhile use' can provide the tenant/s a safe and functional home— there is no one 'size' or 'approach' that fits all needs

### **RECOMMENDATION 5**

Ensure that properties selected for 'meanwhile' use are in proximity to support services, public transportation, and education or job opportunities

### **RECOMMENDATION 6**

Investigate the adaption of vacant CBD commercial properties as affordable housing for key workers and to provide access to temporary support accommodation for frontline workers who require it in times of crisis response in our State

### **RECOMMENDATION 7**

Ensure longer term accommodation options are ready, and a system is in place, for leaving 'meanwhile use' and transitioning to a more secure accommodation

### **RECOMMENDATION 8**

Investigate a vacancy tax scheme on vacant residential buildings in Sydney as revenue to fund the support of all elements of social and affordable housing, including 'meanwhile use'.

### **RECOMMENDATION 9**

That LAHC collaborate with CHPs, to reform the LAHC Terms of Use of portfolios leased to CHPs to allow for the reassignment of a property use type for adaptations to best fit the changing needs and/or demographic shifts at the local community level.

### **RECOMMENDATION 10**

Review Centrelink processes related to income reporting particularly in respect of JobSeeker casual hours, to ensure appropriate and timely processes to minimise impact on recipients

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### **RECOMMENDATION 11**

Establish and fund a special project collaborative task force with representation from the levels and departments of government relevant to social and affordable housing development, alongside sector representation of housing providers and developers, to identify regulatory exceptions for developments serving the social and affordable housing sector to accelerate strategic supply outcomes and expedite access

### **RECOMMENDATION 12**

Review how assessment of compliance to contracted percentages of affordable housing in new or refurbished approved development proposals occurs when taken to market to ensure a suitable compliance process and ensure default of compliance has penalties to apply

### **RECOMMENDATION 13**

Ensure inclusionary zoning applies to both future private and government urban renewal or land release areas with an Affordable Rental Housing Target of 15% for private land and 30% for public land, in order to have a long-term and significant impact on the housing crisis across Greater

### **RECOMMENDATION 14**

Investigate innovative new and existing program models for the creative utilisation of existing housing stock while increasing supply of housing options for marginal households, and to influence the design of new types of housing.

### **RECOMMENDATION 15**

Increase incentives and opportunities for smaller CHPs to tender, including incentivising developers to partner with smaller CHPs as developers tend to gravitate towards the bigger CHPs.

### **RECOMMENDATION 16**

Explore cross-subsidising funding models such as market-based subsidies and affordable housing subsidies for CHPs to improve the financial viability of CHPs to deliver on housing needs.

### **RECOMMENDATION 17**

Review and remove local council barriers to the use of tiny homes and granny flats as affordable housing options.

### **RECOMMENDATION 18**

Reduce red tape and remove the duplication of reporting across the three bodies for CHPs.

### **RECOMMENDATION 19**

Develop a shorter timeframe for timely feedback from the Registrar to allow CHPs appropriate time to make improvements based on the feedback.

### **RECOMMENDATION 20**

Rather than imposing penalties for non-compliance, build capacity for smaller and/or challenged CHPs by providing free access to consultancy services to improve outcomes, financially and socially to ensure a stronger community of CHPs

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