

**Submission  
No 51**

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

**Organisation:** Southern Sydney Regional Organisation of Councils

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Ms Wendy Lindsay MP  
Chair, Legislative Assembly Committee on Community Services  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Online submission: <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/lodge-a-submission>

Dear Ms Lindsay

**Re: Submission to the NSW Parliamentary Inquiry of the Community Services Committee: *Options to improve access to existing and alternate accommodation to address the social housing shortage***

The Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of eleven local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. Together, our member councils cover a population of about 1.7 million, one third of the population of Sydney. SSROC seeks to advocate for the needs of our member councils and bring a regional perspective to the housing issues raised.

SSROC population and housing data<sup>1</sup> in the period from 2011 to 2016, reveals a very diverse socio-economic area marked by rapidly rising numbers of dwellings and growth in the number of households residing in the area. The estimated resident population increased by over 150,000 during this five-year census period.

As our area has undergone rapid densification, it has been increasingly characterised by mounting numbers of households renting privately, many of whom experience high rental stress. Analysis of weekly rental payments of households in the SSROC region show a larger proportion of households paying high rental payments (\$450 per week or more), and a smaller proportion of households with low rental payments (less than \$250 per week) when compared to Greater Sydney. A lack of affordable housing is impacting communities right across SSROC.

Like many other parts of Sydney, the largest change in housing tenure categories for households between 2011 and 2016 was an increase in private renting of +31,486 households. Households fully owned or purchasing declined as a proportion of total households. In the SSROC region, 52% of households were purchasing or fully owned their home, 32.8% were renting privately, and 4.9% were living in social housing in 2016.

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<sup>1</sup> Source: Australian Bureau of Statistics, Census of population and Housing 2011 and 2016, compiled by <https://prof.e.d.com.au/ssroc/>

Because of its size and diversity, issues experienced within SSROC often reflect statewide trends. The experience of strong growth across both highly urban as well as more suburban parts of Sydney has provided a number of valuable insights and has helped to shape our feedback to the Inquiry.

### Our Understanding of the Inquiry

The Community Services Committee is considering ways to improve access to existing and alternative accommodation to address the social housing shortage in NSW. The terms of reference include:

- 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) option 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.

Importantly, the Inquiry asks "can empty properties be part of a solution that offers housing to those in need? Such as repurposing vacant buildings for community housing and short-term accommodation including key worker housing and crisis accommodation?"

### General Comments

A lack of affordable housing is affecting communities right across NSW. Sydney is one of the most unaffordable cities globally to rent or buy (and according to NSW Government modelling is set to remain so for many households well into the foreseeable future)<sup>2</sup>.

Rapidly rising property prices put significant pressure on low- and middle-income earners in our community, which in turn puts additional strain on social housing and those who help vulnerable individuals and families.

Social and economic pressure combined with significant life events like mental or physical illness, divorce, and domestic violence can quickly leave people without a home.

Poor physical health because of homelessness – from hunger, nutritional deficiencies or from harsh living conditions and the cold or heat, can lead to poor health and cardio-respiratory diseases. Recent studies have also found that people experiencing homelessness have higher rates of death, disability (around 5% of those experiencing homelessness were identified as having disability on Census night in 2016) and chronic illness than the general population.

One of the key reasons for this inquiry is the lack of affordable accommodation options available in the private rental market. For those who cannot afford it there are few options in the market. This

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<sup>2</sup> NSW Treasury Intergenerational Report 2021, Housing, home ownership and household savings, pp 56–69. Available: [https://www.treasury.nsw.gov.au/nsw\\_economy/2021\\_22\\_nsw\\_intergenerational\\_report](https://www.treasury.nsw.gov.au/nsw_economy/2021_22_nsw_intergenerational_report).

is despite the private rental sector growing by 17% in 2011-2016, more than twice the rate of household growth (7%)<sup>3</sup>.

Furthermore, subsidised social housing is in short supply and that which is available is not meeting the level of expressed demand. The NSW social housing waiting list is over 50,000 households and many households are waiting longer than 10 years to be housed. This plight is long standing and well documented by the NSW Auditor General.

There are three main challenges for alternatives that can deliver successful housing outcomes when considering the appropriateness of “meanwhile use” and shorter-term housing options.

1. the nature of the accommodation’s users and their needs
2. the nature and suitability of the physical accommodation
3. providing appropriate housing services that link to diverse types of support for the users.

For a successful housing outcome the consumer, the supportive housing services and the property sides of the equation need to integrate to provide a tailored and functional solution. Achieving these outcomes will be challenging for short term accommodation options to be provided at an efficient cost.

### ***Housing Consumers***

As previously noted, the people and households that require temporary supportive accommodation are typically vulnerable, low income and often with complex health and social needs. As a rule, they need safe, secure and stable affordable housing. Many struggling in the private rental market and are often left with housing options that do not meet the critical criteria of being safe, affordable and secure. Overcrowding and unaffordability are particularly common for households on lower incomes, which includes many key and essential workers.

Market-based options cater poorly for those in desperate need, or with complex long term support needs in addition to needing housing that is affordable. A significant proportion will be society’s most vulnerable. Many will have mental health problems and behaviours. Many of those working will have insecure work, especially during the COVID pandemic, making the maintenance and retention of a tenancy an ongoing struggle. The nature of this target group has major implications for adapting properties and effectively engaging appropriate support services.

### ***The Physical Accommodation***

The physical accommodation needs to be safe and appropriate for the needs of the tenants.

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<sup>3</sup> Hulse, K., Reynolds, M., Nygaard, C., Parkinson, S. and Yates, J. (2019) *The supply of affordable private rental housing in Australian cities: short-term and longer-term changes*, AHURI Final Report 323, Australian Housing and Urban Research Institute Limited, Melbourne.

Some commercial or office buildings would require significant retrofitting before they would be fit for housing use, for example turning offices to residential accommodation that operates as “meanwhile use” housing. Compliance with the Building Code of Australia for such dwellings is likely to be prohibitively expensive and time consuming.

Other buildings intended for accommodation purposes may require less retrofitting and adaptation, and might enable the government to turn such buildings from COVID-driven underuse into an opportunity for short-term housing in the interim while enabling the supply of new affordable housing.

Due to the halt to overseas migration brought about by the COVID pandemic, the related reduced intake of overseas students and planned facility renewal, underutilised student housing forms one potential source of temporary meanwhile housing. For example, Canterbury Bankstown Council advises that the former Western Sydney University (WSU) Milperra Campus site includes vacant student accommodation. WSU is relocating its campus to Bankstown, which means the existing student accommodation on the Milperra site could support “meanwhile use”. Similar examples of under-utilised accommodation exist with specialist commercial student accommodation providers such as Iglu and Urbanest. It seems likely that these business entities would need a government subsidy to make this accommodation available, to defray their operating costs, the costs of capital and to cover repairs and reinstatement costs at the end of any meanwhile letting period.

However, when overseas tertiary students return en masse, it would be important to not leave vulnerable households, having been housed by “meanwhile use” housing, stranded and exposed to a rising private rental market. At this point, it would be important to complement the adoption of short-term housing with the provision of long-term affordable housing supply commensurate with the numbers temporarily housed. A new supply program for new affordable housing at scale should be established now to mitigate these predictable service continuity challenges.

To this end, steps need to be taken now to accelerate the adoption and establishment of local council affordable housing contribution schemes to increase the supply of affordable housing<sup>4</sup>. The *NSW Housing Strategy* proposes temporary supportive accommodation, which is the use of a vacant or underused building to provide temporary residential accommodation.

In relation to options to better support “meanwhile use”, the proposals to provide temporary supportive accommodation and other temporary measures must be coordinated through a clear Government policy or strategy to be effective. To address operational issues, the strategy should:

- Develop clear target groups and eligibility criteria
- Ensure existing buildings can be made suitable for their intended use
- Define ‘temporary supportive accommodation’ or “meanwhile use” under a State Environmental Planning Policy or the Standard Instrument Local Environmental Plan, and confirm whether or not this land use requires development consent.
- Coordinate vacancies of temporary accommodation stock

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<sup>4</sup>2021-22 Housing Act on Plan, Attachment 5.2.1 Available at: <https://www.plan.nsw.gov.au/medialibrary/DPE/Reports/PolicyandLegislation/NSWHousing2021-22ActonPlanmay2021.pdf>.

- Avoid tipping people back into homelessness or precarious housing situations when the building has to be returned for its long-term use.

**Recommendations:**

1. Define “temporary supportive accommodation” or “meanwhile use” for the purposes of planning rules.
2. Coordinate the delivery of temporary supportive accommodation and other temporary measures through a Government endorsed policy that describes the eligible clients, the housing and support services, and tenure arrangements required as well as the transitional arrangements at the end of use as temporary housing that will be needed to make the “meanwhile use” accommodation effective.
3. Coordinate the delivery of affordable and social housing new supply by LAHC and community housing providers (CHPs) with the projected end use dates of large-scale “meanwhile use” housing, wherever possible.

**Appropriate housing services that link to diverse types of support services**

Additional support-services capacity will be required to deliver “meanwhile use” housing to many vulnerable households for their tenancies to be sustained. It is well established good practice that housing and support services should be separated to maximise the tenant’s independence.

NSW homelessness services, other support services and community housing providers already report that their existing capacity is stretched by the COVID pandemic. They would each need an assured adequate government subsidy to let this accommodation and provide the appropriate services to new eligible vulnerable clients.

Building on the existing service system will be critical to achieving a quick response and ensuring that vulnerable people are assisted safely and appropriately, and the services delivered are monitored and audited. Furthermore, decisions about clients must be accountable through transparent complaints and appeals processes. The registration of community housing providers and compliance with current quality service standards for specialist homelessness services<sup>5</sup> will be essential to provide accountability and clear outcomes and reporting to justify the application of public funds.

The benefits of the National Community Housing Registration Scheme are outlined further in the second reading speech in the NSW Parliament when the scheme was legislated.

**Recommendations:**

4. Homelessness services, other support services and community housing providers engaged to deliver temporary supportive accommodation are linked to the existing service system administered by the Department of Community and Justice and NSW Registrar of Community Housing

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<sup>5</sup> Australian Service Excellence Standards accreditation for homelessness providers. From 30 June 2024, all DCJ funded homelessness providers will be accredited against the Australian Service Excellence Standards (ASES) at least to the Certificate level.

***Options to better support "meanwhile use" (temporary supportive accommodation), and the current major planning barriers to "meanwhile use"***

The *NSW Housing Strategy* identifies social housing as State-owned infrastructure and acknowledges that it is the role of the Land and Housing Corporation (LAHC) to deliver social housing.

In 2020, the LAHC's portfolio included about 126,000 social housing dwellings, 1,500 crisis and transitional housing properties, and a range of community and commercial properties<sup>6</sup>. SSROC accommodates a significant proportion of the LAHC's portfolio within Greater Sydney. However, despite the existing supply, there is a social housing shortage. According to the NSW Department of Communities and Justice's guide to expected waiting times for social housing at 30 June 2020, the waiting time for a one bedroom dwelling is 5–10 years and the waiting time for all other dwellings is 10+ years.

More could be achieved for social and affordable housing supply using the existing portfolio, given the price of land in Sydney and in SSROC region in particular.

One example, nominated by Canterbury Bankstown Council, is the Community Plus program at Riverwood. The NSW Housing Strategy and Future Directions for Social Housing in NSW propose to increase the social housing supply through the Communities Plus program. In summary, the program leverages land values to renew and grow social housing in mixed tenure neighbourhoods. It targets a 70:30 ratio of private to social housing as part of the redevelopment of LAHC renewal sites, and is done at no cost to government.

But the program results in sites being often overdeveloped to provide sufficient returns, with a very high proportion of private housing and very limited growth in social housing, which should be the main objective of the program. For example, in the Riverwood State Significant Precinct, the envisaged development of 3,900 dwellings will not result in an increase to the existing 994 social housing stock.

***Recommendations:***

5. Require the LAHC to prioritise the delivery of social and affordable housing close to public transport and centres rather than maximising short term financial returns.
6. Review the Community Plus program to increase the ratio of social and affordable housing being provided.
7. Ensure the social and affordable housing stock is retained in perpetuity.

***Retaining affordable housing creating through the planning system in perpetuity to provide permanent housing solutions for key and essential workers***

The *NSW Housing Strategy* seeks to deliver more affordable housing to create transitional housing choices for those waiting for permanent housing solutions, and for those trying to leave social housing and move into private rental or affordable housing that better suits their needs.

Whilst the Affordable Rental Housing State Environmental Planning Policy (SEPP) encourages infill development to provide affordable housing by offering bonus floor space, the availability of the

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<sup>6</sup> Source: LAHC, *Portfolio Strategy*

affordable housing supply is limited to just 10 years. This does not provide permanent housing solutions for people on very low to moderate incomes, including key workers.

To address this issue, the NSW Government should review the Affordable Rental Housing SEPP to ensure that the affordable housing stock is:

- Retained in perpetuity if infill development is to achieve the bonus floor space.
- Managed by registered community housing providers and certified as affordable housing.
- Supported by a search engine to assist people looking for dwellings certified as affordable housing, since the public interest would be served if affordable housing created through the planning system were easily accessible to the wider community.

These comments also apply to the draft Housing SEPP, which proposes to limit the use of the affordable housing component of infill development for affordable housing to 15 years.

**Recommendations:**

8. Review the Affordable Rental Housing SEPP and Draft Housing SEPP to ensure the affordable housing stock is retained in perpetuity.
9. Establish a search engine for dwellings certified as affordable rental housing.

**Conclusion**

SSROC welcomes the opportunity to make a submission on the Community Services Committee Inquiry: *Options to improve access to existing and alternate accommodation to address the social housing shortage*. The Inquiry presents an important opportunity to carefully assess the opportunities and recognise the critical importance of maintaining and growing social housing supply.

Councils play a unique, central role that is pivotal to shaping local housing solutions, fostering new development opportunities and integrating this with placemaking and committed local governance. This role is particularly critical as we seek to find a recovery path from the COVID pandemic.

In order to make this submission within the timeframe for receiving comments, it has not been possible for it to be reviewed by councils or to be endorsed at a formal meeting of SSROC. I will contact you further if any issues arise as it is reviewed. If you have any queries, please do not hesitate to contact me or Mark Nutting, SSROC's Strategic Planning Manager on 8396 3800 or [ssroc@ssroc.nsw.gov.au](mailto:ssroc@ssroc.nsw.gov.au).

Thank you for the opportunity to make a submission and the SSROC Secretariat is keen to participate in any further actions arising from the Inquiry that will particularly impact on local councils and their communities.

Yours faithfully



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**Southern Sydney Regional Organisation of Councils**