

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

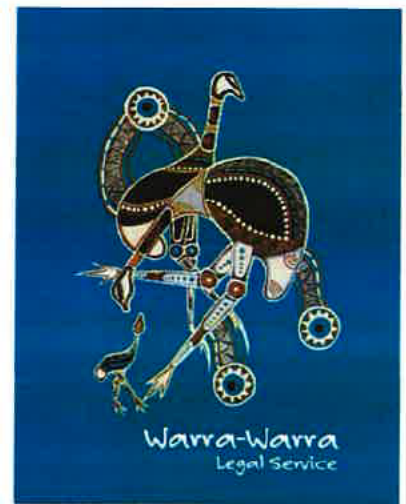
Organisation: Warra Warra Legal Service

Date Received: 13 August 2021

13 August 2021

SUBMISSION: SOCIAL HOUSING

WARRA WARRA LEGAL SERVICE



To the Legislative Assembly Committee on Community Services:

P: 08 8087 6766

F: 08 8087 6765

Freecall: 1800 812 800

E: reception@warrawarra.org.au

W: www.warrawarra.org.au

184-186 Argent Street
Broken Hill NSW 2880

Warra Warra Legal Service ('Warra Warra') welcomes the opportunity to provide suggestions to improve access to existing and alternate accommodation to address the social housing shortage. Warra Warra is a free legal service that provides legal advice, representation, and wrap-around support to Aboriginal and Torres Strait Islander victim-survivors of domestic and family violence (DFV) and sexual abuse across Far West NSW. The particular vulnerabilities of our client base means that we encounter a number of clients who are currently experiencing, or are at real risk of, homelessness.

We note the media release from the Committee on Community Services with respect to 'meanwhile use', particularly the suggestion that:

*"Repurposing empty accommodation or other appropriate buildings could lead to a large increase in the amount of social and community housing that is available."*¹

We support this suggestion and submit that current barriers to 'meanwhile use' in the Far West region include, though are not limited to: i) limited social housing providers; ii) high rental yield; and, iii) lack of community consultation.

i) *Limited social housing providers*

We submit that the paucity of social housing providers (and, by extension, social housing) in regional areas has dire consequences for vulnerable clients.

In our experience, the risk of homelessness for our client base is often attributable to (et alia) the need to flee DFV, and/or alcohol and other drug (AOD) misuse that leads to breaches of a tenancy agreement. The consequences of these situations are dire, particularly in regional areas with minimal crisis accommodation and limited social housing providers.

As a depersonalised case study, we recently provided case management support to a client, Lisa*, who was contesting an eviction notice before the NSW Civil and Administrative Tribunal. Lisa has a history of chronic AOD dependence and was issued with a notice of

¹ Legislative Assembly Committee on Community Services, 'Announcing inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage' (Media Release, 28 June 2021).

* Not the client's real name.

termination after alleged breaches of her tenancy agreement while under the influence. This was not the first occasion that Lisa had been issued a notice of termination and, although successful on the first contestation, the Tribunal upheld the latest eviction. Currently in Broken Hill, there are two social housing providers. After her eviction, Lisa is in effect (if not formally) blacklisted from one of these social housing providers. Lisa is now faced with limited options. She can go on the waiting list for the alternative social housing provider, but she has been informed that they only have seven properties in Broken Hill and all of them currently house long-term tenants. In any case, the wait-time will inevitably be lengthy, with recent data from the Department of Communities and Justice indicating that the average wait-time for a three-bedroom house in Broken Hill is currently 2-5 years.² Alternatively, Lisa can attempt to apply for a private rental, but her chances of success are reduced by the fact that she is not working and was evicted from her last home. Like many in her social circles, Lisa will likely end up couch surfing for an indefinite period.

We submit that, in lieu of broadening the current pool of social housing providers, there is clear utility in appropriating vacant properties to support the growing number of community members in situations like Lisa. Broken Hill has a number of properties that are currently sitting empty or dilapidated, some that have been on sale for extended periods of time. With appropriate funding, these could be purchased back by government or council, as stand-alone properties or for allocation to social housing providers, to be thereafter repurposed as temporary supportive accommodation. Actioning this proposal would require coordination with local real estate agents to identify what properties and/or vacant housing/land would be suitable for repurposing. There would in turn be a need to follow up with quotes with respect to ensuing costs. How this would be managed could be determined through interagency collaboration between service providers to meet current service gaps.

We further submit that, for those facing homelessness, such as Lisa, there ought to be a start-up funding pool available to enable them to access the private rental market. We suggest that this could involve funding to be managed by a service provider to cover (at no cost or minimal cost to the tenant to be repaid by instalment) the bond and 1-2 months' rent / contents insurance. We understand that a similar support model has recently been developed by DCJ in the form of 'Rentstart', which provides financial assistance for eligible clients to help them set up or maintain a tenancy in the private rental market.³ However, we note that this only covers up to 100% of the rental bond (with no provision of funds for initial rental repayments) and eligibility is predicated upon clients seeking to rent a property that is not more than 50 per cent of their household's total gross weekly income. This may well preclude some of our most vulnerable clients in the Far West region, particularly given that Broken Hill boasts one of the country's highest rental yields (as discussed further below). We submit that Rentstart ought to be appropriately expanded to capture these more vulnerable clients or, in the alternative, a concurrent scheme be established to meet current demand.

We submit that, further to funding, the relevant service provider should also facilitate a referral for the client to a financial counsellor to help them manage their tenancy financially. This is particularly important for vulnerable clients, many of whom have limited financial literacy and may well have lived in social housing to date.

² 'What a Waste' (20 July 2021) *Wilcannia News* 5.

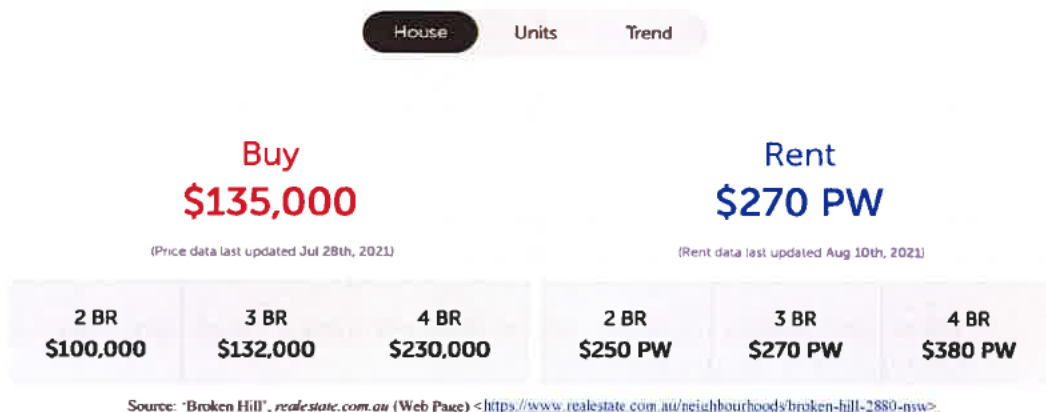
³ 'Rentstart Bond Loan', *Department of Communities & Justice* (Web Page, 27 June 2018) <<https://www.facs.nsw.gov.au/housing/factsheets/rentstart-bond-loan>>.

ii) High rental yield

We submit that another significant barrier, concomitant with limited social housing, is the high rental yield in the Broken Hill area. This is well-known both locally and in the broader context of the Australian housing market. In 2017, Broken Hill was recorded as having the highest rental yield in NSW, sitting at 10%.⁴ In 2019, Broken Hill was recorded as having the second highest rental yield in Australia, having increased to 11.7%.⁵ According to the latest data available via www.realestate.com.au⁶, rent is sitting at an average of \$270/week.

Median property price

For more information on what exactly a median price means, have a read of this article on our [Blog](#)



While a great incentive to buy rather than rent given the relatively low mortgage repayments, this operatively keeps those in vulnerable socio-economic positions out of the market. Continuing with Lisa by way of example, if Lisa earns the maximum amount available under her pension payment, she will have \$476.35 to spend a week. With \$270 spent on rent, Lisa must now subsist on \$206 a week. With her chronic health issues and AOD addiction, Lisa is effectively precluded from the rental market. At this stage, Warra Warra does not have an innovative approach to the rental yield issue.

It is also worth noting that Broken Hill has a two-layer rental market: the standard landlord and the slum landlord. This is general knowledge within the community and anecdotal evidence suggests that there are a number of slumlords attracting tenants by means of social media or private arrangements. We understand that some houses rented to our clients fall within the latter category ('slum landlord') and they are in social housing. It is suggested that the estate agents would have a good idea which properties fit into which categories, as may the Broken Hill City Council from its rates' records.

iii) Lack of community consultation

⁴ 'Broken Hill the highest NSW house rental yield: Investar', *Urban.com.au* (Web Page, 3 August 2017) <<https://www.urban.com.au/expert-insights/buying/73409-broken-hill-the-highest-nsw-house-rental-yield-investar>>.

⁵ Cameron Kusher, 'Highest rental yields are in Blackwater, according to CoreLogic report', *The Real Estate Conversation* (Web Page, 11 September 2019) <<https://www.therealestateconversation.com.au/news/2019/09/11/highest-rental-yields-are-blackwater-according-corelogic-report/1568154340>>.

⁶ 'Broken Hill', *realestate.com.au* (Web Page) <<https://www.realestate.com.au/neighbourhoods/broken-hill-2880-nsw>>.

We submit that there needs to be greater community consultation in decision-making with respect to repurposing vacant properties.

By way of example, on 6 July 2021, a 'letter to the editor' was published in Wilcannia's local newsletter that shed light on the "very limited housing supply"⁷ in the community, home to around 550 people. In the letter (see Annexure A), community member, Bill Elliot, criticised the Property and Development NSW's decision to condemn a local property after finding asbestos, and consequently ordering the tenant (who had resided there and sought repairs for some 16 years) to vacate the premises within six days. After observing that "[p]robably 50% of the houses in Wilcannia contain asbestos"⁸, Mr. Elliot went on to note that the matter had even caught the attention of the region's local member:

*"Our Local Member Roy Butler also went in to bat for the simple reason there are no houses to rent in the town and virtually none to buy...The same thing is happening in Cobar, Wanaaring, Broken Hill and other towns."*⁹

Two weeks later, the same newsletter published an article entitled, 'What a Waste', reporting that the house had been demolished and was "now just landfill"¹⁰ (see Annexure B):

*"There are houses in town, older than this one, which have been maintained and remain habitable."*¹¹

*"It seems such a waste of a good habitable house, especially with a shortage of housing in Wilcannia, and state wide NSW, and the fact that at least two people made offers to buy it, the decision to demolish it was summarily carried out with no regard to the Wilcannia community."*¹²

Clearly community consultation did not occur with respect to the decision to demolish the recently vacated building. The sentiment captured within each article indicates that community members are seeking to be heard as part of the decision-making process, not least due to the impact on community when limited housing is further restricted, in some cases gratuitously.

Conclusion

We thank you for considering our submission. Should you have any questions or concerns about the information above, please give us a call on (08) 8087 6766.

Yours faithfully,

WARRA-WARRA LEGAL SERVICE

[Redacted Signature]

Stacy Treloar
CEO

⁷ 'Letters to the Editor: Sheer Stupidity' (6 July 2021) *Wilcannia News* 11.

⁸ 'Letters to the Editor: Sheer Stupidity' (6 July 2021) *Wilcannia News* 11.

⁹ 'Letters to the Editor: Sheer Stupidity' (6 July 2021) *Wilcannia News* 11.

¹⁰ 'What a Waste' (20 July 2021) *Wilcannia News* 1.

¹¹ 'What a Waste' (20 July 2021) *Wilcannia News* 1.

¹² 'What a Waste' (20 July 2021) *Wilcannia News* 5.

Annexure A:

'Letters to the Editor: Sheer Stupidity' (6 July 2021) *Wilcannia News* 11.

6th July 2021

Wilcannia News

LETTERS TO THE EDITOR



Sheer Stupidity

The above house in Field St. was built by Ces and Joan Johnston back when they lived out of town. It afterwards become the residence for the local Pastures Protection Board Secretary, which transformed to the Rural Lands Protection Board. The house then was taken over by Property and Development NSW and housed our Local Land Services representative Tim Wall for the past 16 or so years.

Tim has requested repairs to the house for many years and when Property and Development inspected the house in May this year, they found some asbestos, condemned it and ordered Tim out in 6 days! Probably 50% of houses in Wilcannia contain asbestos. I think he has been living in it and requesting repairs for about 16 years.

More than one local person has made representations to P&D NSW to buy the house and sign an indemnity. Our Local Member Roy Butler also went in to bat for the simple reason there are no houses to rent in the town and virtually none to buy. It all fell on deaf ears and the said house will be demolished this month, at taxpayers expense. The same thing is happening in Cobar, Wanaaring, Broken Hill and other towns.

When will decision makers in Sydney realise what they are doing to small towns with very limited housing supply.

Bill Elliott, Community member.

Annexure B:

‘What a Waste’ (20 July 2021) *Wilcannia News* 5.



What a Waste

Once a good habitable house, now just landfill

As reported in a letter to the editor 2 weeks ago, the photo (left) shows the remains of the 1950's house demolished in Wilcannia last week. The timber, from the three-bedroom house, has been smashed into unusable lengths and shows no sign of white ant or other deterioration. It seems such a waste of building materials, especially when there is a nation wide shortage of timber.

There are houses in town, older than this one, which have been maintained and remain habitable. It seems

(Continued on page 5)

20th July 2021

Wilcannia News

Page 5

What a Waste (Continued from page 1)

such a waste of a good habitable house, especially with a shortage of housing in Wilcannia, and state wide NSW, and the fact that at least two people made offers to buy it, the decision to demolish it was summarily carried out with no regard to the Wilcannia community. It would have cost Properties NSW, a State Government Department, money to get it demolished and there are plenty of good vacant blocks in town if they wanted to replace it with something new.

On the 2nd of July the Construction Forestry Mining and Energy Union (CFMEU) called on the Federal Government to convene an industry wide

conference on the Australia wide timber shortage which is not expected to change until at least the end of the year.

There is also an Australia wide housing shortage. The NSW government's Communities and Justice Department's guide to waiting times for social housing does not give any figures for Wilcannia due to the lack of "Housing Commission" properties, however in Broken Hill the wait time for a three bedroom house is 2 – 5 years. The same site shows that NSW needs over 46,000 properties to satisfy the current waiting list, This will rise by another 9,000 in the next 10 years, according to the Governments own Intergenerational Report; 2021-2022.