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To the Chair,

Legislative Committee on Community Services

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Dear Ms Lindsay

RE: Submission on options to improve access to existing and alternate accommodation to address the social housing shortage in New South Wales

I welcome the opportunity to contribute a submission to the Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage in NSW.

As the Member for Ballina since March 2015, hundreds of constituents have raised with me directly their concerns about the dire state of housing and homelessness in our region. Additionally, from the 7 community surveys that I have conducted in the electorate since 2015, and the monthly welcome surveys to new residents in the electorate, housing stress is consistently identified as a major concern from respondents.

Currently, we are in a perfect storm of housing stress in the Ballina electorate. With almost zero rental availability, very high cost of rent, and substantial increases in land and property values in the last 12 months, we are in a housing crisis. A recent profile of northern New South Wales reported that Byron Shire had the highest proportion of households in rental stress in NSW (17.2%), compared to the NSW average of 12.9%. There is very little supply of housing stock available to buy. Combined with the fact that Byron Shire has the second-highest number of rough sleepers in the state, to say we face a severe social and housing crisis would be an understatement.

The idea of temporary supportive housing in both Ballina and Byron shires from vacant properties is perhaps a redundant approach for the Ballina electorate. There are almost no properties available to rent either short term, or long term (particularly in Byron Shire but increasingly in Ballina Shire also) because between 2000–3000 whole homes at any one time are being let as Short-Term Holiday Letting (STHL) via online platforms such as AirBnB and Stayz. Many of these homes can be vacant for much of the year, but the return on investment in Byron Shire means that they do not need to be available year-round for the owner to make a significant profit. This is a major barrier to ‘meanwhile use’ of vacant homes that may be on the STHL market: ‘meanwhile use’ income cannot compete with STHL income per night, and online platforms are not geared towards month-long ‘meanwhile use’.

Hopefully, the 90-day cap on STHL that we are anticipating the NSW Government to lock in for Byron Shire at the end of 2021 will drive some of the STHL market into long-term rental accommodation.

In order to increase the availability of alternate accommodation and additional community housing in the Ballina electorate, we need genuine incentives to motivate investors capitalising on STHL and the small proportion of mum-and-dad investors renting out their properties via STHL to change their investment or income model towards long-term rental instead.

We have seen homelessness in the Ballina electorate increase by 13.7% in 4 years and even more worrying is the number of children and women who are sleeping on the streets. According to the [Nowhere to Go Equity Economics](#) report, between March 2020 and March 2021, there was a 5.9% increase in the number of women seeking specialist homelessness services in the Ballina electorate who had experienced domestic violence compared to a 0.4% decrease across all other client groups.

Options to access existing accommodation to provide community housing and barriers to additional supply of community housing can be characterised by the same issues of availability and cost, and the barriers that prevent Community Housing providers (CHPs) from building new community housing. Many of our CHPs point to the main barriers of access to capital and affordable debt, given constrained returns associated with subsidised housing.

Competitive tendering processes with short response timeframes often place unreasonable requirements on smaller scale CHPs. The need for shovel-ready projects often requires capital investment and early works that need to be funded from finite resources. Surely there is a way of protecting community assets for the public in perpetuity while supporting CHPs to be able to build more housing stock.

1. Temporary Supportive Accommodation

Domestic and family violence makes a woman's home the least safe place she can be, and getting to safety often means finding somewhere new to live. A lack of available social and affordable housing, however, forces many women to return to their perpetrators and the risk of violence or drives them into homelessness ([Nowhere to Go Equity Economics](#) report, July 2021).

The same research also reveals that family and domestic violence is the primary reason women and children seek specialist homelessness services, but only 3.2% are currently receiving the long-term housing solutions they need. Despite the shocking statistics, in the Ballina electorate there is only one dedicated women and children's refuge.

With much research indicating that domestic and family violence are the leading causes of homelessness among women, it is no wonder that the number of people experiencing homelessness in this group is on the rise during the COVID-19 pandemic. There is a strong need for the NSW Government to invest in supportive accommodation to ensure that people experiencing family and domestic violence are able to escape violent relationships and be safe from further violence. New housing stock for women and families experiencing domestic violence is an urgent priority for the Ballina electorate.

With a lack of vacant homes and the dominance of STHL, using vacant homes for 'meanwhile use' is not a realistic option in the Ballina electorate for the private market. The use of vacant government properties can be explored, but over the past two decades we have seen a sell-off of most Crown properties in the Ballina electorate due to the rapid rise in land values.

2. Improving access to existing accommodation to provide community housing

A 2019 study by the [Australian Council of Social Service](#) found that unmet demand for services was generating stress, undermining wellbeing, and contributing to cascading crises relating to housing, poverty, debt, violence, physical and mental health, and the criminal justice system. Unmet need also impacts workers, impeding their capacity to work effectively with people with the most complex needs, and to undertake advocacy work.

In the same light, the Australian Bureau of Statistics (ABS) estimates that there are 60,000 people on the social housing waiting list and the waiting list can be between 2 and 10 years. In NSW 16% of people experiencing homelessness were in crisis services and 18% were in boarding houses.

Whilst we can see the dire need for housing in NSW, more than one in ten homes in NSW are held by investors untenanted, leaving most coastal LGAs (and more and more regional LGAs) experiencing an ever-tighter squeeze in the rental market. The most recent census data shows that across NSW there are 284,745 empty homes. That's more than 10% of all housing stock. This situation needs to change.

We need strategies for areas like the Ballina electorate to disrupt the dominance of STHL and to drive homes into the long-term rental market. Such properties should be managed by CHPs to provide community housing. As a state, we have more than enough housing to cater for those in need, but the barriers in each LGA and region need to be fully explored and overcome.

3. Options for crisis, keyworker and other short-term accommodation models.

In Byron Shire, there are at least 116 people on the waiting list for short-term accommodation classified as being at high risk of ongoing homelessness. The expected waiting time for a studio, 1-, 2- or 3-bedroom property is 10 years or more, and 5 to 10 years for properties with 4 or more bedrooms. The Ballina LGA has similar statistics for wait times but has a total of 374 people on the waiting list.

Moreover, according to the Affordable Housing Income Gap Report, the median rent in Byron Shire is \$590 per week, which takes up 48% of the median household income for the area, while in Ballina the median rent is \$490 per week, which takes up 44% of a household's median income.

Such high demand, high costs of housing, and insufficient supply of accommodation means that some businesses, especially in the Byron Bay area, are unable to maintain staff. Many job seekers in the Northern Rivers cannot afford to live on the coast and therefore opt to live in slightly cheaper but far-off suburbs. However, the committee should note that in the last 12 months, the median house price in Lismore (traditionally a less expensive place to live) has risen by 34%. With very little public transport across the region, connectivity for workers becomes a major issue, as the cost of running a vehicle is prohibitive for many people who have presumably just left rough sleeping, or a refuge, or couch-surfing.

Re-writing the Affordable Rental Housing SEPP in NSW, and mandating long leases and rents capped at a percentage of the renter's income rather than linked to market rates, would incentivise both the building of new affordable accommodation suitable for crisis, worker, and other short-term accommodation models, as well as long-term and secure rental accommodation.

4. Barriers to additional supply across NSW

At any one time, there are 2000–3000 houses in the Ballina electorate that have been booked through short-term holiday letting agencies. That’s an average of 6000 adults and 6000-10,000 children who reside in our community who could live in those homes if those properties were available as permanent rentals. This situation is worsened by the rapid growth of unregulated short-term holiday letting, leaving almost no supply of rental properties for residents. Urban buyers flocking to the area during Covid-19 has seen a 34–51% increase in property prices across the region.

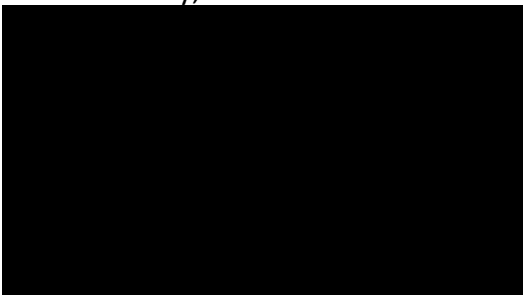
In the Northern Rivers, homelessness has [increased](#) and rents in some areas like Byron Bay are less [affordable](#) than in the northern suburbs of Sydney. The 2018 North Coast Community Housing Report showed that areas in the Northern Rivers are some of the most unaffordable in [New South Wales](#).

Amendments to the Affordable Rental Housing SEPP to incentivise long leases and ensure rents are tied to a person’s income, incentives to drive whole homes from the STHL market to the permanent rental market, and levers that allow CHPs to build and purchase new housing stock are urgently required to overcome the barriers to supply in the Ballina electorate and surrounds.

Thank you for the opportunity to contribute to this extremely important Inquiry.

I thank and commend the committee for their work.

Sincerely,



Tamara Smith MP
Member for Ballina