

**Submission
No 69**

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

Organisation: Housing Plus

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Chair Ms Wendy Elizabeth LINDSAY, MP
LEGISLATIVE ASSEMBLY
COMMITTEE ON COMMUNITY SERVICES
NSW PARLIAMENT

**Housing Plus' Submission to the Inquiry –
Potential inquiry into options to improve access to existing and alternate accommodation to address
the social housing shortage**

Thank you for this opportunity to contribute to the work of the Inquiry. Housing Plus is both a community housing provider and community services provider offering homelessness and domestic and family violence services across regional NSW. Housing Plus is currently building one of the largest social and affordable housing building programs in Regional NSW. It is also building 4no. DFV accommodation centres across the Central and Far West.

We experience firsthand the lack of affordable housing, the impact this has on the delivering of community services program for the most vulnerable and the congestion it causes as clients are not able to transition from crisis, transitional to longer term accommodation.

According to Domain, regional areas have seen a 30% reduction in the amount of properties available for rent this year, compared to last. The lack of availability and the increase in rental prices is causing a housing crisis to develop.

Housing Plus welcomes the opportunity offered to it by the Committee to make a submission and recommends the following practical solutions:

Recommendations

Creating long-term social and affordable housing supply

- Encourage unsolicited proposals for the development of new supply of social and affordable housing from the not for profit and regulated community housing sector.
- Increase the availability of government-owned social housing that are boarded/not in use for social and affordable housing projects led by community housing providers
- Mandate the removal of planning costs e.g. contributions imposed on social and affordable housing developments that reduce the viability and block the construction of new housing.
- Mandate introduction of Council contributions schemes and inclusionary zoning.

Innovative accommodation models

- Provide permanent funding for Housing First programs that support the NSW Premier's Priority to reduce rough sleeping by 50 per cent by 2025.
- Increase funding to establish new modern core and cluster domestic family violence models across NSW and transition existing communal refuge models to the core and cluster approach, to better support domestic and family violence survivors.

Planning

- Introduce a new or streamlined development approval pathway for not for profit community housing providers to fast-track affordable housing projects and reduce costs of planning and delivery. This includes a streamlined approvals process for meanwhile use housing.
- Mandate the introduction of affordable housing contributions schemes and provide additional support to Councils to ensure schemes are established.
- Allow local Councils to 'direct deal' with community housing providers.

Regulation

- Ensure that key outstanding reforms identified in the 2018 Review of the National Regulatory System for Community Housing (NRSCH) are implemented in a timely manner.
- Introduce an independent regulatory framework for state housing authorities involved in the delivery of public housing, to ensure a 'level playing field' for all tenants across the State to ensure they live in high-quality, well-maintained homes, regardless of whether they reside in public housing or community housing.

Turning to the areas that the Committee are examining:

Meanwhile use housing

The Inquiry has a particular focus on the role that meanwhile use, existing accommodation and other alternative accommodation models could play in addressing the social housing shortage in NSW. These models can provide a small contribution, but their very nature is that they are one off, time-limited solutions to housing supply, and not readily scalable. This is because many unused buildings are unused because they are not suitable for alternatives, that is why the majority are not being used. Empty properties are unused because of the limitations that the physical structure present for alternative usage; that the costs of conversion or bringing back into use is financially prohibitive even with peppercorn rents; that planning approvals and length of tenure make the viability of the building as a meanwhile use building unviable. There is also a question on whether not for profit organisations should bring back into use commercial properties that may be unused due to the poor investment decisions of the private sector.

At most they could provide a useful supply on the margins.

Support for and accountability of registered community housing providers

The community housing sector is highly regulated, and CHPs are subject to an independent and robust regulatory system that ensures high standards of service is provided. This system is overseen by the NSW Registrar of Community Housing, which is responsible for ensuring CHPs maintain performance in accordance with the National Regulatory System for Community Housing (NRSCH) and provides assurance to stakeholders, government and financial institutions lending into the sector that the organisation is well governed, meets the national standards and are viable.

The NRSCH sets out performance requirements that CHPs must comply with under national law. This includes tenant and housing services, governance, management, and financial viability. To demonstrate compliance, CHPs are required to submit annual registration submissions to the Registrar for their review and determination.

CHPs who are also charitable organisations are also subject to additional regulation and requirements, overseen by the Australian Charities and Not-for-profits Commission.

Disability accommodation providers, such as Housing Plus, are also accredited with the NDIS and subject to independent external audits of compliance.

Specialist Homelessness Service providers, such as Housing Plus, are also subject to Australian Service Excellence Standards accreditation.

In addition, NSW Government Departments also set out a range of policies and performance measures that govern and direct the operations of CHPs. For example, the NSW Community Housing Rent Policy sets out requirements for rent policies operated by CHPs providing social housing, recent 20 year lease introduced the requirements to establish 10 year Asset Management Plans on NSW Government properties.

Compliance is also enforced through contractual arrangements between Government and CHPs aligned with various different programs, some of which have abatements attached.

It should be noted that the scale, scope and extent of these policies, performance measures and operational direction is duplicating the role of the Registrar, adding enormous unnecessary cost to Government and the CHP sector and stifling innovation.

Overcoming barriers to additional supply across NSW

The Inquiry seeks feedback on barriers to additional supply across NSW, including for smaller non-CHP housing providers.

Funding gap

Below market rented properties require some form of subsidy in terms of land, planning concessions or capital subsidy to make the development viable as the cost of land and construction is not being met through the rents being charged. This funding gap means limited supply of new housing.

There is a need to introduce a long term subsidy programs, for example a rolling 4 year investment plan aligned to the NSW 2040 Strategy, to fund CHPs in delivering new homes. This can be done through alignment with local council affordable housing needs strategies and done as a competitive process where land and other subsidies that CHP's can leverage can reduce the level of government subsidy. The lack of long term funding programs results in many shovel ready projects that could deliver thousands of new social and affordable homes across the state remaining stalled as they await capital funding and/or land from government/council or philanthropic benefactor.

The opportunity that the current lack of housing supply presents is to now plan for a post Covid economy that includes investment in new housing programs that create affordable housing and jobs in regional areas.

Making better use of Government-owned land

Granting of Government-owned land and properties for social and affordable housing will support the feasibility of delivering new social housing, including mixed-tenure developments by CHPs.

Improving the NSW planning system

Despite record high levels of housing completions in NSW in recent years, the proportion of housing supply that is affordable for lower-income households (couple on incomes of up to \$101,600) has not increased.

- Incorporate affordable housing requirements as part of all infrastructure planning processes to ensure contributions for affordable housing, are assessed at the same time as other critical infrastructure. This should be undertaken through the preparation of a comprehensive plan that identifies how all levels of government will work collaboratively with the not-for-profit and private sectors to deliver the social and affordable housing that is needed.

- Ensuring precinct planning and new major projects identify the need for diverse housing options and include a target for diverse housing.
- Ensuring that where affordable housing is provided, this is required to be retained in perpetuity especially if government land has been gifted.
- Introducing a new or streamlined development approval pathway for community housing providers to fast-track affordable housing projects.

Should you require any further information, please do not hesitate to contact myself on [REDACTED]

With kind regards,

[REDACTED]
David Fisher
CEO