

**Submission  
No 74**

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

**Organisation:** Homes North Community Housing Co Ltd

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## Homes North Community Housing Ltd

### Submission to the NSW Legislative Assembly Committee on Community Services inquiry:

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

Background: The NSW Legislative Assembly Committee on Community Services is conducting an inquiry looking at options to improve access to existing and alternate accommodation to address the social housing shortage.

Terms of Reference: That the Committee inquire into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW, with particular reference to:

- 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) options 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.

**Homes North Community Housing Ltd** (Homes North) is the major provider of social housing in the New England/North West of NSW and the 11<sup>th</sup> largest community housing provider in Australia, managing some 2,600 properties and providing accommodation for over 5,000 people. The organisation manages properties and provides housing assistance over an 86,000 square kilometre footprint (Some seven times the size of the greater Sydney area), with widely dispersed populations.

Homes North successfully transferred from State Government management some 1600 properties under the NSW Social Housing Management Transfer in 2019, taking on full maintenance of these properties on 1<sup>st</sup> July 2021.

The organisation is working with the NSW Government's response to homelessness, *'Together Home'* and the NSW Housing Strategy *'Housing 2041'*, as needs continue to change across the housing spectrum. Homes North has developed a streamlined approach to helping people find housing that focuses on the person, not the housing product. Place-based plans and investment in community development are also focused on improving neighbourhoods where there is a high concentration of social housing. This is identified in solutions suggested in this submission.

Homes North is well aware of the current shortage of social housing in the state and in our region in particular and has been working on a number of programs to alleviate this, ranging from short term to longer term with the efficient construction of new affordable housing options for people. Homes North works with Link 2 Home and organises temporary accommodation options mainly through the use of motels and strong connections to Specialist Housing Service (SHS) providers who provide (limited) refuge options.

On the other side of the coin, whilst Homes North welcomes various growth and employment strategies in the region, such as the Tamworth Regional Council Blueprint 100 (toward a population of 100,000), construction of the Inland Rail network from Melbourne to Brisbane (passing through Narrabri and Moree), and the ongoing strength of the coal industry adding to the economy of towns like Gunnedah and Narrabri, all of these place additional pressures on affordable housing. The under supply of affordable housing to meet demand means the unemployed or those on low incomes are squeezed out of the rental market, placing pressure on homelessness services and social housing.

The Australian Bureau of Statistics Socio-Economic Indexes for Areas (SEIFA) ranks areas in Australia in a series of four numbers, which describe the relative level of socio-economic advantage or disadvantage in an area. Advantage is defined by ABS in terms of 'access to material and social

resources and ability to participate in society.’ Relative disadvantage is ranked between 1 and 10, with western areas such as Walgett LGA ranked 1 and other small population areas such as Glen Innes (Glen Severn Shire), Gwydir Shire, Liverpool Plains, Moree Plains and Tenterfield ranked at number decile 2 following the 2016 Census. The only areas in the region ranked above 5 are Armidale, Uralla and Walcha, ranked in decile 6. Thus, it can be seen, that the regions served by Homes North show high levels of disadvantage when compared to the rest of Australia. This places obvious pressure on families and individuals in maintaining their housing needs, and the service system needed to support these families.

There are also a number of trends (described below) which show that pressure will increase in certain areas and action is required, with government support, to create more affordable housing.

Homes North recommends a multi-prong approach to alleviate the current housing shortage:

- a) An immediate ‘asset review’ to be conducted by relevant NSW Government departments, such as Health, Education, Communities & Justice, and Water, Property and Housing, to ascertain under-utilised buildings that may be used to provide ‘meanwhile use’ (transition) accommodation for people either homeless or at threat of homelessness. Some refurbishments may be needed which will require Government funding, but others may be close to fit for purpose now.
- b) Increase financial supports in the form of one off capital grants for construction of new housing that is affordable and secure made available through and EOI process to Community Housing Providers (CHPs). CHPs manage approximately one third of all general social housing stock in NSW and offer a range of programs to local communities that are not available under DCJ service delivery arrangements. This recognises the speed with which CHP’s can act, given they are significant community anchors, on the ground and with high levels of local partnerships and collaboration. They are linked to the local housing system, other social and community providers and are best placed to quickly and appropriately respond to local community needs as they arise.
- c) Continue to expand the successful *Together Home* program, where wraparound supports are provided to people street sleeping or long-term homeless so they can be offered head leased properties direct from the private rental market. A major aim of the *Together Home* program is to ensure the spread of COVID-19 is minimised. This imperative takes on new weight as the Delta Strain continues to move into regional areas and lockdowns expand outside Sydney. The two largest cities supported by Homes North, Armidale and Tamworth, were both locked down in August 2021 as case numbers grew to record levels. With no fixed address, homeless people cannot be coordinated to receive COVID-19 vaccinations (not even the first one). Combined with mental health issues, disability and chronic medical conditions, these people are not being prioritised for vaccination – yet we know vaccination is the only way out of the current pandemic.
- d) Homes North is already linked to more than 80 partner organisations across the region so can step-up wraparound supports very quickly, be this for temporary accommodation or longer term options. Funded wraparound supports are essential as they provide the increased certainty of tenancies being taken up and maintained. Specialist Homes North staff utilise the NSW Community Housing Leasing Program (CHLP) to locate suitable head lease properties from the private rental market so are ideally placed to accelerate this through strong contacts with local real estate agents and private investors. It needs to be highlighted, however, that these opportunities in the private market are very limited and that capital funding for increasing social housing supply is fundamental to improving the capacity of the housing system in NSW to meet the shelter needs of all its citizens.
- e) Preferred housing developers are already available in the New England North West region, some providing new homes for as low as \$250,000, not including land. Supplying 50% of capital cost would allow Homes North to finance the other 50% cost. It is known the best value for new housing is an up-front capital grant to construct affordable accommodation that can be regulated to go to those with lower incomes. Refer to AHURI report (no.306) Social Housing as infrastructure: An Investment Pathway

- f) Land is available in new housing developments, but utilising existing Crown land will reduce overall cost, especially if Government Departments free up this land as services are changed, and the land is no longer required. There are also areas of vacant land adjacent to the new Tamworth Rural Referral Hospital. Moree hospital is about to be redeveloped and there are areas of vacant land just west of that site, plus around the Pius X Aboriginal Corporation who provide health care and support services in Moree.
- g) Another option is the former Ansett and British Aerospace (BAE) pilot training facility built at a cost of some \$40m in the early 1990's at Tamworth Regional Airport. This was more recently used by BAE as training accommodation until that contract moved to Victoria in late 2019. The property remains underutilised. This facility would need a link with transport providers as the airport is located out of the city, an onsite caretaker and a support provider to ensure a transition to long-term housing.
- h) The resources boom in areas such as Gunnedah and Narrabri has also created a market distortion as coal mining is paying higher wages and rents have gone up in these areas. This creates a two-tier labour market where lower paid workers are left behind. Homes are being built and others refurbished, but this is still forcing some people out of their long-term accommodation as rents become unaffordable. While the Inland Rail is very welcome for local economies, such distortions will be exacerbated in the towns of Narrabri and Moree (up to the Qld border) as the rail is upgraded and new business created (including through the Moree Special Activation Precinct). This is good for the local towns, but more affordable accommodation needs to be constructed to meet the social housing demand.
- i) Tamworth Regional Council's Blueprint 100 was released in 2020 as a plan to build local population to 100,000 people, taking in new housing areas, social infrastructure, land use and development control plans. This builds upon past growth rates, which have now accelerated due to people moving out of Sydney in the COVID-19 pandemic. The plan encompasses all three levels of government but must integrate social housing and include increased security of tenure in private or public rental to ensure renting becomes a more secure, longer-term housing option. The latter is a major plank of the *Housing 2041* Strategy.
- j) As a quick response to current demand, relocatable housing is a speedy option in areas of high need. This might utilise Crown land (as per the NSW Housing Strategy), Council land or that owned by some charities who have expressed interest in such a program (for example Salvation Army land behind their facilities on Goonoo Goonoo Rd in Tamworth). It is important these properties are close to shopping centres or transport links as people avoiding homelessness often do not own a motor vehicle or some don't even hold a driver's licence.
- k) An acceleration is needed for the *Housing 2041* aim to modernise and invest in the social housing portfolio to fund the replacement of the ageing stock of houses which are beyond their economic use. These properties have high maintenance costs, high tenant costs in heating and cooling and need to better support health outcomes for tenants, for example in poorly sealed fibro homes with no insulation. This can also help transform social housing estates when coupled with mixed private and public housing developments. It can provide sustainable and energy-efficient housing consistent with the State Government's Housing 2041 strategy. There are identified areas within local housing estates where this could commence immediately, such as West Tamworth and South Moree.
- l) Funding can be provided to install liveable units, in a granny-flat style (accessory dwellings), on existing land where families may have grown to the point of overcrowding in the existing accommodation. It is reported some families are forcing their older children to leave home as there is no space for them. The Moree Community Safety Committee reports (June 2021) teenage females are street sleeping as they have been forced to leave home, either due to overcrowding or as a result of domestic violence in the home.
- m) Create incentives for private developers to move away from the traditional three/four bedroom style of new housing on town limits to build smaller dwellings to meet current demand for one to two bedroom properties, also allowing greater density per housing block and closer living to

essential services. While there is a known economy of scale in replicable 3/4 bedrooms large-scale subdivisions, it is not matching current demand, especially for those over 55 years of age, such as homeless men who have complex needs, young people and also for disadvantaged single women. These people do not require large houses and are better able to maintain and clean a smaller dwelling. This also meets the *NSW Housing Strategy* aim to 'provide diversity in housing that meets varied and changing needs, especially with an ageing population'.

- n) As above, CHPs can create higher density housing on land where previous homes may have been burned down, or look to remove ageing stock next to vacant blocks where no current house exists. There are a number of streets in social housing estates in Tamworth and Moree where this is immediately possible, but funding will be required to support the investment. For efficiency in establishing such housing, it is recommended the current Department of Communities and Justice Community Housing Innovation Fund grants be continued and expanded. This funding approach is efficient and requires a reduced level of government funds to administer.
- o) Shop top housing can be refurbished to increase housing close to shops, services and CBD areas. This may also support building owners and communities by enlivening town centres which have struggled to adapt to various commercial pressures. It also recognises the low levels of public transport available in many regional areas. This can be done in conjunction with local councils and developers (already known and vetted by CHPs) if sufficient funding is made available.
- p) Coupled with shop top housing are the opportunities presented by underutilised hotel rooms in older-style hotels. Some are refurbished by developers, such as the Central Hotel in Tamworth's main street, but others have dozens of vacant rooms, such as the former Imperial Hotel on the Oxley Highway in Tamworth. The Government can facilitate through grants work with local CHPs, councils and developers to see these properties redeveloped where there is a public benefit, measured in a larger supply of affordable housing, or freeing up housing in the suburbs as people invest in CBD-living options.
- q) Investigate the expansion of other funding measures such as social impact bonds and philanthropic tax breaks (in conjunction with the Commonwealth). They produce returns to the Government in lower costs due to reduced homelessness, re-occurring mental health issues due to homelessness and poor health outcomes due to homelessness.
- r) Youth Homelessness should be a definite priority as this creates long-term costs for society due to insecurity, lack of safety, exposure to drugs and alcohol, higher levels of health and medical issues and the likelihood of greater contact with the criminal justice system. Titled, *'The Cost of Youth Homelessness in Australia'*, a 2016 Research Briefing by Swinburne University of Technology and others, states the cost to the Australian economy of health services associated with young people experiencing homelessness is an average of \$8,505 per person per annum. The additional cost due to contact with the criminal justice system is \$9,363 per person per annum. This is a total of some \$17,868 per person every year that they face homelessness and does not include the additional lifetime impact of early school leaving or low engagement with employment.
- s) The same report went on to say that the policy imperative is to intervene early to support young people to exit homelessness as quickly as possible. It suggests rapid rehousing to set people up in safe, secure and supportive housing, stating that the challenge is to provide housing options designed appropriately for youth. See below, Homes North has commenced this work. The cost of youth homelessness report concludes by saying that "when consideration is given to the human needs of young people, what is most important is wraparound integrated support for young people to remain in education, training or employment, resembling the all-inclusive support that families provide. The Australian foyers that have been developed in recent years as well as other foyer-like models of youth appropriate support and housing linked to education, training and/or employment should attract public investment, again on the understanding that such investment carries with it a cost saving to the economy." A longer term aim for Homes North is to establish Foyers, based

on the British model to integrate learning and accommodation settings for young people, typically 16-24 years, who are at risk of experiencing homelessness and the longer term justice, health and poor employment issues that follow. There are already some 15 similar models across all states and the ACT, but none west of the Great Divide in NSW. Homes North identify Armidale, Moree and Tamworth as possible locations for funding.

- t) Additional financial support can also be provided to specialist youth rental programs operated by CHPs. Homes North created the Youth Entering Affordable Housing (YEAH) program in early 2020, with the aim of creating sustainable housing options with wraparound community supports for 16-21 year olds who were homeless or at risk of homelessness at the time of referral. The program commenced just as the global pandemic struck but, despite this, has a high rate of success in maintaining tenancies and supporting people to avoid domestic violence and incarceration. In the first 16 months of this pilot program in Tamworth, 39 people had been referred, nearly 40% escaping domestic violence and more than 30% having already had contact with the criminal justice system. More than 50% of young people referred were indigenous. Only two tenancies failed and the vast majority have been able to sustain their tenancy, return to study or employment and avoid crime. Homes North has the aim to expand this program to needy youth, not only in Tamworth, but in other specific areas of youth disadvantage such as Armidale and Moree.
- u) Key-worker accommodation is becoming difficult to find in some regional centres, including Tamworth. This is exacerbated by the increasing numbers of people moving to regional areas from Sydney (especially since COVID-19) or moving between centres for employment. Whilst some Super Funds are investing in this area (eg; Aware Super), the NSW Government needs to provide some seed-funding to CHPs to increase the stock available in regional areas where the cost savings of large-scale high density developments cannot be realised. Tamworth real estate agents report the usual 5-6% of vacant rental property on their books is now down to half a percent, especially as people hold on to accommodation due to uncertainties created by the COVID-19 pandemic. As a result, and other factors, a number of local community service providers are reporting a struggle to fill all available employment positions over the past few years.
- v) It is known that the cost of delivering community services in regional areas, with longer distances and lower population, is more expensive than Sydney. Wages are lower, transport options more challenging and unemployment, particularly amongst indigenous populations, is higher (up to 29% in Moree) In addition to unemployment rates, the 2016 Census shows the NSW Median Household Income to be \$1214 per week and the national average was \$1203, yet the average for the Armidale urban area was \$916, Moree urban area \$802 and West Tamworth as low as \$740 – only 61% of the NSW average. This obviously presents challenges for families and a greater need in these areas for affordable housing as regional rents rise due to the pandemic and internal migration
- w) Accountability of the public and community housing system should be immediately reviewed as the current system is perpetuating inequities and inefficiencies. CHPs are regulated and held accountable by the National Regulatory System for Community Housing (NRSCH) and as such have clear benchmarks and standards to meet; these are tested annually through a compliance assessment and a summary of the CHP performance is made publically available. The State Departments who deliver public housing in NSW are not required to meet these same standards of performance or to make public their performance. LAHC, in relation to property services outsourced to CHPs, have moved from an outcomes-based approach to an increasingly legalistic approach to partnering with CHPs. This is imposing a significant compliance burden on CHPs with no added value to the people of NSW. CHPs achieve higher levels of tenant satisfaction than the State Housing agencies. Despite this, the CHPs managing LAHC properties are incurring rapidly increasing costs reporting compliance to two separate agencies: LAHC and Department of Communities and Justice – much of which is similar or duplicated information, and similar to the information provided to NRSCH. These additional compliance burdens are resources not going to building new social housing or revitalising aging, inappropriate assets. It is more efficient and effective for Government to adopt a “one stop shop” for compliance and focus on reporting on delivery of outcomes. The Regulator and ACNC are monitoring our performance and compliance as CHPs and charities.

- x) The mechanisms to increase the supply of social housing require review. The preference is for LAHC to increase supply and retain title of new developments, when CHPs have proven they are a mature and sophisticated sector which has the capacity to leverage and develop quality new social and affordable housing that they own for the purpose only of social and affordable housing.

No doubt the Legislative Assembly Committee is aware of recent papers released by the *Australian Housing and Urban Research Institute* (AHURI) in regards to increasing affordable housing supply. A May 2018 report studied evidence-based principles and strategies for Australian policy and practice. It stated “Australia’s housing system is failing to deliver a sufficient supply of affordable homes and wider affordability pressures are affecting household wellbeing.” At the time there was an estimated deficit of over 200,000 affordable dwellings and mounting barriers to first home ownership. This has been exacerbated by the COVID-19 pandemic and housing prices have continued to climb rapidly.

In addition to calling for strong political leadership and bipartisan positions, AHURI say all levels of government can contribute, but “a key focus of strategies should be to drive wider supply agendas through an expanded affordable housing industry able to operate counter cyclically, maximising the value of public investment and contributing to more stable housing production over time. Secure and long-term finance, including adequate public subsidies, are essential to enable the affordable housing sector to address the scale of Australia’s unmet housing need and provide wider benefits to the housing system.”

The report states Inclusionary Planning Tools, such as those used in the UK and US, can leverage significant quantities of affordable housing supply, but such planning is limited in Australia. While NSW has an Affordable Rental Housing SEPP, AHURI say housing developers still face barriers and delays in obtaining development approval in NSW. This can be addressed as mentioned earlier through planning processes being introduced under the NSW Special Activation Precincts.

AHURI stated there is a lack of systemic data collection and reporting, making it difficult to measure inclusionary housing planning approaches. The *Housing 2041* Strategy aim to establish a housing evidence centre to provide better guidance and a more collaborative approach to housing data, but this may need acceleration in the current shortage.

While the NSW Legislative Assembly Committee will be keen to hear of shorter-term solutions to the current housing shortage, AHURI also suggests longer term approaches which create long-term strategies to generate efficiencies in production and management of social housing. They say the current fragmented patchwork of subsidy schemes drives an opportunistic approach and what gets built often relies on one-off project level arrangements which are largely non-replicable. The longer term Housing 2041 Strategy should assist in avoiding this issue, but needs to be closely monitored and most significantly needs targets inserted to drive outcomes. Without targets monitoring success is difficult.

The NSW Legislative Assembly Committee on Community Services is to be thanked for instigating this inquiry into a serious issue facing many people across the state and Homes North Community Housing Ltd appreciates the opportunity to make this submission.