

REPORT ON PROCEEDINGS BEFORE

**LEGISLATIVE ASSEMBLY COMMITTEE ON COMMUNITY
SERVICES**

**INQUIRY INTO IMPROVING ACCESS TO EXISTING AND
ALTERNATE ACCOMMODATION TO ADDRESS THE SOCIAL
HOUSING SHORTAGE**

At Sydney on Friday 22 October 2021

The Committee met at 10:30.

PRESENT

Ms Wendy Lindsay (Chair)

Mr David Harris

Ms Jenny Leong

Mr Dugald Saunders (Deputy Chair)

PRESENT VIA VIDEOCONFERENCE

Ms Trish Doyle

Ms Melanie Gibbons

* Please note:

[inaudible] is used when audio words cannot be deciphered

[audio malfunction] is used when words are lost due to a technical malfunction

[disorder] is used when members or witnesses speak over one another.

The CHAIR: Good morning, everyone. Before we start I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I pay my respects to Elders of the Eora nation, past, present and emerging, and extend that respect to other Aboriginal and Torres Strait Island people, who are present or watching. Today is the first public hearing for the Committee on Community Services inquiry into improving access to existing and alternate accommodation to address the social housing shortage. I am Wendy Lindsay, the member for East Hills and the Committee's Chair. With me today are my fellow Committee members: to my right, Mr Dugald Saunders, Deputy Chair and member for Dubbo; to my left, Mr David Harris, member for Wyong, and also to my left, Ms Jenny Leong, member for Newtown; online is Ms Trish Doyle, member for Blue Mountains, and Ms Melanie Gibbons, member for Holsworthy, who are taking part in this hearing via videoconference. Mr Justin Clancy, member for Albury, is currently on a plane and unfortunately is an apology for this meeting. All witnesses will take part via videoconference and the hearing is being broadcast on the Parliament's website.

The New South Wales Government is committed to breaking the cycle of homelessness and providing safe and affordable housing to those who need it. In 2021-22 the New South Wales Government will invest \$1.2 billion across social housing and homelessness programs in the Stronger Communities cluster. This will include \$730 million for social housing, supporting secure and affordable housing for people on low incomes, and \$295 million to deliver a range of specialist homelessness services across the State. In response to COVID-19 and the increased risk to those who were sleeping rough or at risk of sleeping rough, the Government invested \$122 million and established the Together Home program, which has provided more than 500 rough sleepers a safe place to call home.

The New South Wales Government has the largest portfolio of social housing in Australia—almost double that of the next closest state in Victoria. However, we do understand the challenges the past two years have created for vulnerable citizens and the need to continue to increase the supply of safe and affordable housing for those in need—whether that be in the Communities Plus building program, which will deliver 23,000 social housing dwellings, 500 affordable housing dwellings, and up to 40,000 private dwellings over 10 years; the \$1.1 billion Social and Affordable Housing Fund that is expected to deliver access to 3,485 additional social and affordable homes across the state, with 30 per cent of all homes to be delivered in regional New South Wales; and the Community Housing Innovation Fund that partners with community housing providers to deliver co-funded grants over the 2020-21 to 2025-26 period.

We understand the need to not just refresh existing stock but also to work in partnership with the non-government sector to rejuvenate and also increase our social housing supply. Funding has been committed to build new social housing. However, these do take time to erect so in the interim we need to look at other ways to accommodate those people in need. Therefore, I thank everyone who is appearing before the Committee today to give us their insight into meanwhile use accommodation. To assist Hansard in preparing the transcript I do ask all members and witnesses to identify themselves when they begin speaking. We will now commence with our first witnesses.

NICKY SLOAN, CEO, Community Industry Group, affirmed and examined before the Committee via videoconference

EMMA BELCHER, Vice-Chairperson, Housing Matters Action Group, affirmed and examined before the Committee via videoconference

The CHAIR: I welcome our first panel of witnesses. If you have any questions before we start, please let us know. Can you both hear us?

Ms SLOAN: Yes. I can hear you fine.

Ms BELCHER: Yes. I can hear you.

The CHAIR: Ms Sloan, would you like to make a short opening statement before we begin with questions?

Ms SLOAN: Yes, if I may. I would like to thank the Committee for the opportunity to address you today and let me also first acknowledge that I appear today from the unceded lands of the Dharawal people and acknowledge and pay respect to Elders, past and present and those of the future, and recognise their connection to lands near their community. What I am about to say today [inaudible].

The CHAIR: Ms Sloan, would you be able to turn up the volume a little bit? You are a bit soft.

Ms SLOAN: I'm a bit soft? Nobody says that about me. Is that better? How is that?

The CHAIR: Yes, that is a bit better.

Ms SLOAN: Okay. I will speak up.

The CHAIR: Thank you.

Ms SLOAN: While I am pleased to speak today about the options to address alternatives to social housing, I would like to say at the outset that it is critical that the primary focus remains the policy and options which would deliver permanent social and affordable housing supply.

The CHAIR: It is just too quiet.

Mr DUGALD SAUNDERS: I am struggling.

Ms SLOAN: Housing is at crisis point for much of southern [inaudible].

Mr DUGALD SAUNDERS: I think it might be the connection.

Ms JENNY LEONG: Chair, I am sorry to interrupt but I am really struggling to hear.

The CHAIR: Yes. You are quite soft, Ms Sloan.

Ms JENNY LEONG: Can we not turn things up at our end?

The CHAIR: I think we have tried.

Mr DUGALD SAUNDERS: I think it might be the connection, to be perfectly honest.

Mr DAVID HARRIS: She may have to log out and then log back in again.

Mr DUGALD SAUNDERS: She will have to, yes.

Ms SLOAN: Can I suggest also that the Committee room microphones are on so that when you talk to each other, it comes through our screen.

Ms JENNY LEONG: That must be very annoying for you.

Mr DAVID HARRIS: It is just like being in the room.

Ms JENNY LEONG: I do not know how we turn them off.

Ms SLOAN: I do not know, but just keep them away.

Ms JENNY LEONG: Hang on, we will push them away.

Mr DUGALD SAUNDERS: My light is not on.

The CHAIR: I am on, definitely.

Ms JENNY LEONG: We have got our training wheels on, I am sorry.

Ms SLOAN: We all have to make adjustments. Is that better?

The CHAIR: That sounds much better, yes.

Ms SLOAN: Very good. As I was saying, access to housing is at crisis point across most of southern New South Wales and the migration of people during the COVID pandemic. I have no wish to reiterate what is in our submission but, with your permission, I would like to tell a story which demonstrates the impact of inadequate housing supply in our region. The story was told by one of our members about a client who, for the purposes of this setting, I will call Maria. Maria is the mother of small young children. Earlier this year Maria escaped with her children from a violent partner. With nowhere to go and no access to a refuge, she and her children became homeless and they moved into a tent in a public camping ground. Unfortunately, there were many hundreds of people living in the camping ground and the children were exposed to a great deal of inappropriate behaviour. When their tent was ransacked and many of their belongings stolen, Maria became aware this was not a safe place either for the children. Maria then moved to a community closer to her family. Sadly, she had only been living there for a short time when she was violently and horrifically assaulted.

At this point a place was found for her and the children in a single motel room. A single motel room is no place for a family of five. The children have severe trauma and they all have high needs. The crowded living situation resulted in the children being triggered and they are very hard for Maria to manage. It has negatively impacted all areas of family life such as school attendance, personal space and the ability to play. The owner of the motel offered Maria the opportunity to work as a cleaner, and she was glad to take that up. Maria now spends several hours a day cleaning but this leaves the children alone and unsupervised. The owners of the motel do not

pay Maria. Instead they have indicated they are going to save the wages for her so that she can have a holiday. Let's hope this is the case. The family is still on the waitlist for priority housing.

The CHAIR: Ms Belcher, would you like to make an opening address as well?

Ms BELCHER: No, I think the information that we put into our submission and supporting materials covers everything, but I would just like to acknowledge the Gumbaynggirr people and the Gumbaynggirr land that I am on today and pay respects to Elders past, present and future.

Mr DUGALD SAUNDERS: Thank you for being here today. I am a regional-based member of Parliament and my question to both of you, maybe starting with you, Ms Belcher, is around what you see as an important part for regional cities and smaller towns as opposed to metro centres?

Ms BELCHER: The first thing is to recognise that a different approach is probably needed, to check the metro-centric policy making at times and to know that different communities are going to need different things. One of the things that we really advocate for is regional place-based approaches and to recognise that even the differences between Dubbo and Bellingen, where we are based, it is going to be different contexts and different things that are needed. So rather than trying to come up with these big, broad solutions or scalability, maybe look at replicability and ways that local communities can be really involved in helping to identify what the issues are and what the approach is that is suitable. I know that regional communities can be really innovative and responsive and get on board in some ways that we do not see in metro so much—of using that to our advantage to get really good local outcomes.

Mr DUGALD SAUNDERS: I know you have also done some work around repurposing facilities. Is that something that you can replicate easily or is it literally that a different place requires different scenarios as well?

Ms BELCHER: I think that this is something that most country towns would have different versions of. But what we have got is some projects going on here working with an NGO, and we have been talking with Minister Pavey and with our local Federal member, to try to secure funding to repurpose a decommissioned aged care facility that did not meet the fire requirements when they came in a few years ago. It is still a really strong, sturdy building that the community identified would be ideal for affordable rentals and the NGO is really interested in that. It is viable from the rents and maintenance perspective once it is up and running but is not viable to do the capital infrastructure upgrades. We have got that aged care facility in Bellingen. The next town over has got a bowling club that is kind of a similar situation. Coffs Harbour, the closest city to us, has got a respite centre that would be really useful for that as well. You just have to drive through country towns and you see we have got empty banks sitting here—beautiful, strong buildings—that can be repurposed cheaper and quicker than new builds.

Mr DUGALD SAUNDERS: From that perspective, do you see a support as well for local jobs in doing the refurbishing work so you are keeping jobs locally as well, so there is an extra benefit there?

Ms BELCHER: Yes, definitely. I cannot see many downfalls on this. When we have had discussions around it, there has been some concern about government funds being used and then, however many years down the track, it gets turned into luxury apartments or something. But there have been examples in the Aboriginal housing space where caveats have been put on titles and the owners that we have talked to are all willing to consider that if that is something that provides more certainty to government that those properties will remain affordable rentals in perpetuity.

Mr DUGALD SAUNDERS: Ms Sloan, maybe just from you quickly on regional scenarios—have you got some thoughts around that? Are you there, Ms Sloan?

The CHAIR: We might have lost her.

Mr DUGALD SAUNDERS: Okay, maybe somebody else can move on to Ms Belcher and we will come back.

The CHAIR: Ms Belcher, do you know for how long the aged care facility that you were talking about has been empty?

Ms BELCHER: I would not be able to give you an exact time frame. I would say around five years or maybe six years.

Mr DAVID HARRIS: Sorry, I am getting used to the technology. In terms of what you were saying about the repurposing of those buildings, are the issues just around fire regulations et cetera or are they also to do with how the buildings are currently zoned?

Ms BELCHER: For the aged care facility, it was just the fire regulations. When those new fire regulations came in for the aged care providers, it did not make sense to have to do the refit to get it up to that code. So they are looking to do a new build nearby rather than try to refit that, but they do want to see some social outcomes from that property.

Mr DAVID HARRIS: You were talking about the caveats in terms of keeping them low rent. I am from the Central Coast and one of the issues we have is that whole estates are being built as affordable housing but investors are buying it up and renting it out and then, once they are sold the first time, that goes out the window. How do you think government can put stronger controls in place to make sure that affordable housing remains affordable?

Ms BELCHER: I think you have nailed it there that that is such a huge issue. You are seeing that with the National Property Accreditation Scheme as that is rolling off as well. I think putting caveats on titles—and there are many people that know the legislation side of things and the legal side much better than I do. Being able to put a caveat on an individual property—then it is quite a process to get that lifted. I would also really encourage exploration of models like community land trusts. That was something that was in the submission as well. I have been working in and around housing for quite a number of years. This is probably one of the most exciting models that I have come across in that time that looks at perpetually affordable housing. It is a way that, with some government support, we can create perpetually affordable housing that does not disappear like first home owner grants and just add more fuel to the housing fire.

I am really excited that our joint organisation of local councils here are funding the proof of concept study. I think that will provide some really good, interesting information that will be relevant across New South Wales so it is encouraging to keep an eye out for that next year to see what that is. I also think it is really worth flagging in the NSW Housing Strategy, I was really excited to see that there is a statewide housing strategy. One of the big flags that I saw though was there is a lot of talk about the contribution of government land but there was no mention of that being linked to affordable or social outcomes. I think that is a really big risk, that governments will give away such a big asset and really not get much in return for it.

Ms JENNY LEONG: I want to talk a little bit more about where the blockages are in the discussions you were saying on this aged care residential facility. I want to look at whether that is about the capital infrastructure funding requirements or if you see that there are other challenges to that. You commented on the need for us to recognise that different regional areas are very different, we have the same challenges in the inner city but for different reasons. We have an amazing old RSL building that was developed and supposed to be boarding house accommodation and then was quickly sold off. It is now a luxury hotel and people all complain about the small size of the bedrooms. Two things. Do you have any further thoughts about the way that the Government would be able to implement a place-based grants program or something that would allow for these local communities to be able to get the capital infrastructure investment they need? What do you think the caveats could look like in terms of making sure that there was a protection that they do not go back into the private market?

Ms BELCHER: I think the challenge that we have had in our discussions is that there is not a program that exists that this fits into neatly. We have got really strong support from local government, Federal Government and the State Government has been interested but I think has not known which box it fits into, or how it fits into it. If there was a program—this is a fund that is designed for these kind of outcomes that can deliver these innovative local long-term affordable housing outcomes that are in partnership with community and landholders then we would have a pathway to go through. It is just at the moment—and I do not mean any disrespect to the Department of Planning, Industry and Environment or [audible] the housing cluster, they have got to make sure it goes through the right processes and has got the right business cases for it—because it is new, and because it does not need to fit in to the previous understandings of what the community housing or affordable housing -- and can we give money to someone if we do not own the land, that is where it is being held up. By establishing a fund or a program that would clear that up and we would be able to define the outcomes. In terms of what the caveat will look like, I am not the expert who would be able to say exactly what needs to be in it, other than to say I know that it can be done and it has been done.

Ms JENNY LEONG: I ask a follow-up question in relation to that. In its submission Homelessness NSW has talked about the need to have some sort of checklist around meanwhile use properties. I note also in the submission before this Committee it talks about having a minimum amount of time of a 12-month period or a period of time such that people are not being moved from place to place. Do you have a sense of those guidelines being developed? Are you supportive of these sort of adaptive models having some kind of provisions like that to make sure that it is providing security, I guess, in terms of that option?

Ms BELCHER: In terms of meanwhile use?

Ms JENNY LEONG: Yes. Just to say, I think two things are being discussed here and maybe I will just articulate them. I think there is a definition of meanwhile use which I think the sector and the housing sector uses which is to look, as you were discussing, at banks or good solid buildings to turn into long-term accommodation that is affordable for people. Then there is a meanwhile use that is people who like to go "Here's a wacky car park idea, let's put some homeless people in it. That is meanwhile use, and we have solved homelessness." I think it is important for us to draw out what you would consider and, maybe, Ms Sloan now you are back, you could talk a little bit more about what you consider to be the baseline standards for what you are talking about in terms of adaptive use of other buildings.

Ms BELCHER: Are you happy for me to continue?

Ms JENNY LEONG: Yes, go for it. Then we can go to Ms Sloan.

Ms BELCHER: I think we have sort of picked up on this already and Ms Sloan's statement at the beginning, that long-term housing still needs to be the goal. I think that we could waste a lot of money on vogue car park pop-ups and short-term turning things into different things, or we can spend a similar or slightly more amount and get really secure long-term housing outcomes. I think you always need to weigh that up. Long-term housing outcomes are always going to lead to better approaches. We are also going to need some meanwhile temporary crisis accommodation. I think being able to be innovative and flexible around that is important and I do commend this process for looking at that.

Again, I encourage you to consider it even further. I know we have got a lot of people on acreage who would be happy to have someone on their property for, you know, whether it is six months, 12 months or two years, however long it is for them to get back on their feet. To look at creative ways and what can we do to maybe put some exemptions on the rural land legislation so that people can have these temporary longer term camping set-ups. We have got some community members who are passionate about developing these trailer-based kitchen and bathroom facilities that could be taken onto a property and someone can be there while they get back on their feet. I think in some way it is better than a motel room. If you have got kids I know that I would rather be in a paddock so they can run around rather than a motel room. I think that is where we need to have some flexibility and a way that local communities can put forward these ideas without it getting caught up in, "That's a really good idea but we do not know what box it fits into," so then it cannot progress.

The CHAIR: In relation to aged care and your comment about the trailer based in the paddock scenario, there are many levels of government that get involved. Do you think there is something perhaps in a council SEPP if we try to standardise some of them? Obviously different councils have different council State Environmental Planning Policies to address housing for a variety of reasons, and obviously the fire codes in aged care is one of them. Is there a way that we could look at doing something standardised from the DPIE section of government that could perhaps address some of those issues? Do you think that currently part of the barrier is that it is council versus state versus the federal in how we tick these boxes?

Ms BELCHER: We have got a really productive relationship with our local council, Bellingen Shire Council. I know that it is about to go through its Rural Lands Strategy as part of the growth management strategies that councils were asked to do. I think some of these issues will come up and maybe we will be able to get some clarity through there. I would suggest considering piloting things before going to modifying the SEPPs. There might be things that come up that are unforeseen and let's not go through all of that work. I think that pilots are a really important piece of test before going down that change in legislation path. I guess it is also, I am not sure if this has been picked up, we have got an ever increasing number of people long-term camping in state forests, which is okay when the weather is fine but we had a phenomenal storm here on Wednesday. We have had fires and floods and those people are not on the State Emergency Services and Rural Fire Service radar. We do not know where they are and we do not communicate with them when we have natural disasters. So the risks with more and more people living in the forests needs to be taken into consideration as well.

The CHAIR: Thank you, Ms Belcher. Ms Sloan, we lost you for a little bit. Is there anything that you would like to add?

Ms SLOAN: I might even turn my video off in case I get lost again. Let's see. Things are very—I think I have lost—no, you are there.

The CHAIR: No, you are still here.

Ms SLOAN: Okay. It seems really unstable. I have been doing so many calls all week and this is the one it decides to be unstable for.

The CHAIR: It is Murphy's Law.

Ms SLOAN: I am really sorry, I missed the whole last piece, I am afraid. It is very difficult for me to catch up on what the—

Ms JENNY LEONG: Can I ask Ms Sloan two specific questions, Chair?

The CHAIR: Go for it.

Ms JENNY LEONG: Ms Sloan, it is Jenny Leong here, the member for Newtown. I realised on the broadcast that no-one is seeing who it is that is actually talking, so hello, it is nice to see you. I want to ask you two questions. One is about the issues around what kind of support is needed if we are looking at meanwhile use that is supported temporary accommodation as opposed to adapting buildings for longer-term affordable housing. What sort of supports and other measures, apart from just making the building a place for people to live, would be needed for people accessing that temporary accommodation? The other question is about two things in your submission I want to draw out. You highlight the issue of discrimination around people getting into the private rental market and the rental market. Could you briefly touch on that, and also the importance of sustainability around the way the buildings are developed to reduce energy costs?

Ms SLOAN: Thank you, Ms Leong. I would like to address those. Firstly, I know one of the discussion points was "what were our thoughts on what is meanwhile accommodation?" The way we have looked at meanwhile accommodation is that it would be time limited and obviously it is a property that is available at the moment but will be taken away and used for something else at some time. I imagine you have already discussed this but some of the things that we would say is if we were going to be using meanwhile accommodation, it must firstly be appropriate for the use. It should be safe, and safety is a big issue for many of the vulnerable people needing this accommodation, and it should be located close to services so that people have access to a whole range of services.

In terms of support, I think that the people who move into meanwhile accommodation are going to be people who are high on the priority list and have multiple needs. In terms of support, we would really like to see wraparound services tied to any kind of meanwhile use. Some prime examples of where this has worked really effectively are the use of foyer models, where you have a full range of services wrapped right around a person and they are there for as long as they are needed. Only then could meanwhile use be a viable option. We do not want to see meanwhile use just being turned into a longer form of temporary accommodation. We certainly have seen that across the southern region with the use of hotels and motels, which are not viable as meanwhile use options. The other thing we would like to see if we are going to do meanwhile use is eviction protection, because often with meanwhile use properties the termination period can be as low as 30 days, and 30 days is not enough time to get a cohort of vulnerable people into alternate accommodation.

In terms of alternate use, I think we have got the most extraordinary example in Warilla in the Shellharbour local government area. It is a brilliant example of whole-of-government support for an NGO. This is the Southern Youth and Family Services accommodation in what was the old police station at Warilla. That was secured through support from the State Government for the purchase of the property and then Federal Government funding to develop what was the old Warilla police station with a staged approach into a series of beautiful, appropriate, well located youth accommodation units with a foyer model to wrap around and support those young people. I would call that an absolute standout example of how alternative use can be really effectively done.

In terms of discrimination, we are certainly seeing it escalate across the southern region. In the last couple of years we have really seen it escalate. We have seen across the region a larger fall in affordable living than in the capital cities. On the very well-known research body Facebook, one of the local estate agents recently was boasting that in one of the townships in the Shoalhaven housing prices for purchase have increased 37 per cent in 12 months. Rental increases have averaged a 13 per cent increase, and areas like Kiama now outstrip Sydney in terms of median rent for housing. The Snowy Monaro has had a year-on-year rent rise of 28 per cent and the Eurobodalla nearly 20 per cent. So you can see that we have had a huge influx of people with much larger incomes coming into our region. On the South Coast I think the average now is \$583 for a house and I think Sydney is \$550.

What we are seeing is that people on low incomes are competing with people with very high incomes for the same properties. Worse still, what we are seeing is that our community housing providers and our NGOs, who would normally take a property and headlease, are the things like Rent Choice Youth or the Premier's youth strategy as well. They are competing with people on very high incomes. Definitely landlords and rental managers are opting for the people on the high incomes rather than people who are on low incomes or our community housing providers, who do excellent jobs of headleasing properties. I am sorry, Ms Leong, I have forgotten your last question. Oh, sustainability—

Ms JENNY LEONG: Yes, in terms of energy costs.

Ms SLOAN: Certainly. Several years ago we partnered with the University of Wollongong's Sustainable Buildings Research Centre to look at housing energy affordability for people on low incomes. What we found, and I guess there is no surprise, is that many people who are living on low incomes are living in the least energy affordable housing. What we would like to see is that whenever any social housing is developed—and we have heard today that there is going to be new investment into social housing, which is much, much-needed—we should be looking to make sure that that is the most energy-efficient housing so that people who are on low income are not suffering from energy poverty on top of their other vulnerabilities. Thank you.

Ms TRISH DOYLE: I thank Ms Belcher and Ms Sloan all the way from the Blue Mountains for the work they do, and particularly for articulating some of the issues that I think should be at the forefront of decision-making around the housing crisis. I will ask you briefly, because there could be libraries dedicated to answering some of these questions. The member for Newtown was just talking about adaptive use. We often talk about innovation and incentives. We seem to be talking and talking and talking more than acting. I am interested in particular models from other states, from overseas or from communities that you think are ready to run and could be transposed between different areas, particularly where there is that connection between disadvantage and housing need.

Ms BELCHER: This is Emma Belcher. I mentioned it briefly before, I think the community land trust is the one that really needs to be looked at seriously. It is worth mentioning that the eligibility for social housing—social housing is incredibly important and put as much money into it as you can, please, but eligibility for social housing is so restricted. I guess what we are seeing is that it is the working poor and the local wage earners, they are the ones who are really being squeezed in this housing crisis where rents have gone—Ms Sloan mentioned it before, we have had a 27 percent increase in rents this year, \$400 to \$600, where wages are kind of going backwards. Those people are not eligible for social housing. So we need to have models that are going to provide stable, affordable housing for working families to provide that stability. I think land trust is one example where industry super could invest in housing for workers. We have got teachers living in the showgrounds in a tent because they cannot find a house to rent locally. We are starting to see workforce shortages. We have had teachers leaving the area, we have got nurses leaving the area, youth workers leaving the area, and let's not even get into the retail and cafe workers who are getting further and further afield. The community land trust and investment from super funds would be two things that I would encourage you to look at.

Ms TRISH DOYLE: Thank you, Ms Belcher. Before Ms Sloan jumps in, I also acknowledge that here in the Blue Mountains, similar to other areas, we have had weather events like fire, flood et cetera. Through COVID we have had people who disappeared into caves and into the bush with tents, and those people are the very working families that are being squeezed that you were talking about, Ms Belcher. One immediate response was the wraparound services where they could get food, where they could get a shelter when they needed it, where they could get a shower and wash their clothes, but a local neighbourhood centre was able to provide a car to the family, a station wagon. I hear you speak about the need and matching that with a couple of different models, but we do really need to look at what we can run with immediately.

Ms SLOAN: I would echo your comments about the lack of opportunity for housing providers. When people are coming to them in need—and certainly last winter in the Snowy Monaro, which has been impacted by Snowy 2.0 and the influx of workers, quite well-paid workers, in that area, we heard of a family who came to our housing provider and the only thing that they could offer was a tent in the Snowy Monaro in winter. It is certainly happening in our region as well. It is a terrible thing when working people cannot afford to live. The biggest issue that all of our members raise every single time when we do our surveys is the access to housing; the second biggest issue for our member organisations in this region is access to workers. Particularly across aged care and disability, our providers cannot get people to work. There are jobs going in this region, but we are also hearing from people who run rural properties, agriculture that they cannot get workers. That is because accommodation is a structural barrier to people taking up jobs that are not well paid—really worthwhile and important jobs but perhaps not the most well-paid jobs.

In terms of some models that we would like to see happen, I think rent-to-buy would be a great model to implement, where people can come in without a major deposit and they can be using their rent towards purchase. Certainly in the Australian Capital Territory, we have seen things like the Land Rent affordability Scheme, which enables people to rent their block but buy their house and then eventually, by that purchase, their block of land; in Western Australia, the Shared Home Ownership scheme. I think there are opportunities that would enable property purchase, which would then free up some rental accommodation for people. However, I would echo Ms Belcher's comments that the more money we can put into building more social housing, the better. I do not know if you have seen the research come out from Equity Economics this week that says that we need 5,000 social

housing units per year for the next 10 years but that there are major budgetary savings once we do that kind of investment.

The CHAIR: Ladies, thank you for appearing before the inquiry today. We appreciate your input.

(The witnesses withdrew.)

(Short adjournment)

LEONARD SLABBERT, Principal Town Planner, Tract Consultants, sworn and examined before the Committee via videoconference

ROBERT PRADOLIN, Founder and Board Member, Housing All Australians, affirmed and examined before the Committee via videoconference

The CHAIR: I welcome our next witnesses to the Committee on Community Services inquiry into meanwhile use. Would you like to open with an opening statement, Mr Slabbert?

Mr SLABBERT: Yes. I will take a couple of seconds. Thank you, first of all, to the Committee for this opportunity. Tract feels very strongly about the fact that it is a fundamental human need for every person to have shelter. As such, we have been providing Housing All Australians with pro bono planning advice for achieving their goals and addressing their social housing issues. Homelessness is on the increase. It is an upward trend, likely to continue into the near future. We are joining a lot of other private sector companies in supporting this goal of Housing All Australians.

The CHAIR: Mr Pradolin, do you have an opening address?

Mr PRADOLIN: Yes, I do. It is probably a little bit longer—about three minutes. If you bear with me, I would appreciate it. Firstly, thank you for the opportunity to present to you today. I will assume that you have read our submission. What I would like to do now is set the context around why we are doing what we are doing. We are in a housing crisis. It might not be that visible to the majority of Australians who have had their shelter needs met, but society is polarising and COVID has made it much worse. Homelessness is increasing. Homelessness is the canary in the coalmine to a much more significant issue in the housing continuum. We see this in our papers every day. Homes are becoming more unaffordable and our children are losing hope that they too can aspire to home ownership. We will never solve homelessness unless we solve the upstream supply of lower market housing. We must ultimately build more homes, otherwise the polarisation that I mentioned earlier will exacerbate and our children, grandchildren and their descendants will have to manage both the social and burgeoning economic issues due to the cost of the unintended consequences of homelessness. Allowed to continue, Australia will be a very different country in 30 years' time from today—an unsafe one.

Housing All Australians is a private sector initiative that is viewing housing and homelessness through a commercial lens. Given the scale of the problem, it is unfair to expect governments to solve it alone. The capital required to build our current shortfall of around 700,000 homes is in the order of \$400 billion. That is why we are repositioning this discussion not as housing but as fundamental economic infrastructure for a future Australia. Housing All Australians is politically agnostic. Our objective is to educate the Australian public and businesses about what they do not know about housing and homelessness. For example, because of the way our housing investment system is currently structured, Australian super funds are directing billions of workers' dollars towards housing Americans and effectively nothing in Australia. Women over 55 years of age are the fastest growing cohort of homeless in this country. In a short period of time, Housing All Australians has gathered significant momentum and is now established in every state and territory except for the Northern Territory at this point in time, with like-minded private sector organisations wanting to help vulnerable Australians.

Everybody is talking about homelessness and that we must do something. Doing nothing is not an option. Using existing buildings that are sitting there empty as a short-term solution to providing a roof over someone's head just makes sense. As Wendy Harmer said on the radio, when she was talking to one of the City of Sydney's councillors about our pop-up shelter solution that was selected as one of seven ideas to help Sydney with its housing issues, it is a no-brainer. We are all here today to reduce the red tape around the planning system in order to better facilitate the use of these existing buildings. As a former property sector executive, I understand the development process and the importance for all of these buildings to comply with the Building Code of Australia in terms of safety. That is not negotiable. Planning is important when we are considering the short-term use of an existing building to provide shelter for vulnerable Australians, but if we are serious about doing something, planning should not stop this from happening.

The CHAIR: I will kick off with the first question. Mr Pradolin, with the meanwhile use facilities that you have implemented in Victoria, what do you think have been the main barriers for implementing similar initiatives here in New South Wales?

Mr PRADOLIN: Planning is obviously the problem, and I think Mr Slabbert is going to talk to you a bit about that. But to have an existing building—for example, we have the one in Marrickville, which we mentioned in our submission, sitting there empty for 10 years and not able to be utilised because of certain local government provisions of setback and things like that. That is an existing building. It does not make sense. Planning is the biggest obstacle to get through the system. The second one, from our perspective, is to encourage the private sector to participate. The pop-ups or the meanwhile use buildings in Victoria happen to be owned by not-for-profit organisations that understand the issue, but they were still left empty. We need to encourage all of the private sector building owners that are sitting there in between developments to encourage as short-term use while they are waiting for their development projects. Whilst it has been probably four years since we started, the private sector is starting to come on board. I have got two or three examples that we are currently working on, where they are now saying, "Let's utilise this empty building as an interim short-term solution while we get our planning permit." So planning is the biggest obstacle, summarising your question.

Ms MELANIE GIBBONS: You mentioned that properties can be used short term. Firstly, how long do you find people tend to stay? Secondly, if the building then gets approval and they knock it down, what happens to the people who are living in it? How easily are they found new accommodation? It is ideal to have a roof over their head in the meantime, but what happens while they are there and how do you then find new accommodation?

Mr PRADOLIN: Just to be clear, we provide the accommodation. We will always do it with a not-for-profit to provide the wraparound services. It is the package. If I can start off by saying something that the CEO of YWCA Victoria, Jan Berriman, said to me, "Rob, one or two years of shelter is better than no years of shelter." In answer to your question, what we do with a not-for-profit—I will give you a case in point at South Melbourne. The YWCA is the tenant, when they are given notice by the landlord that they have to vacate, it is usually six months' notice. They slowly try to find other alternative housing for the women who are currently in there. So there is never a perfect solution, but if we can utilise one of these buildings, theoretically from one empty building they could go to another empty building while we build this housing.

In terms of tenure, it all depends on how good the building is because we have a rough rule of thumb: whilst all the work is done pro bono by the private sector you still have to assess a value to it, and why we are doing that is that the length of tenure plus the number of rooms has to roughly be equal to the market value of that rent. That way they will not over-capitalise it. That is our rough rule of thumb. Again, let us focus on South Melbourne. It was an empty aged-care facility of 52 rooms, which we did 30 of them. It was empty for two years, 18 months at least initially. Now the building owner is not ready to develop it and has just signed another five-year lease with the YWCA. So a building that would have been empty for 10 years, in a two-year period has helped 85 women stabilise their lives at no cost to government other than the wraparound services that the YWCA need to do. But the private sector did it all pro bono.

Ms JENNY LEONG: Thank you so much, Mr Pradolin, and, Mr Slabbert, feel free to jump in at any point as well. We have seen in a number of the submissions and we have heard already today the challenge around what is supported temporary accommodation or temporary accommodation versus the backlog which you identify as well of the very long waitlist for longer-term public housing or community housing and the unaffordability in the private rental market. Can I ask you your thoughts, given your experience in terms of establishing these types of meanwhile use properties, that the costs associated with, for example, using a building that is waiting for approval to be redeveloped in some other way to adapt that, versus finding existing buildings and paying for those to be turned into ongoing affordable accommodation to be used? I guess your experience in doing what would be a pop-up model, if you like, but also the costs associated with the idea of finding existing buildings in regional towns, regional centres, that could then be transformed in a similar model but obviously would need capital investment into a longer-term housing solution, and how much the costs associated with those two different approaches might be factored into it?

Mr PRADOLIN: Ultimately we have to build more housing; so the capital needs to be sourced and the private sector engaged to build this, and it is actually much bigger than for the community housing providers. In terms of the capital, the meanwhile use projects are basically zero capital; it is all pro bono from a whole range of Australian corporates—Metricon, Simonds, Quest Apartment Hotels—they are all offering their services and facilities for free. You are starting to then buy properties, you are starting to use capital; where are you going to source it from? The Government is not a never-ending pool of resources either, so we have to start to think laterally and engage the super funds into something that actually is meaningful for them. It is a very, very different capital equation, but ultimately we must build more of these otherwise our country is leaving future generations with an economic and social time bomb.

So the capital requirements are very significant, but the meanwhile use is not a solution; it is a short-term response by the private sector to a crisis. We must galvanise in a bipartisan manner all Australians, because otherwise the future for our country that we are leaving our children is not acceptable. When I learnt that—as most Australians, I fumed. I thought that governments were looking after vulnerable people until I started to research what was actually happening. It is only through that knowledge that now I am saying hey, we need to do something. I understand politics; I have been involved with it all my life and we cannot afford to wait for politicians to do something because the bureaucracy hampers them. The private sector, we just want stuff done and we can act. As I said earlier, planning is always subjective, building codes are not, and everyone says we must do something to house people. It is just a not-negotiable; we have to do something to set the framework up for our future success as a country.

Ms JENNY LEONG: Absolutely. Can I ask you in terms of the time frame, it is one of the concerns, I think, in terms of the security that vulnerable people would have, and I recognise the six-month notice in terms of trying to find people other accommodation. Do you think there should be a minimum standard as to how long a meanwhile use property would be available for people, but also then what is best in terms of then a notice period? How do you feel that is working in the six months? Do you think that is open to all of the players involved, does that work, and how do you find that in terms of those time frames?

Mr PRADOLIN: At the end of the day we have to make sure we listen to the property owner and the notice that they need to get the property back and move forward, otherwise properties will not become available. So to that, listening to all the stakeholders. But I go back to what Jan Berriman said to me at the beginning: even 12 months of shelter is better than sleeping in a car. I have got to tell you, I am involved in a documentary that is being launched next year at the Melbourne International Film Festival, all about women over 50 across this country sleeping in cars and couch surfing. As a man I was embarrassed when I found that out, and I am sure not many men in this country are aware that middle-class women over 50 are the fastest growing cohort of homeless in Australia. So the question might be a bit rhetorical but should we leave them sleeping in cars because we cannot provide five years of accommodation, or should we get them out and help them with 12 months and a roof over their head?

Ms JENNY LEONG: I absolutely appreciate that what we are talking about within the private sector, that is the case. If the Government was to look at these models to see about establishing programs, because I absolutely agree with you. What we need is a solution that invests more money to build more homes and that is the way you solve the housing crisis. It is not a difficult thing to solve, it is just that there is not a willingness to solve it. But in terms of a government program that was looking at that, your sense is that anything that was an option for sort of 12 months-plus would be a feasible project for the Government to look into.

Mr PRADOLIN: Yes, and I think obviously the longer the better. We have been working on a project for the City of Melbourne that might be looking at 20 years.

Ms JENNY LEONG: Great. I look forward to seeing the doco. I also am on one that meant that I slept on a floor of a boarding house in Port Kembla. So we should watch each other's.

Mr PRADOLIN: I am happy to.

The CHAIR: Mr Pradolin, what is the turnaround time from finding a suitable development to actually getting it ready for people to move in?

Mr PRADOLIN: It really depends on the state of the building. The last one we did, which we launched in July this year, was an old heritage home empty for seven years and we have now refurbished it like a hotel and handed it to the YWCA. That took about six or seven months because there was a fair bit of work to do and coordination—and our second one too. It all depends on the state of the building. But I have got to tell you, the South Melbourne one I mentioned where we did 32 rooms out of 52, Hansen Yuncken have now agreed to do the other 20 for free.

Ms TRISH DOYLE: That is good. Good on Hansen Yuncken.

Mr PRADOLIN: So this is an offer to build in the private sector.

Mr DUGALD SAUNDERS: I feel like Mr Slabbert is missing out a bit. Mr Slabbert, as a town planner—we have talked a bit about planning and maybe some of the hand braking that is around that—from your experience what are some of the things that are handbrakes and can be worked through a bit better?

Mr SLABBERT: Thank you. I think from a planning point of view, obviously there is just too much red tape. Most of what Housing All Australians propose requires development application approval and that can take anything between four and eight months to get approval. By that time the goal of that housing unit—the

people who were supposed to be accommodated might have moved on. So at least, as Mr Pradolin mentioned, they might have been sleeping on the street for that whole time.

In our submission, just briefly, some points that we highlighted were the current state of our rental planning policies. For example, the seniors and people with disability SEPP for going into housing, SEPP 70, all had various limitations on what you could use the facility for. For example, one of the sites we are looking at has got a current height of just over nine metres; the SEPP limits the use of that facility because the SEPP only allows up to 8.5 metres. So the height limitations, for example, the setback issues. Some of the SEPPs, like the seniors and people with disability SEPP, that has got provisions for people over the age of 55. So there are a lot of restrictions and constraints that stops the process from going ahead.

I think at this stage it might be a good opportunity to investigate what we can do to maybe incorporate the meanwhile use concept as a fast-tracked group approval process. For example, following the complying development path or even a combined process to complying development and maybe obtain a site-specific compliance certificate, as you will, from a combination of the two even. It is something we can investigate, and I guess part of the current housing SEPP, which is phase three. I think it is a very ideal opportunity to get some input on how we can get these fast-tracked approval processes for these meanwhile use uses incorporated. You can limit the time frame that the facility will be used use to, say, 12 months and with the condition to maybe extend that to another 12 months for example. You can limit the amount of rooms that can be incorporated in a facility. There are ways and means to work around, but I think at this stage there is just not too many options available out there. Housing All Australians and other organisations are getting stuck with the red tape, and it is just taking forever to get approval and it is just not feasible.

Mr DUGALD SAUNDERS: We heard from one of the other witnesses earlier on about relocatable homes or small homes or even caravans on properties. There would be some red tape around that. You cannot suddenly have 1,000 caravans on your place that you are charging rent for. How would that work?

Mr SLABBERT: I do not think that is part of the model that Housing All Australians proposed. It is something that might be a very short-term solution, but I think the model we are looking at is more converting existing empty buildings or existing underutilised infrastructure into temporary accommodation. Mr Pradolin, I do not know; it is not something we have considered.

Mr PRADOLIN: We are actually looking at that because there is a lot of empty land—again, short term. What you need to do based on the feedback that has been given by the not-for-profits is that you cannot make it 1,000. It might be something like 10 or 15 to make sure they can manage their cohort properly, and we can do that in a scattered area. There is a special project that Tracy Williams from New South Wales actually is doing, and that is looking into land and temporary movable huts, because if we have been offered land in prime locations by developers and not-for-profits, then they say, "If it is sitting there empty, let us actually try and use it." That is also another project I have not shared with Mr Slabbert yet.

Mr SLABBERT: I can maybe just add that when you look at those empty lots for this purpose, obviously there are a couple of things you take into account like the surrounding land uses. It might not be well received by members of the community if there is an open lot with low-density residential units around. The location of these land facilities needs to be taken into account. You also need to look at servicing that accommodation, and that also includes access that will lead to the site. There are a couple of things to take into account when considering these empty lots for smaller accommodation options. It gets tricky, but I think there are more than enough ways and means to work around that.

Mr PRADOLIN: Just a quick add to that: What we are doing is trying to get these units to be self-contained in terms of processing of sewerage and things like that because otherwise, as Mr Slabbert said, the servicing costs become prohibitive. We are considering those too.

The CHAIR: Trish, did you have a question?

Ms TRISH DOYLE: I did. Thank you, Mr Slabbert and Mr Pradolin, for your work and suggestions and for speaking frankly about this crisis. Before I ask my question around some options in the short term and understanding that the long term is what we need, I just want to say that as somebody who grew up in precarious housing, having a sleepless night on the floor of a boarding house with other people around you goes nowhere near the kind of anxiety of a little kid who is expecting their mother to be beaten up while they are sleeping in the car. I do understand this from a very personal level as well—the anxiety and the fear and a whole range of other issues around the lack of a roof over your head. Can you both comment on the usefulness, viability and whether this idea that we actually are hearing in the national conversation about relocatable homes is actually realistic, dealing with the immediate urgent crisis but also as a long-term solution, especially the tiny homes, which are something my local council are talking quite a bit about at the moment, offering incentives to people?

Mr PRADOLIN: Mr Slabbert, did you want to go first?

Mr SLABBERT: Mr Pradolin, tiny homes are not really our area of expertise, so I will leave that to you. I will just add from a planning point of view, it is a new space for us in Tract and for myself, and the more I deal with this issue, the more I see how many problems are out there and how much this is becoming a bigger concern for everyone in Australia. As you mentioned, it is something that really needs to be addressed straight away. Unlike numerous other private institutions, we are willing to provide our services pro bono to get a foot in the door and just help out where we can. With our level of expertise, some specialist skills that we can provide, and that is where we would really like to come on board and support organisations like Housing All Australians and the New South Wales Government with our inputs and help alleviate the problems for future generations.

It is a massive concern, and as someone who has been in Australia for only a couple of years, I am amazed to see that it is actually a problem in Australia. Coming from a background where it is something that you see every day with a large chunk of the population struggling with the same issues, I would hate to see Australia go down the same path. I am very passionate to try to help out where we can. That is why Mr Pradolin has my full backing and that of a lot of other private institutions. Over to you, Mr Pradolin.

Mr PRADOLIN: There is a variety of opinions about tiny homes. I think they are part of the solution; they are not the sole solution. In America, they have got communities that develop around small homes, and I think we have to put our own personal subjective opinion aside and ask the people who occupy them. I know in Victoria the Harris family have done something with Launch Housing and VicRoads. VicRoads has got so much land for future road expansions, they have now looked at leasing part of that land to put up temporary homes—and they are small homes—and it seems to be working very well. The feedback that I have heard is very positive about these small homes. Rather than having our own view of why, whether they should or should not, we should ask the participants who actually occupy them and ask them their view. If what I have heard is correct, there are a lot of people who actually prefer that than the alternative.

Ms TRISH DOYLE: Thank you, guys. I think it is good to hear from the perspective of someone who can make it happen by combining ability, creativity, money and negotiation. It is good to hear from you exactly how you see that fitting into a wider solution. I do actually speak to people. Just a couple of weeks ago I spoke to someone, again, from one of the people who you referred to in this cohort, the largest growing number of people at risk of homelessness, women over 55. I spoke to this woman who had moved onto acreage and into a tiny home that neighbours had set up for her. I think it is a coming together of a whole range of elements that makes that work. We definitely need to hear those voices. Thank you both.

Mr PRADOLIN: My pleasure, and, if I could just make a point too because, while we are doing the temporary meanwhile use at the crisis end, we have also got an affordable housing model that we are working nationally on with MinterEllison, PwC, Corrs Chambers Westgarth—a whole group of people—where the private sector shares part of the planning uplift as the subsidy for the affordable housing and locks it in for its economic life. I am currently doing a presentation for the Urban Development Institute of Australia, and they support this at board level nationally, where the private sector needs to be part of the solution. It requires a dialogue of trust, and we have to work through it together to make sure that every party has their issues resolved because we are all committed to solving homelessness. It just cannot be government.

Mr DAVID HARRIS: Thank you, Robert, and thank you to Leonard as well. We actually have a tiny homes project at Gosford on the Central Coast. I have been to have a look at that and spoken to some of the residents. I think it is an interesting model. It does not suit everyone, but there is certainly a proportion of the community that quite welcome it. I was just interested in your comment right back at the start. I have looked at this a little bit, but I would like to hear your views on why the superannuation funds are not investing in housing so much in Australia but they are investing in projects overseas. Is it just return on investment or why is that happening?

Mr PRADOLIN: Yes. I have spoken to many, many super funds and they all would love to invest in housing in Australia, but they are not a charity. They require a reasonable return for risk and it is not that high. If we can create a system—and part of the super question is our housing prices, our tax setting. It is the whole system. It is just not one thing. But if we can top-up the uneconomic portion, they will divert billions into housing Australians. We have to understand how to unlock that, both in terms of the rental and—just one point too, everyone is talking about build-to-rent. Now, build to rent is not affordable housing.

Ms JENNY LEONG: Hear, hear!

Mr PRADOLIN: The rent that is required is \$600 to \$700 a week. Again, I am very supportive of build-to-rent, but you need to understand the actual setting you are servicing and if government—and I am encouraging tax concessions to be made for build-to-rent, but if we make a tax concession with public money

there needs to be a public benefit in terms of affordable housing. It is getting that balance right to actually incentivise the private sector to deliver the accommodation that our country needs, because if we do not we will leave that time bomb. But just imagine if we give people their fundamental needs then how productive a society we become. That is the long-term [disorder].

Mr DUGALD SAUNDERS: Can I quickly ask on that point, just around government's responsibility. I think you have made a good point; it is not just up to government, there does need to be community skin in the game otherwise it will not work anyway. But do you see things like enabling infrastructure as part of the way to make it then profitable for a developer and able to be sustainable for affordable housing?

Mr PRADOLIN: It is all a matter of the whole thing. Infrastructure is a big part of it. In fact, I was talking to the CEO of the National Housing Finance and Investment Corporation just recently because they have got hundreds of millions of dollars for actually advancing infrastructure to create more housing. But, for some reason, there just does not seem to be a take up by either the local or state governments to that funding available from the Federal Government. So, infrastructure is definitely important, but it is about understanding how the ecosystem works. Being in the property game basically all my life, I just see these things so clearly and what I do for state governments and local governments is I give my feedback and ideas for free. Because unless government understands the levers that industry use to make decisions, you sit there wondering and after two years say, "Why didn't that take off?" You need to understand and engage with industry with trust. Because if there is no trust there is no outcome.

The CHAIR: Thank you, gentlemen, for joining us today. We appreciate you giving us your time. Thank you very much.

(The witnesses withdrew.)

(Short adjournment)

SARA WILKINSON, Professor of Sustainable Property, School of Built Environment, University of Technology Sydney, affirmed and examined before the Committee via videoconference

The CHAIR: I welcome our next witness, Professor Sara Wilkinson. It is nice to have you with us this morning. Before we start, do you have any questions about the hearing process at all today?

Professor WILKINSON: No, I do not think so.

The CHAIR: I am Wendy Lindsay, the member for East Hills and the chair of the Committee. To my right is the deputy chair of the Committee, Dugald Saunders, who is the member for Dubbo. To my left is David Harris, the member for Wyong. Also to my left is Jenny Leong, the member for Newton. Trish Doyle, the member for Blue Mountains, is coming in via Webex, as is Melanie Gibbons, the member for Holsworthy. It is Loud Shirt Day here in Parliament, so she is looking very bright.

Professor WILKINSON: Fantastic. Dress down Friday.

The CHAIR: That is it. Would you like to start with an opening address?

Professor WILKINSON: Yes, I have prepared a very short statement, if that is okay?

The CHAIR: Yes, that is fine.

Professor WILKINSON: Good afternoon, everybody. I am speaking today on behalf of the University of Technology Sydney team undertaking the Sustainable Temporary Adaptive Reuse [or STAR] Toolkit project. I thank you very much for the opportunity to contribute to this hearing. The STAR project will deliver practical tools to aid decision-making and increase the uptake of temporary adaptive reuse. The team that I work with have got expertise in adaptive reuse, building defect diagnosis and property markets, office building vacancy, and planning sustainable livable cities. This project has excellent support from professional bodies, from industry and stakeholders such as Robert Pradolin from Housing All Australians, who is also speaking to you today, I believe.

In respect of options to better support meanwhile use and the current range of planning barriers, STAR will co-design tools through stakeholder workshops to deliver solutions. The toolkit resources will do three things: (1) help decision-makers address vacant space on a temporary basis; (2) help end-users looking for temporary accommodation, specifically crisis housing and service providers; and (3) develop needed regulatory expertise. With temporary adaptive reuse, our research and experience tells us five aspects need very careful consideration and these are the change of use, vacancy distribution, the scale of meanwhile use development, quality upgrades and, finally, quality outcomes. Importantly, we believe meanwhile use affordable housing needs a deep

understanding of vacancy and regulatory requirements to ensure the health and safety of housing end-users. Thank you.

The CHAIR: Thank you very much. Professor Wilkinson, I just wanted to ask in regards to meanwhile use and pockets of vacancy, what do you think is the smallest scale that would be a viable option and an example of the number of vacant rooms? What is the most viable, practical solution?

Professor WILKINSON: That is a really good question and I think it, potentially, depends on the scale of the local government area to some extent. One, sort of, group of properties that I think could be for potential is the high street retail, where you have got—say, an example like Parramatta Road, where you have got a busy road and there is nowhere for people to park. So the shops have stood empty, but they are two- and three-storey properties which could accommodate a small group. Again, I think with social housing sometimes a small group can work well because they can create a little bit of community. Sometimes when you have things on a very large scale, you can get adverse negative things happening in a community. So that is an option.

Another option could be, possibly, student housing. Obviously, the education sector has been negatively impacted by international students not coming for some time. It may be there is some potential with accommodation there for a short term. I also think when you talk about short term, what do we mean by short term? Are we talking about a couple of years, five years, 10 years? They are quite different periods of time. For different people, having the security and somewhere to call home and somewhere that is safe and secure, and has a feeling of they are going to be there for some time, is quite an important thing to consider, I think.

The CHAIR: In your opening statement you talked about the quality aspect. Do you have a suggested model as to how that could be defined in the context of meanwhile use development? When you talk about quality, what aspects are you referring to?

Professor WILKINSON: It is a number of things really. I used to refurbish social housing in London, and I also used to advise a housing cooperative in East London. When I started the job, I thought it was a technical job. I was a building surveyor and I had done all the studying, but I quickly realised refurbishing social housing with tenants in situ is actually a social job, and there were lots of issues to try to manage to keep people happy. I think sometimes with social housing if you use cheap-quality products, for example, in a conversion you may find that they damage very easily, so spending a bit more to have better quality installations will lead to less damage and less repairs being required, and actually in the longer term works out at lower costs than doing something that you think is cheap and affordable in the short term but may not work out that way in the long term.

The CHAIR: Does anybody have any questions for Professor Wilkinson?

Professor WILKINSON: Yes, so—

Mr DUGALD SAUNDERS: I might jump in, Professor Wilkinson. Sorry.

Professor WILKINSON: Please do.

Mr DUGALD SAUNDERS: Dugald Saunders here. We have heard from a few different witnesses this morning in talking about some of the things that they see and how groups can work together. I am interested in your take on the types of stakeholders that need to be involved to make things happen to bring projects together but also on how that differs from regional to metro. I am in a regional area. A few of us are.

Professor WILKINSON: I guess, obviously, there is an evaluation of the actual property to look at its physical condition and repairs. I would say smaller scale office buildings could convert to housing relatively easily because of the size of the rooms and the layout, the number of services—bathrooms, potential for kitchen facilities—and the small retail shops as well. These are some properties that you get in the regional towns as well as the inner cities. You would need to speak to a building surveyor. You would need to speak to a planner. You would need to speak to a quantity surveyor to get an estimate of the costs. The building surveyor would look at compliance with the BCA.

Where you have larger office buildings, you tend to have deeper floor plates and converting those to residential tends to be a one-way conversion because of the number of services you have to introduce for bathrooms and kitchens. So that tends to be a one-way conversion. It is prohibitively expensive to then reconvert it back to office space. We've got the quantity surveyors to do the costing, the building surveyor. You would probably want an architect to design the conversion, so there are a number of—and then contractors that have expertise in working on renovating existing buildings and converting existing buildings, rather than delivering new build construction. That would be the sort of expertise.

Ms JENNY LEONG: I am Jenny Leong, the member for Newtown. I have a couple of questions. The first one relates to your comments about vacancy data and having an understanding of vacancy distribution.

If you were to recommend what is needed or if you were to recommend to us what we should recommend to the Government in terms of what is needed around vacancy data collection, either real time or regular, what would be the ideal model for that? Are there other jurisdictions or other examples or pilots that you can point to where that works well, and how do they work?

Professor WILKINSON: Yes. I think the issue with the vacancies is very interesting because what happens is the amount of vacancy, if it is perceived as negative, can start to impact the capital value of commercial buildings. Owners generally want to try to protect the capital value of their buildings. With the offices, for example, my colleague Gill Armstrong, her PhD looked at office vacancy, and what she found was buildings can be underused, and I think, obviously, the COVID issue has made that even more of an issue in the last year or so. But it would not be reported, and the reason it would not be reported was to try to protect the capital value of that property.

Ms JENNY LEONG: Yes.

Professor WILKINSON: But I think because we have had COVID and there is now a lot of talk about will people go back to the office or will they work from home more, I know a number of owners are looking at diversification of their stock and what they can do with it in future. Again, people are not sure whether this is a short-term impact and then people will gradually come back into the cities, or whether it is a long-term change and we are going to be looking at a lot of buildings that are going to be underused and need some alternate use.

Ms JENNY LEONG: Are you aware of other jurisdictions—

Professor WILKINSON: So I think—

Ms JENNY LEONG: Sorry, go ahead.

Professor WILKINSON: It is an issue that is being faced globally at the moment, but what we really need to do is get a better understanding. Gill's PhD came up with some ideas. This would be something that we will be discussing in our workshops with building owners and with people in the property market. What can happen in the office market, for example, is once you get vacancy, the premium rank office buildings—so your Barangaroo type skyscrapers—they want to maintain their capital value. If they go below a certain level of vacancy, it starts to negatively impact that capital value, so they start to offer very attractive rental agreements to people to come out of A- and B-grade buildings to go into the premium building so that they can then claim their occupation levels above a certain percentage. So you get a certain amount of backfilling, which means that then the lower grade buildings become more and more empty. A colleague of mine who works in the letting area in Sydney was saying to me last December that his phone was going off the hook with tenants ringing him to either terminate or reduce their tenancy space.

Ms JENNY LEONG: Absolutely, yes. Okay. Thank you. I guess the other question that leads on from that in terms of your work in developing these STAR tools, what is the time frame for that? How would you see those tools to then be able to be taken and used by the New South Wales State Government or within programs? How do you see those tools being able to become a useful tool? Are we talking something along the lines of the Building Sustainability Index? Are we talking about something just as a guide or a model? How would they be used in the way that you are developing them?

Professor WILKINSON: Thank you. What we would like to do is, we have just heard this week that the project has been funded, which is excellent news—

Ms JENNY LEONG: Congratulations!

Professor WILKINSON: —and it will be for three years. Thank you.

Ms JENNY LEONG: It is rare that things get funded in universities these days, so very good news.

Professor WILKINSON: So we will be setting up contracts and we are planning to hold two workshops a year. We would like to get all the stakeholders involved so if there are people in the State Government that would like to participate in the workshops, that would be fantastic. We are going to be talking to people who have a need for accommodation. We are going to be talking to the planners, the regulators, the builders—all of the stakeholders—to get their input. Now, our toolkit of resources, we are hoping to produce online resources that people can go in and perhaps do an initial evaluation of the suitability of a particular building to their particular needs and then have a list of resources that tells them who they need to talk to, what are the particular issues they need to address here, and who the particular residents are. We are also very open to other people saying to us, "Hey, how about doing this?", and so I am sure it will evolve over time as we get a better understanding of all the different stakeholders' needs and wants.

Ms JENNY LEONG: Thank you so much. Chair, I was just going to ask maybe it is possible you can follow up with your colleague if she has any more specific recommendations around the data collection side and what she thinks would be a useful thing for the New South Wales Government to do in terms of monitoring and tracking vacancy rates? That would be great, thank you.

Professor WILKINSON: Absolutely. Yes, definitely.

The CHAIR: Ms Doyle or Ms Gibbons, do you have a question for Professor Wilkinson at all? No. Okay.

Mr DAVID HARRIS: Professor Wilkinson, my only question is: Will the toolkit be adaptable? In regional areas many of the high streets have multiple empty business spaces. Many of those are heritage.

Professor WILKINSON: Yes.

Mr DAVID HARRIS: The adaptability internally is probably possible but also will have to take in those heritage considerations as well. Is that something you would be looking at?

Professor WILKINSON: Absolutely. I have worked on a number of heritage buildings in the south in the past so I am familiar with the need for something to be preserved and for some to be reversible repairs. It is very important, I think. The village I come from, we have got buildings from the fourteenth century. The golf club was a mediaeval home. It was a fortress at one time and had a moat around it but it has been in constant use for 900 years and that is fantastic. So it is all part of an ongoing life cycle. We should not be afraid to change things as times change. I think there are lots and lots of fresh approaches to follow to ensure that heritage buildings retain their important bits but can have a continued life.

Mr DAVID HARRIS: I think that is incredibly important because a lot of those buildings are literally falling apart because they are empty, so having that repurposed use would keep those buildings alive, if you like.

Professor WILKINSON: Absolutely. My background is of a chartered early building surveyor—so sort of early defects and a building's pathology—as part of my professional career. Empty buildings deteriorate much faster than do occupied buildings.

Mr DAVID HARRIS: Thank you.

The CHAIR: Okay. Are there any other questions?

Mr DUGALD SAUNDERS: No.

The CHAIR: Is there anything else you would like to add, Professor Wilkinson?

Professor WILKINSON: Yes; I guess a couple of things. I think the cooperative housing model is something I experienced in the UK in the 1980s. It has not been something that I have not seen over here so much. I used to advise the housing cooperative in East London. A little story: Three theology students from the University of Cambridge managed to get grants from the Greater London Council for £74,000 and with that they were able to purchase 18 bomb-damaged joinery properties. They were flat-fronted terrace buildings. They did a facade retention and they created 32 housing units in those 18 terraces and they ranged from one-bedroom houses or flats to four-bedroom family houses. The family that I knew, they had a four-bedroom house and I think their rent at the time was something like £36 a week, so it was very affordable. Seventy-four people were housed in this community.

The back gardens: Every living accommodation had a back garden which varied in size, depending on the size of the property, but the garden fence was only a metre high so people could talk over the garden fence. There was a pathway at the back of the buildings that led to a couple of open spaces where children in the community could play on community swings and also they could meet as a community for barbecues and what have you. The level of social caring and empathy among that group was amazing and, you know, the people are still living in that community. They have been there for 30-odd years now. It was a small scale and it really worked and possibly looking at some housing models along those lines might offer some solutions to people. The children of those people, they have gone on to university: They are doctors, they are nurses and they are really making a positive contribution to society as a result of having secure and affordable accommodation and a good community.

The CHAIR: Thank you. Professor Wilkinson, thank you for joining us today. I will check in with Trish Doyle and Mel Gibbons again before we sign off. Are you good to go? Yes. Thank you for joining us and thank you for your contribution to the inquiry.

Professor WILKINSON: You are welcome. Good luck with this fantastic work.

The CHAIR: Thanks a lot.

(The witness withdrew.)

(Luncheon adjournment)

SIMONE PARSONS, Chief Operating Officer, Women's Community Shelters, affirmed and examined before the Committee via videoconference

The CHAIR: As part of the formalities today, do you have any questions regarding the process of the hearing at all?

Ms PARSONS: I know that you have received our submissions. I am very happy to—the key thing for me is to be open to any questions that the Committee may have to ask.

The CHAIR: I am Wendy Lindsay, the member for East Hills and I am chairing the inquiry today. Online is Melanie Gibbons, the member for Holsworthy. To my left I have David Harris who is the member for Wyong and Jenny Leong, the member for Newtown, in the building at Parliament today. Thank you for joining us. Would you like to start with an opening statement?

Ms PARSONS: Absolutely. Thank you, Madam Chair. I am Simone Parsons. I am the Chief Operating Officer of Women's Community Shelters [WCS]. We provide crisis accommodation services in New South Wales where our model has evolved alongside activating community interest and capacity and commitment to providing a response to domestic and family violence and homelessness amongst women and children. The reason that we were so excited to provide you with a submission to this inquiry is that one of the parts of our work that has evolved over the last few years has been the growth of our transitional housing projects.

About three years ago we commenced some work with an organisation called PAYCE, who is a developer, and established Pathways Home. We did that initially looking at the opportunities from a development that the PAYCE group were working on in one of the metro areas of Sydney where they had some vacant housing stock. The way that WCS had evolved meant that our services at that stage were primarily focused on the crisis accommodation. We were yet to really start to develop the next steps pathways, which include the transitional housing linkages. In conversation with PAYCE, who had some vacant properties, we began a conversation around what might this look like and what kind of hurdles would we need to overcome to ensure that these homes could be safely used for women as part of that transitional period.

From that early conversation three years ago, I am really proud to say that now we have added an additional 95 transitional housing places to the sector. Over time about 40 of those have been specifically focused on supporting older women. We have really developed our capacity to work with partners to identify what assets they have to make available and what their offer is but at the same time to work through concerns they might have as owners offering properties or as developers and to put into place a partnership which involves WCS as the support provider, providing support to women and kids in shelter or in the transitional housing but linking to community housing providers to provide the tenancy management services so that both the owner of the property is protected but also the tenant gets a really accurate feel and builds a sense of their rights and responsibilities as a tenant. So at the time we are supporting them to move out of that transitional housing, they have developed some knowledge and skills to support them on the next step and also a history of good tenancy.

I think that we probably sit apart from some of the other submissions that you might have received in being really clear that our transitional housing is delivered through a meanwhile use arrangement. So we are making temporary use of underutilised or vacant assets and using them in a timely and very pragmatic response to an immediate issue. We absolutely do not see that meanwhile use is the solution. It is not. We need additional housing—that is a given. But while there are vacant and underutilised assets out there, I really think that we have got a responsibility to make sure that we are using them to solve the community need. We have seen some remarkable outcomes, which would not have been supported, through some of our properties. So I am really keen to answer any questions you might have about that and also talk through some of the recommendations that we had, which sit in the spheres of understanding what stock is available, bringing the right parties to the table, giving them the opportunity to provide some responses, removing barriers, which are often the planning barriers and the time that is taken in the planning consents process, and seeing this as part of the overall solution.

The CHAIR: Obviously, you are on the ground. How are you finding places to actually make this work for your organisation? How are you connecting with these empty spaces that you have used?

Ms PARSONS: Absolutely, happy to talk to that. As I mentioned, the initial project was because of a partnership that we already had with PAYCE Foundation who had supported one of our community shelters. From there they really actually pushed us to say, "Let's take this further. Let's open this up as a platform for something

more." So we had a meeting with the Property Council of New South Wales and invited a number of other developers to a conversation. We invited the City of Sydney to a conversation at that time and we began to build a profile around what we could offer. We now have a description of Pathways Home which is what we call our project on our website where it is accessible. I would say being word of mouth primarily now that people have heard about this scheme. We tried to share the benefits, do we move families that we are helping out for a period of stable housing?

From that first project which was a joint established relationship I then received a cold call from a planner who was working with an organisation that is quite clear to me now called Twilight Aged Care. It had an empty property that had been used for dementia-specific services. It was a 43-bed property. So it was a large property that had been vacant for some time. In the initial phone call my stomach kind of dropped a little just at the scale because we found a residential property, and here we were talking about something much larger. But we were beginning to build, I guess, our expertise and we were brave enough to go out and have a look because the need was there.

We drew on what had worked in the original partnership which was working closely with PAYCE, working with Bridge Housing, building a clear tri-partnership agreement that lay out the roles and responsibilities. We took that expertise, connected with the local community housing provider because everything that WCS does is about harnessing local community. So we used the same methodology. We took Link with us, and went and had a look at the site. We were overwhelmed but said "We can probably do this anyway. Let's have a look at what is needed." It took us under 12 months—about nine months—to get that property from first walk around the facility to activating a partnership with a number of contractors, with an organisation called National Project Maintenance, who had a relationship with contractors across New South Wales.

It ended up being a massive capacity building initiative and an engagement initiative, for local trades people to get involved in responding to a need which was older women's homelessness. We were lucky in that first example which was Beecroft House to be working under a planning framework in which Beecroft already had the right consents in place. It had been a hostel. Our first staff meeting with Hornsby Council cleared that backlog fairly quickly. We knew the doors were open. And nine months later we were launching and welcoming women into that property. That experience was so important for Twilight Aged Care that they now see working with us as a core part of their service delivery. In a future development, which was not quite 12 months later, again the phone rang, this time about a property in Mosman. It is a beautiful property and again we began the process, lucky enough to continue to work with Link Housing because they service that area. A W Edwards, another property development service came in again and helped us make that property fit-for-purpose.

My experience is where the relationship begins and you take property owners with you on the journey and they see the outcomes, and you provide the legal methods to make it safe for them, to make their property available, then it does get built into the way that they want to operate and do business in the future. The benefits for them are multi-faceted from their staff right through to their corporate social responsibility. It is good that their asset is not vacant, it is occupied, it is part of the community building with them. My early moment at Beecroft House after walking through the property, with them thinking about "How will we take this opportunity to the local community? How will we back down any concerns or misinformation in the community might have about the women who will be living here? How will they be supported? How will they be connected to community."

We had a community meeting with about 45 local community members present and the response was overwhelmingly positive. So we had the opportunity to explain that these women were in the position they were in because of financial hardship predominantly so they lived as community citizens and lived their lives and found that they were in a position at a point in time where the affordability of housing meant that they were in a precarious circumstances. We heard that again and again from the women who then moved into that property. One of the most important outcome of Beecroft House, whilst providing safe and secure accommodation for a period, was that it connected women to the social housing system, and to affordable housing for which they were unaware they were eligible. In doing that we have helped set up, prior to the next years of their life, a security and reduced vulnerability finding that incredibly important.

From those comments on our foundational projects, we then have other offers which we accept, based on how long is the property available? In what condition is the property? Does the property meet all the building code requirements? We are never going to sacrifice women's safety in any environment so it needs to be a property that can be a home where we can deliver the other services—the case worker and support services that are needed to help those women move on, continue on with their lives and develop a next step pathway which is what we have seen happen.

The CHAIR: It sounds like fortune favours the brave in the first project.

Ms PARSONS: I think so. Also the willingness to get people around a table for a conversation. Just recently we have been lucky enough to partner with City of Sydney, with an offer to utilise student housing, obviously with international students' intake being suppressed, which has been an enormous opportunity. That is something that has just been initiated with City West Housing, City of Sydney and Scape, who are a student housing provider. Again it is an opportunity to use an asset that is sitting vacant to provide a solution, to provide an opportunity, wrap around support and expertise for women that are going the next step in their journey.

Ms JENNY LEONG: Thank you so much for that contribution. I am Jenny Leong, the member for Newtown. How are you?

Ms PARSONS: I am good, thank you.

Ms JENNY LEONG: Would you touch on a couple of things? These projects are amazing and I absolutely hear you when you say that this is not the long-term solution; we need housing. I agree, 100 per cent, in longer term investment and that these transitional and temporary options are not the full solution. You talk in your submission about the minimum standards of what you require to be able to make this work for women in terms of safety, the length of time people can stay. It would be great to get your answer now but it would also be great if you have got specific criteria around that so you would be in a place to share with the Committee in terms of looking at other models and how the State might look to support that. Knowing your minimum standards would be really great to have in detail.

Ms PARSONS: Absolutely.

Ms JENNY LEONG: What happens when the developer wants his access to this site returned? The transition from the transitional housing, how does that happen? How long a timeframe do you get? How does that then intersect with the 10 plus year public housing waiting list? How do you negotiate that challenge?

Ms PARSONS: Great question. To answer your first question, we absolutely do have criteria and I am more than happy to share that. I will attempt to talk a little bit about that now. What we have learnt to do—it will give you greater hold of the needs and experience that women and children are first and foremost. We have had offers of housing that have been really short-term—you know, three or six months—and for us to put in place the proper structures to make that a successful experience was the main thing. We have done it, it really needs to be no less than 12 months. That enables you to do the right intake assessment, work with the community housing provider, put all the partnership agreements in place, the legal agreements in place. Sometimes they are simply with the community housing partner and then a partnership agreement with us.

There are myriad ways that we can make that work. And then it is about making sure that it is the right community for the women and kids moving in. Often what can work most successfully for women and kids into a referral from our shelter network as the caseworkers continue to be involved and we are able to do all of the same kind of safety checks that we would for women moving into shelter in terms of perpetrator in the vicinity, connection to kids with all access to education and employment pathways and transport. So we look through all of those same lenses that we would look through with our shelter properties. For older women, the things that we consider are a bit different because the older women have been in the properties that have been the larger facilities. We spent a lot of time before Beecroft asking the question: How do we make sure that we are not reducing functionality? We want women to—there needs to be dignity, there needs to be an interest in still cooking, in being able to go out to work, in being connected to the community. Our coordinator at Beecroft is partly involved in facilitating that, but it is also about the amenity part of the building itself.

We are part way through a 12-month review of Beecroft and Mosman House. We have talked to the residents and we have done some analysis there of what has worked and what has not worked. We have taken feedback from that and, obviously, the more personal space you can provide people, the more dignity, the better outcomes for them. Communal living can be challenging but, at the same time, there are lots of rich relationships that have been made that women have then taken forward beyond their stay. The linking to a community housing provider is integral to our model because they are skilled at helping provide access to housing, whether it is private rental with subsidies and other things that are available—other housing products available to provide that support—or where they have done an analysis that clearly identifies that women are going to be better supported in affordable or social housing. We are looking at the experience while they are in the transitional property but also the pathway out of there, and we begin that right from the initial assessment around that intake.

I have probably blended those two questions together—no less than 12 months, fit for purpose with as much dignity and personal space as you are able to provide in the criteria, and then in terms of the pathways, involving the community housing provider early. In Beecroft House, in the larger properties, we have involved a number of the community housing providers and we talk to them prior to commencing the project to say, "Finding next steps for 20 women might be concerning, but if we have got four providers that undertake to work with five

women, that is achievable." So we took that kind of approach. What we are finding at Beecroft is that women are self-selecting over time. We have done work with them while they have been with us. So the housing pathways, as you would expect, are of their choosing. Certainly some are offers into social housing as they become available.

In terms of the pop-down, that is a really good question. The agreements that are activated with the women when they walk in and they begin their tenancy are a tenancy agreement, effectively. When we know that the timeline for the property to be available is coming closer to an end, the duration of that tenancy—obviously we are doing some hard work with the individual women around what happens next. We are underpinning that also through the nature of the tenancy agreement and the duration of that tenancy agreement. If the pop-down date is in six months, that is when the work to start to look at exit starts. It is not left to the last minute. We absolutely take that very seriously. There are other projects we can look to that have had to do the pop-down of a larger facility. A project run by My Foundation is one that comes to mind in that respect. I am absolutely happy to talk more about that at length.

Ms JENNY LEONG: Obviously we will move on to other questions, but if there is additional information or anything like that that you can provide, that is very welcome to the Committee. Thank you so much, Ms Parsons. I will excuse myself now, Chair. Sorry, I have another engagement.

The CHAIR: That is okay. Ms Parsons, how long are people with you for on average?

Ms PARSONS: Transitional housing, as it is often considered, is around 18 months. It has been a question for us at Beecroft. What we have found is—and this is where we like the planning process to go slow because then we get more time in the property—that there have been a couple of occasions where the end time has been extended. We take the approach of what is best for the woman that we are working with. Is the best outcome for her that we are looking at options for her and it is 12 months in, because that is what she wants? So we work with her to make that happen. Or is she stable and there is a range of other parts of things in her life that we are working with and it is a good fit for where she currently is? The 18 months, we would extend if the property is available, if the room is available. That is a negotiation and it really is dependent on circumstance and the length the property is available and what other factors are being considered in that individual's life.

One of the standout clients that we were able to work with was a family who were working through immigration issues. Mum was able to secure permanent residency but in the time between leaving the shelter, the options available to her were very slim. Being able to transition her from a shelter into a transitional housing property, where we were able to subsidise the rent because we are not charged a rent—most of the owners will gift the property. I can talk to the financial underpinnings of the model, because it is one of the critical elements that influences how we make it work. We were able to provide it for almost nothing—non-existent rent. Seeing the shift for that family, securing their permanent residency, kids engaged in school and achieving, and mum working. The family was probably with us for longer than 18 months but moved on at the right time for them in a way that the benefit for them was able to be sustained.

The CHAIR: You said earlier that some things worked quite well and some things do not work. What are the things that do not work very well?

Ms PARSONS: What does not work is probably more in the planning controls. Where you are wanting to use a property for a meanwhile purpose, typically that is less than five years. You would see that the property owner's plans for that property are going to move more quickly than that time. If within that five years you need to get a development consent, need to work through multiple layers of property use—get a change in property use—it eats into the time that the property is available. The majority of our properties would be available for between two and three years. We had a delay at Mosman House initially, as we were working through planning issues, whereas at Beecroft the property was available immediately and we were able to activate on that. We had another residential property that was lost to us for meanwhile use because that particular local government was struggling to conceptualise what a transitional house meant. The affordable housing sector has a whole list of what a group home and transitional housing mean. I think that they are no longer relevant or accurate. I think the council was quite fearful and quite conservative in its approach. In the time that that took, the developer lost interest or other opportunities arose. It really is something that we need to move quite swiftly with but nimbly with.

I think if we were aware of properties that might be available from government in government assets or could safely say that there was a meanwhile use criteria and planning consents that ensured building control standards were adhered to, that ensured that fire provisions and other things were obviously adhered to—so it needs to be a house fit for residential living. But if the other longer term uses that often hold things up in the development and planning process were aside and comply and developmental approaches were in place, I think that would make it much more appealing to people to get involved and offer their properties too. The other thing I would say is that where properties do need some improvement in their condition for occupancy—and that just might be an internal paint, removal of rubbish, making the property safe and secure—having the ability to apply

for some grants for those kind of make-goods would be a small price to pay for a huge housing opportunity, I would also expect.

The CHAIR: Thank you.

Ms MELANIE GIBBONS: I know we are now short on time. I just wanted to ask a little bit more about community of practice and how that concept would work in reality. Ms Parsons, I think you just touched a little bit on it, but if you know that they are available, that would help.

Ms PARSONS: The endpoint for us is that we have developed an approach and we are so happy to share the way we have worked. There is the opportunity for this model to be replicated in other areas, and we have already begun to give advice in areas where Women's Community Shelters does not currently operate. For us, the principle is making assets that are under-utilised available for women and kids to be safe and to provide access to affordable housing while our reinvestment is happening. So the community of practice is also about sharing our knowledge with others.

Ms TRISH DOYLE: I am sorry I am a little bit late. I was just farewelling one of my staff who has gone on maternity leave; it was quite a lovely lunch. I want to thank you and all those you work with for what you do. It is a tough world. Before I ask you a quick question, I acknowledge that I credit my survival in my life as a young kid to the work and the existence of the women's refuge movement, which looked after me and my family. Before there was what is now known as Women's Community Shelters and before a lot of those women's refuges were shut down, they were an absolute lifeline to people. It is not just about a roof over your head; it is about survival—life or death. So thank you. I am just really interested in this view about partnerships, corporate communities, philanthropic, about the business and corporate sector stepping into this space. I am very worried—and I am going to be a bit cheeky here, Chair—that government has not provided an opportunity to step out of that space. I think there is a role for government in funding and caring for that space. I just wondered if there were any comments you could make about the difficulty in bringing together all those elements.

Ms PARSONS: My reflection on that is that I absolutely agree it is a partnership between all sectors, and government is one of those partners. In terms of the meanwhile use and our transitional housing, what I have found is that it is a safe place where developers and other partners can contribute. They can contribute what is within their expertise and what is within their level of comfort, so to speak. They can contribute within their current business; so they are not asked to do something that is other. For the property developers or the Twilight Aged Cares, it is something that they can give and they give it into trusted hands who put the other pieces of the partnership together to make it deliver the service. Absolutely, the casework is integral. It is really an important part. The support of a healthy community housing sector is also an important part. We lean on them really heavily in helping us navigate the property requirements and certainly couldn't do it without them. It is a partnership going forward. I do believe that there are government assets there that we could make use of that should not be sitting vacant and, if identified, they could be offered up to projects like this.

Ms TRISH DOYLE: Thanks, Ms Parsons. Please pass on my thanks to your team.

Ms PARSONS: Thank you so much.

Mr DAVID HARRIS: Yes, that was very comprehensive.

The CHAIR: Thank you so much for joining us today. Is there anything else you would like to add before we move on to our next witness?

Ms PARSONS: Thank you for the opportunity. I think there is a great opportunity here that comes at the end of a great week of announcements. So let's keep working actively to make a difference for the lives of the many kids and to give access to affordable housing.

The CHAIR: Thank you for all the work that you do. All the best.

(The witness withdrew.)

(Short adjournment)

MAREE McKENZIE, CEO, Homes North Community Housing Ltd, affirmed and examined before the Committee via teleconference

MICHELE ADAIR, CEO, Housing Trust, affirmed and examined before the Committee via teleconference

The CHAIR: We have Maree McKenzie and Michele Adair with us. Good afternoon. Would you both like to give a short opening statement?

Ms ADAIR: We actually discussed it. Maree was comfortable in me giving a statement not so much for both of us but more broadly within my capacity as Chair of the Community Housing Industry Association. If that is okay with you, I will make the statement in that context.

The CHAIR: Okay. Thank you.

Ms ADAIR: Firstly, thank you for the opportunity. There is no question that we must improve access and explore alternative accommodation to help meet the demand for social and affordable housing. This should include the repurposing of existing accommodation and the meanwhile use of land and other building assets. These alternatives must satisfy three essential criteria. Firstly, the property must be fit for purpose. Families cannot be subjected to overcrowding. Health and safety must not be compromised, and mobility needs cannot be ignored. I recently inspected three vacant University of Wollongong buildings with a total of 537 rooms, but we could not make any of them work. Secondly, the duration of the tenure must be long enough for the tenant to feel secure and to establish themselves. Thousands of people are stuck in well-intended but inadequate temporary accommodation. We, at the Housing Trust, housed a woman who had spent seven years moving between government-funded motel rooms and shelters while she was on the social housing waitlist.

Finally, temporary solutions must not be funded at the expense of increasing the net supply of permanent social housing. This just delays the inevitable. As a recent example, the Together Home program was created last year to provide up to two years of temporary housing and support for around 1,000 rough sleepers. It is a wonderful program, but it is only temporary and costs over \$123 million. The need for this program highlights the failure of successive governments over many decades to adequately increase the supply of social housing. The community housing providers who are currently delivering Together Home are now tendering for a share of just \$35½ million to increase social housing stock specifically for these clients. Even if all of the State's current social housing stock was at a livable standard, we would need an additional 15,000 homes today. A subsidised housing system needs a subsidy. That means access to government land, cash and finance and the right policy settings. We need a state-wide plan, with measurable supply targets, that uses every available option.

The CHAIR: Thank you. Trish and Mel, do you have any questions that you would like to begin with?

Ms TRISH DOYLE: I appreciate you both being here today, Ms McKenzie and Ms Adair. I begin by thanking you and your teams for working in such a tough space and for being able to articulate the issues very well. You are very frank with your articulation. I appreciate it. I wanted to ask you to elaborate on the problems and the barriers that are created around this contestable funding model. We have got members of the Government in the room. Go to it.

Ms ADAIR: Sorry, did you say contestable funding model?

Ms TRISH DOYLE: Yes. The contestable funding model. Those in my area who work in the community housing sector tell me how problematic it can be at times to actually pick up and run with incentives and great ideas. I think that is problematic. We are all vying for a piece of the pie. The funding model prevents us from being a little more creative with coming up with the ideas in this space.

Ms ADAIR: From my perspective, the greatest difficulty that we have is when, as not-for-profit community housing providers, we are competing with private developers, seemingly with almost unlimited depth in their pockets. We are asked to compete on the open market for land, whether that is land that is being sold by private entities, or, certainly, also public land—our council's state government land—from time to time. That is a significant problem. The other related challenge is when we do have opportunities to tender or to bid, it is an extremely extensive and often complex and repetitive process. Unusually, perhaps, many CHPs have particular regional footprints, so perhaps there are also opportunities for us to be able to be relied upon without necessarily constantly needing to prove our probity and credentials over and over. That is obviously always a balancing act. All levels of government need to ensure that systems are equitable and fair and transparent. Given the very expensive regulatory frameworks and contractual frameworks within which we all operate, I think there is probably some opportunities there.

The CHAIR: Ms Adair, can I just ask you about something that you said earlier in regard to the 537 rooms at Wollongong university that were not suitable for the purpose. Can you give us a bit of an understanding as to what some of those reasons were why they were unsuitable?

Ms ADAIR: Sure. There were three different properties. If I just give you a bit of an overview of each of them. International House is the largest; it is about 220 to 230 very, very small single bedrooms with no room other than for a small cupboard, a desk and a single bed—a classic, old, very very solid brick construction, which would have made it extremely expensive and messy to knock walls out in between to convert those into anything that would allow someone to have some private sitting space, let alone an additional bedroom perhaps for a parent and child. Probably 12 to 15 of those single rooms shared a bathroom down the hall and communal cooking facilities. But a property also with very limited car parking that had fantastic access, as you might imagine—being a university building—to public transport.

Werona is the next one, a property built in the seventies; from memory, about 170-odd rooms again, but, frankly, not fit for purpose. It needs to be demolished. Again, for us, we put in what we considered to be a competitive bid to do that and I understand that we were off the mark by some 30 to 40 per cent. A classic example of a wonderful community asset; we happened to have a wonderful relationship—we are actually doing a joint building sustainability competition with the University of Wollongong and we just could not make that one work.

The other—quite different again—it was built originally as an Ibis motel/hotel. Great in terms of, again, very central location, 140-odd rooms, classic motel rooms; walls that we could have very easily opened up between because they were gyprock, so we could have done that quite effectively and converted one of the motel bathrooms to a kitchenette and some great opportunities there, but again we were looking at a very substantial capital outlay and millions of dollars worth of refitting. That is a good example of a meanwhile use project because the property is owned by the Anglican church next door and although they really wanted us in there and we had progressed some wonderful conversations about community integration and the sorts of things that we could do together, we simply could not make the financials stack up for that on what was in total probably about a 50-year lease.

Ms TRISH DOYLE: Madam Chair, if I may, just on that, how long do they usually stay with you for? How long would they stay in a property like that if you go ahead with it?

Ms ADAIR: It depends on the age which they are when they come in.

Ms TRISH DOYLE: What is the typical person that you look after?

Ms ADAIR: Typically they would be, for social housing tenants, mature-age or people living with a range of disabilities or chronic health conditions and they would have had to be with us for life. So once most people join the social housing list, of course there is some transition to affordable housing. A minority of people transition to home ownership within the private market from social housing, but they are certainly the minority. We have noticed, in fact, there has been a decline—normally we have about 20 per cent of our tenants from social housing transition either to another property, to another location, or perhaps to affordable or to market housing, back with family, those sorts of things happen. We normally have about 20 per cent a year of movement that might still be within our portfolio, but in the last two years we have seen nothing, and that is a combination of nowhere to go and general insecurity about what is happening in the housing market and the community more broadly.

Ms TRISH DOYLE: Can you talk to us a little bit about incentives that could make it easier to fund some more social and affordable housing?

Ms ADAIR: Certainly. If "incentive" means access to land—

Ms TRISH DOYLE: Yes.

Ms ADAIR: Any development proposal, the most expensive part of it is the cost of land. We are looking at a parcel right now that we want to secure. It has literally gone up \$600,000 in 18 months. So the people that we are looking to buy the option from had done nothing but sit on that land for 18 months and we have absolutely no alternative but to buy it. That is what we are competing for at the moment. Local councils, obviously State Government being able to make land available, preferably without cost or at least so subsidised or at low cost or perhaps over a long-term leasehold that we can actually do the financial modelling to make it work, the range of those options will vary depending on the scale. If we are talking about a big, multistorey medium density apartment building, that is a very different financial proposition to what we might need for something that we could build half a dozen villas or townhouses on. We need concessions. I have not had one of my local councils waive our DA fees for anything, ever. So that is a factor. They say, "It's only \$25,000." That is three kitchens.

Ms TRISH DOYLE: Talking about councils, are there any planning barriers that you are coming across? I guess the length of DA time?

Ms ADAIR: Shockingly, our latest Communities Plus project has just been approved; that is in Crown Street, Wollongong—a fully compliant development, it took over 18 months. The one before that for Communities Plus, which we have just opened in Corrimal on Monday, that took nearly two years—again a fully compliant DA. I was on a design review panel for our new affordable housing project in Dapto just on Wednesday of this week and the design review panel frankly made some extraordinary demands, not even about our land but about us providing a road through our land into the adjoining privately held land because they thought it would make for a better precinct outcome. It is quite absurd. The DA that has just been approved for Crown Street went back to the design review panel three times and they were often providing directions that were in direct contradiction to what was permissible under the local environmental plan and the development control plan.

The CHAIR: Have the council elections being postponed impacted on that, do you think? Do you think that had anything to do with it, or is it just this particular panel?

Ms ADAIR: The elections have had no impact. It is not—those examples happen to be Wollongong—that experience is not unique; we deal, as most regional housing providers do, with a couple of councils. Our experience is very comparable with Shellharbour and Kiama councils as well.

Mr DAVID HARRIS: You were talking about how you are able to access or not access finance. Is it a case that when you are looking at a project, you look around for grants and things or do you have to wait until grants become available and then look at properties? I would assume you would have some equity in the properties that you already own and that would give you some capacity. But in the community housing sector I see a lot where you cannot just go to a bank and ask for a loan and you do need that government support.

Ms ADAIR: Ms McKenzie, do you want to comment on that? Oh no!

The CHAIR: We have lost you, Ms McKenzie.

Ms JENNY LEONG: She has just gone mute.

Ms ADAIR: Okay.

The CHAIR: It is back to you, Ms Adair.

Ms ADAIR: Looks like it is back to me until Ms McKenzie can get her mic back. I am not sure what you mean. For the strength of our individual balance sheets, one of the most critically valuable things that the New South Wales Government has ever done—and we need more of—is property transfers where the social housing stock was transferred from government to CHPs and in return for that we entered into contractual obligations to leverage those assets and build more homes. That was a game changer, and we certainly want to do a lot more of that. It can also be the case that councils or other entities may transfer title as well. We are all, like any other commercial organisation, reaching the capacity on our balance sheets. We need to continue to be able to have more simply to borrow more.

My organisation only has loans with commercial banks. We have not had difficulty until more recently. It is quite important and appropriate that where those transfers have happened historically that LAHC New South Wales Government's interest is protected on the title. But that is always the case, and under our constitutions and the way community housing providers must be set up under the Act and under our regulatory compliance, really the recognition on title is an added safety net. Regrettably, we have seen a number of policies from LAHC in the past 12 months or so—18 months—that are making it extremely difficult for us to leverage those assets and to be actually able to grow and use our balance sheets as partners with government to be able to meet the needs of our state. That has been particularly disappointing.

As I said, we enter into tripartite agreements with government and with our bank, but their approach to our assets has become more orientated towards, "Will we get permission to use our assets?" rather than, "You have met the financial obligations. You have satisfied the Corporations Act through your boards. You have done everything you need to do. The financial modelling is very robust. Everything is safe and secure when and if the worst were to happen." And yet, still we are encountering some hurdles. That particular draft policy is in review again now, and so we are hoping that we will see something much more collaborative and much more enabling of our ongoing sustainability and growth.

Ms McKENZIE: It is Maree here. Can you hear me now?

The CHAIR: Yes.

Mr DAVID HARRIS: Yes.

The CHAIR: You are back, Ms McKenzie.

Ms McKENZIE: I will not be putting myself on mute. It seems to decide a different microphone every time I do. I would concur with what Ms Adair has said. We were in the New England North West where we have had properties transferred over to us for management, and the last charge was 1,500—a considerable number. But within that contract we had to deliver a whole lot of other services. There is no social housing delivered by government in this area; it is all done by the community housing provider and that is Homes North. In that [inaudible].

The CHAIR: We have lost you, Ms McKenzie. We have lost you again.

Ms McKENZIE: [Inaudible].

The CHAIR: Yes, there you go. You are back.

Ms McKENZIE: I will just keep changing [inaudible]. In that fact, the service must be used to deliver homelessness services and to assist people into private rental, which has really limited our capacity to actually increase supply. Previous to that, we have had title transferred to us in a different program, and we were able to leverage and we were able to increase supply with that program. I would urge the Committee to look at the benefits of transferring title to the provider. It actually also frees up the whole process, and the financial institutions find that much more streamlined and they have got much more line of sight with the direct borrowing with us and we have title of the property.

I want to add also, you talked about grants and supports for developing social housing. Upfront grants for the build—for construction—are the simplest and the least burdensome and costly for all concerned, and that is government side as well as the community housing provider side. The other thing I would say is that it would be very helpful if we had set targets of supply for social and affordable housing in the state and we had key grants structures of how that was going to be done because we keep changing. We have gone from SAHF and then we have gone to 49-year leases. Each time, it is a very different procurement process with different burdens on it. I think clear ways of the increase in supplies should be the target and we should move towards that target.

Ms ADAIR: If I could add one other thing, it particularly relates to, "Do we wait for grants or do we go proactively?" Again, I would say that we are just like every other commercial organisation, we do not wait and it is one of the great things about our sector. I actually think that we are the perfect social enterprise. We are proactive but there is a bit of a habit in government to imagine that we are all just sitting around, that we have land banked parcels of stuff everywhere and when somebody says, "Compete for a portion of this money," that we can just pull things out of our hats.

We so often hear, "Only tell us if you have got things that are shovel-ready." To be shovel-ready means not only the land but it also means we will probably spend 12 or 18 months getting development applications developed and designed. It is just not a commercial reality, and yet where we can of course—and we are talking I think particularly about the tier one and to some extent the tier two CHPs—we all certainly do have pipelines that come on over various periods of time. No, we do not sit back. We are also proactive. I am not the only one who works with a whole range of private developers and builders to see if we cannot structure an opportunity, either a long-term leasehold or perhaps some other commercial arrangement to buy into their projects when and if the opportunity arises.

Ms JENNY LEONG: Thank you, Ms McKenzie and Ms Adair. Thank you for your opening remarks as well. I was not in the room, but I was listening from my office; I just had another thing to finish up there. I just wanted to ask you, Ms Adair, in the first instance, you talked about that Anglican example of just not having the capital costs but then the potential for that to have been a very long-term meanwhile use. What kind of money would we be talking for that kind of thing to be able to get off the ground?

Ms ADAIR: Twenty million dollars.

Ms JENNY LEONG: What would the outcome of that \$20 million be as to how many places and how much time?

Ms ADAIR: With \$20 million we would have been able to have converted the rooms. That particular building also needed its cladding replaced, and so that would have included the refurbishment of that and the various fit-outs. We would have delivered 40 to 50 one-bedroom apartments for that. We would have had a wonderful social enterprise. Because it is originally a hotel, it had a fantastic ground floor with a big cafe option. We wanted to partner there to be able to lease that commercially but make a condition of the sublease that it was going to be a disability or a special employment training program as well that would have done all of that. We just could not do it.

Ms JENNY LEONG: Just in terms of the kind of competition model, obviously I share and have expressed very clearly my concerns about public land being handed over and privatised, because we all know the value of land—or the invaluable nature of land—in this state. The idea that we would hand it over and then somehow need to acquire it back at some point just seems very short-sighted. But in terms of your concerns around the community housing providers [CHPs] needing to compete with private developers in that space, what mechanisms or what things do you think this Committee could recommend that would actually provide avenues for the CHPs and other providers in a not-for-profit space to be able to do the work you are doing and make it easier for you to do?

Ms ADAIR: Ms McKenzie, do you want to—

Ms McKENZIE: I think, standing back and looking at government assets. Yes, I understand the need for the government to be commercial in their transactions, but it is looking at value much more holistically and what is the value of that land—if the output is social housing, affordable housing, a mixed community—to the whole of the community: for key workers to be close to work, for businesses to be able to have cleaners in the vicinity, workers who are lower wage earners to be not spending hours in traffic, particularly for the metro areas. I think it is understanding that that contribution of land brings so much more value to the people of New South Wales.

Ms ADAIR: Again, it depends on the metrics of an individual project and where the land is, of course, but long-term leasehold—that is the sort of conversation that I have had. When I say long-term, I think, probably at least 20 years—depending. There is a wonderful model from Victoria that I know Shoalhaven City Council tried to deliver in partnership with one of our CHP colleagues, Southern Cross Community Housing, based directly on this Victorian Government model. So the State Government-owned land reserved for—I do not remember whether it was a road corridor or something like that. Shoalhaven City Council and the CHP approached the Government and said, "This land is sitting empty. Will you let us use it?"—classic meanwhile use. Council, because they were a partner in the project, said, "We will be more flexible in the application of our building codes and conditions. We'll allow manufactured homes to be here"—much cheaper and easier than permanent construction and the like.

CHP said, "And we'll contribute all the expertise—the project management—to do that." The response that they received from the Government agency was, "Well, we'll think about how much we are going to charge you for the commercial land, if that's how it's going to be used." To me that is unacceptable and defeats the whole purpose of collaborative opportunities, to be able to still—you know, I respect the Government's need, perhaps, to use that land further down the track. But, in the meantime, why should the community be denied homes? The situation is so bad now. We all know what the lack of vacancy rates is like and what is happening. But the Government is almost at a point now where they need to say, "Who is it okay for us to leave homeless?", because that is how bad it is getting.

Ms JENNY LEONG: That seems to be the experience that we have locally. That is absolutely the case. We have a list of probably 20 people who are on the priority housing waiting list who are literally homeless and they have been on that list for six to 12 months. That, to me, is not a priority. I think these are the real challenges we face. Just on that, Ms Adair, one of the other things I wanted to ask you about is in terms of the minimum standards and the oversight—and, Ms McKenzie, I would be really keen to hear your thoughts as well. I think in your submission you touch on the need for more transparency and oversight, the obligations that are held on CHPs, and the fact that the New South Wales State Government is not required to meet any of those obligations.

In the potential for this Committee—you know, you can see the path it is going down, where the Government is trying to palm off responsibility, potentially, to another sector to try and solve their housing crisis. We see different privatised models of meanwhile use being funded and supported. What do you think are the minimum standards for oversight and accountability when it comes to provision of housing by either the State Government or by other entities that are not registered CHPs? It would be great to get your thoughts on what you think is needed.

Ms McKENZIE: I am happy to go first and then, Ms Adair, if you want to follow. I think it is important to look at the multi provider system. That is what we are in at the moment with social housing. We have got CHPs and we have got the Government authority and departments at the moment, split between the Department of Communities and Justice and the Land and Housing Corporation. I think there needs to be a level playing field on the standards that need to be met within that system and I think that CHPs, especially managing one-third of the social housing properties in New South Wales, need to be seen as equals at the table when we are delivering services to the people of New South Wales.

I think there is an issue with us having split funders, in a way. I am responsible to two separate departments. We also are regulated, so we have a registrar. The duplication of our reporting is very costly and that

is money that is not going into housing and services to the people most in need. I think that needs to be looked at carefully. There is a lot of consolidation that can be done. The focus needs to be on the outcomes that we are delivering rather than focusing just on transactions and compliance with any contracts. Of course, compliance is important, but we need to focus on outcomes.

Ms JENNY LEONG: Thank you so much.

Ms ADAIR: I think, perhaps, the question in relation to, as well, oversight. Housing Trust did not receive—we did not bid for or, obviously, then receive transfers in the last housing transfer round. Although, I have not heard any of our colleagues not say that they were shocked by how poor the standard of a lot of that housing was and we simply would not get away with that [disorder].

Ms JENNY LEONG: It is, truly. I do not think a private landlord would get away with it and they, pretty much—

Ms ADAIR: No.

Ms JENNY LEONG: —can get away with anything.

Ms ADAIR: So, you know, that level of scrutiny is important. I think one of the other things that is terribly important is—and you have made mention as well to the need for certain targets and things. That is absolutely true. The waiting list is not getting any shorter, is the practical reality. We need to distinguish, even when the Government is doing its own renewal, about the difference between building new homes—and, of course, that is wonderful and there were terrific announcements about that and we all welcome it. That is what we all do. But there is a difference between building new homes that are purely replacements and actually delivering growth that results in a net increase in the number of homes. That is one of the pieces of data that we do not have at the moment in the state. So it is very difficult for us to know, of the activity that is happening, what is then the impact of that. That is an additional level.

Some of the other issues, so we know that for private developers that are using the affordable housing uplift in SEPP, there is no control or oversight. There isn't a mechanism at the moment to know whether or not that affordable housing has actually been delivered or created. Is it maintained for the 10 years? There is no way of knowing. There is no system there to actually ensure that that stock is what it was supposed to be, which was the basis on which the developer was able to get their uplift and their concessions. Similarly, we do not know after the initial transaction whether physically accessible homes continue to be easily identified. We know that they are built, but we do not necessarily know or cannot then continue to identify and promote them. So, again, they are some of the other mechanisms that would be helpful by way of oversight.

Ms McKENZIE: It is Maree here. I would just like to add, while we talked about condition of the assets, that—just impress upon the Committee the ageing portfolio, particularly in regional New South Wales, and that it has been known by successive governments that it is a problem to replace those properties. There is a lot of—you would have seen them all—the square, little fibros. There are still estates full of those properties in regional New South Wales. They are not fit for purpose now, let alone into the future, in the climatic conditions that we are experiencing now, particularly in a place like Moree where you've had consecutive days over 35. I think it was something like 35 days over 35. We do have a lot of elderly people and people who have chronic conditions. They are expensive: they are costly to cool in summer and to heat in winter, and they are beyond their economic life. Continuing to put money back into those assets, it is much better spent, I think, selling them and doing new developments.

When I talk about having this plan, yes, there is the housing plan, but I do not think it is really [inaudible] to some of the significant issues that we have in social housing in New South Wales. There are fantastic opportunities in regional New South Wales for economic development, for revitalisation. There has been a lot of focus in the metro areas. Because the Land and Housing Corporation [LAHC] is a self-funded entity, they need to focus on those high-value sites to make the money stack up so that the lower value sites, where we do have people who still are in need, still have significant social and economic challenges, they need housing out in the regional areas as well but it does not stack up, so year after year after year the regional locations get ignored.

Ms ADAIR: If I may, one of the other challenges that we have with that old housing stock renewal is where we put people while we are actually redeveloping. We have, in the Illawarra, as is the case in a number of areas, quite large estates of 500, 600, 700 homes over a couple of hectares, and we are already pretty much built out. So, again, we need the sort of long-term planning and certainty for all of us to be able to come together and to be able to do that. Again, there are some wonderful opportunities for partnering. There is actually no shortage of private capital available to work with government and to be able to support the partnerships, but we need some of the right sort of policy settings and certainty to be able to do some of that. There have been some great policy, I guess, mechanisms start to emerge from LAHC in relation to allowing CHPs to identify and initiate and to

redevelop some of these old sites that we might already manage. But again we need to make sure that in doing that we are not just incurring debt to build assets for the State Government. We actually need to be able to take an equity position and be able to build our own balance sheets so that we can continue to borrow and develop and grow.

Ms McKENZIE: I would like to say something else if I may. I think it is about leveraging the connections that community housing providers have with communities, with local councils, and our capacity to partner. So in locations like Moree and Tamworth, where there are concentrated social housing estates, we have got councils ready for us to take steps but the pathway is complicated around ownership of the land and, I think, the constrictions around the frameworks that particular government departments need to work in. There is some great work being done by Regional NSW around trying to get departments to work across and focus on the issue, outcomes and then work out ways that the departments can work together. But I think if we could accelerate some of that work, it would be great because there is not a shortage of people and organisations, local councils who want to really leverage what is happening in the regional—we want to leverage what is happening in regional New South Wales.

So we have the Special Activation Precinct in Moree. We've got Tamworth council and the wonderful blueprint to move towards 100,000 in the population. We've got lots of renewable industries in Inverell and Glenn Innes. We've got the mining in Gunnedah and Narrabri. So there is a lot of keenness to work with us, work with council, work with Aboriginal organisations. We can do all that partnership work and we can leverage other organisations and the grants they get to get the outcomes. I would really encourage you to look at some of the things that we can do and have done.

The CHAIR: Thank you very much for joining us today, ladies. It was great. Thank you for giving us all of your insight and your submissions. We appreciate it.

Ms ADAIR: Thank you so much for your time.

The CHAIR: We have a few more people coming in after you. It was nice to meet you both.

Ms McKENZIE: Thank you for the opportunity.

(The witnesses withdrew.)

(Short adjournment)

TROY GREEN, PSM, General Manager, Tweed Shire Council, sworn and examined before the Committee via teleconference

VICKI MUNRO, Manager (Acting), Community and Culture, Woollahra Municipal Council, sworn and examined before the Committee via teleconference

The CHAIR: I welcome our witnesses this afternoon, Troy Green, who I can see on the screen from Tweed council, and Vicki Munro from the Woollahra council. Thank you for joining us today. Do either of you have any questions about the hearing process before we begin?

Mr GREEN: No.

Ms MUNRO: No. The invitation was great and so, too, was the support from your staff.

Mr GREEN: Yes.

The CHAIR: Okay. Thank you. Good afternoon, I do have two other members who have just stepped out of the room for a minute but we thought we would get through the formalities at the beginning. My name is Wendy Lindsay. I am the member for East Hills and the Chair of the Committee on Community Services. Online, coming in via WebEx, like you are, is Trish Doyle, the member for Blue Mountains, and Melanie Gibbons, the member for Holsworthy. Unfortunately, two of the other Committee members—Dugald Saunders, the member for Dubbo, and Justin Clancy from Albury—had to fly back to their hometowns after having had a week in Parliament so they are not joining us this afternoon. Jenny Leong from Newtown and David Harris are in the building but they have just had to step out but they will be coming back in a moment. Thank you for joining us this afternoon. Would you both like to make an opening statement at all?

Ms MUNRO: I was going to, as well.

The CHAIR: Thanks, Ms Munro.

Ms MUNRO: Thank you so much. Thank you for the opportunity to address your Committee on behalf of Woollahra council and our community. The Woollahra local government area may be regarded as a prosperous and privileged community but the population is diverse with numerous Department of Housing units across the suburbs of Paddington and Woollahra. Like all LGAs a range of social issues impact on our community. These need to be addressed in a holistic and equitable manner. While the council is proud to strongly advocate on behalf of our local community and to raise identifiable gaps with both state and federal governments, it is for this reason that council resolved at its meeting on 9 August to make a submission to this inquiry.

Council has responded to identify housing needs, in particular housing affordability, through the development of the Draft Woollahra Housing Strategy and the Draft Woollahra Affordable Housing Policy, as well as funding innovative accommodation services in partnership with our local community organisations. Some of these initiatives may be considered outside local government's responsibility. But council cares about the community and has attempted to fill a gap in service provision until the state and federal governments respond. By working proactively with our local service providers, we aim to build strong local connections and a more cohesive community whilst working together to address critical community issues.

I will not discuss each of these issues, as they have been clearly outlined in council's submission, but I would like to reinforce that council is asking the State Government to make changes to the State Environmental Planning Policy (Affordable Rental Housing) 2009 to facilitate a broad-based affordable housing contribution scheme; to provide increased funding to community housing providers for victims of domestic abuse, and I note that the Premier's announcement this week certainly goes a long way to address that; to provide grants for local councils to implement a similar program to the Woollahra Domestic and Family Violence Accommodation and Support program and to continue to provide funding to support the Holdsworth Community HomeShare initiative, which was seed funded by Woollahra Council; and, last but not least, to increase investment in additional social housing infrastructure and protect the existing public housing stock within Woollahra. I am happy to answer any questions or to take them on notice. Thank you again for giving me the opportunity to speak today.

The CHAIR: Mr Green, would you like to have an opening statement as well?

Mr GREEN: Yes, that would be great, thank you. I would like to commence by thanking the Committee for inviting a representative from Tweed Shire Council to appear and present and I will do so as the General Manager. Firstly, I congratulate the New South Wales Government for the announcement last weekend of the \$183 million to fast track over 1,400 new social housing properties. Further, the announcement this week of an additional \$500 million being made available for 75 new women's refuges as well as 200 affordable homes is most welcome. In Tweed and the Northern Rivers region, it is of great need with currently only three refuges in place and the social housing waitlist at 10-plus years in Tweed Heads and five to 10 years in Murwillumbah, the two major town centres of our Shire.

I would also ask that my submission dated 4 August 2021 be taken as read. Turning to the terms of reference for this Committee, my submission today will primarily focus on points (b) and (d) of the terms, being "options to improve access to existing accommodation to provide community housing" and "barriers to additional supply across NSW". This committee has an excellent opportunity to think outside the square and present options not previously considered. For example, strategies could be explored to improve access to existing accommodation by enticing home owners to make parts of their home available for people who qualify for social housing or meet certain criteria such as students. An example project is Homeshare in Victoria where students were brought together with older people for mutual benefit.

An innovative way to address this issue, which could also have a positive effect on home owners with cost-of-living pressures, is to reform the taxation system so as not to create a disincentive for private property owners, with capacity in their bedrooms and their homes or through a granny flat, to let that premises to those most in need. The current taxation system creates a disincentive to utilise the capacity that currently exists within the private sector to address accommodation options for the most vulnerable in the community. Disincentives at a federal level include a principal place of residence becoming subject to capital gains tax should that property or part thereof be let for more than six years, and that is under section 118.145 of the Income Tax Assessment Act. Disincentives at a state level include a principal place of residence possibly becoming subject to land tax if the threshold is breached, should the property or part thereof be let.

From a social or society perspective, the proposal would also have the added advantage of providing companionship to both property owner and tenant, with a great benefit to mental health and social wellbeing. An amendment to the Income Tax Assessment Act could be whereby a property owner with capacity in their home to let a bedroom or perhaps granny flat would be exempt from both capital gains tax and land tax provisions, should the bedroom or granny flat be let to a person deemed in housing crisis by Centrelink. Obligations from a property owner would be to register their property with Centrelink and the appropriate office of State Revenue

that is available for affordable accommodation or social accommodation, and rents payable should be capped and set by a government body based upon locality. Localities could be broadly set in four subcategories as follows: central business district and inner suburbs; outer metropolitan suburbs; regional city centres; and rural. Rents payable to the property owner could be made directly by Centrelink in lieu of rental assistance paid directly to the client. This would ensure that the funds were directed to address the accommodation needs as opposed to other expenditure.

Turning our mind to barriers to additional supply across New South Wales and hence affordability, I would like to note that the current planning system provides a windfall to private landowners when land is up zoned. Yet if a council attempts to back zone land, compensation is often demanded. This presents all benefit to the private individual. In contrast, Victoria has just this month announced a scheme that introduces a windfall gains tax where land is upzoned at the instigation of the landowner. When rezoning occurs, and provided no exemption applies, the taxpayer will be liable for the windfall gains tax on the taxable value uplift, calculated as the difference in the capital improved value of the land before and after the rezoning. The tax comes into effect from 1 July 2023 and will operate as a charge on the land. It will provide a funding mechanism for the state to fund social housing.

In New South Wales a fundamental problem exists in that once land has been rezoned, there is no onus for the proponent to develop the land for its higher use. In some cases, the rezoning simply results in the land being banked. A practical example of this impact is that Tweed presently has in excess of 13,000 lots zoned and available for development. In most cases this land has been zoned for residential development since the 1980s, yet there is no stick, so to speak, to require this land to be brought to market to meet the current need. The land is primarily held in the ownership of two to three private individuals. It may be that they are waiting for the supply in other estates to dry up so that they can drip feed lots at a price premium. This is not in the public interest.

Further, whilst this land awaits development it is in most cases rated as farmland as the owners run a few cows on it. Again this is not in the public interest. In some cases some of the land that was rezoned in the 1980s would now be better served as industrial, given its strategic location to Gold Coast airport and the M1, and some portions of the land should be e-zones and non-developable. These issues could be resolved by a change to rezoning laws whereby land would sit as a deferred zone for five years, after which time if the landowner has not moved on bringing the land to market, they should be provided the choice of having the land back zoned or rated and land taxed as if it had been developed. This would be in the public interest and would open up supply of land and allow governments to change zones if land needs have changed since it was first considered as a deferred zone. The Western Australian Planning System has a similar model as suggested.

With respect to the rising house prices and affordability issues in New South Wales, the Government is currently proposing to replace stamp duty with a recurrent annual land tax purportedly in an effort to make houses more affordable by removing a cost barrier for young people entering the property market. The reality is that house price growth is driven more by supply and demand, and an individual's capacity to borrow. It is likely that the purported savings will just further increase house prices. I fear the real reason for the changes is to give the government certainty of income streams and smooth out the boom and bust cycle of state revenues linked to the property cycle. Sadly, I believe this measure, if introduced, will drive up the recurrent living expenses for New South Wales families and place greater pressure on the already short supply of social housing.

In many cases, people will be paying rates, strata levies and now an annual land tax of the same magnitude or more than rates. It could further result in a divide between the rich, middle income and poor, with some suburbs simply out of the reach for many people as the tax is based on the value of the land. The more expensive the suburb, the more the people will pay annually to live there and the more income they will need to provide a roof over their head. A more sensible and affordable approach that would meet the objectives of the Government to remove the upfront costs barrier to enter the housing market would be to charge the stamp duty to the person selling the property as opposed to the person buying the property. Flip it on its head so to speak. Such a move would achieve the so-claimed reduction to up-front purchase costs, preventing some owners entering the market, and would still give governments an income stream yet would not affect annual household disposable income. Further, it would be paid by the selling owner, usually after the property price has increased in value and/or their loan has either reduced or been paid off.

An opportunity to increase supply of social housing in New South Wales and direct private investment into the sector would be to model the Commonwealth Government's Defence housing scheme, administered by Defence Housing Australia. Such a model would see the NSW Land and Housing Corporation, or Landcom, develop land, construct homes and sell them to private individuals at a small premium, with longer-term rental agreements in place and make-good provisions at the end of the lease similar to that provided by Defence Housing Australia. This provides for stock renewal, thereby ensuring longer-term tenants have good quality homes to live in. Lease management fees should be held by the authority and the State and Commonwealth still benefit from

land tax and capital gains tax from investors, as well as stimulating the construction sector. Over the life of a home this can be a cost-effective way for governments to provide accommodation and it directs private investment where it is most needed.

I conclude by expressing concern with the Premier's statement yesterday that capital gains tax concessions should be reviewed for housing. I do not believe this will reduce house prices. Investors will simply hold their assets, so you could end up with less supply being sold or they may move to other asset classes where the capital gains tax concession remains—for example, shares or industrial, commercial or rural properties. This would have the effect of reducing private investment in the rental market and drive demand for state-based and provided social or public housing. Investors may also consider moving to a property trust such as Stockland or Scentre Group. So, in effect, you could be moving to corporatise housing.

The elephant in the room which no-one seems to want to talk about, including the Reserve Bank of Australia, is driving property price growth in historic low interest rates. It is twofold—investors are seeking a return and property at the moment offers better returns than bonds, term deposits or floating rate notes. On the flipside, money is too cheap, which is driving up the maximum someone can borrow. Both, in effect, are inflating property prices. Consideration should therefore be given to re-include housing into the consumer price index figure, which would, in effect, be reflected in interest rates. I thank the Committee once again for the invitation to attend today and provide a submission.

The CHAIR: Thank you, Mr Green. I have a question for both of you, being from council, about the "not in my back yard" (NIMBY) impact of some of the low-cost and social housing in your communities. Both of your councils are obviously very different in their demographics and geography, but what are some of the ways as a council you can overcome some of that negative view on social housing? Mr Green, did you want to start?

Mr GREEN: It certainly exists. At Tweed we had Landcom look at doing a site with council as a joint venture in Kingscliff, which is one of our more prestige suburbs within the shire. That project ultimately failed because the residents around basically petitioned against it, which was quite sad. I think a lot of people have a concept and an idea that social housing is of the likes that you saw in some suburbs in western Sydney in the 1960s and 1970s. That is simply not the case today, hence why I suggested the Defence Housing Australia model, where you actually mix the supply up so that you have social housing, in amongst all the estates, within a region with different topographies—one-bedroom, two, three, traditional houses and so forth.

The CHAIR: Ms Munro?

Ms MUNRO: We do not have—as I commented in my opening statement—a lot of public housing, but our council interrelates with residents. We try to promote and talk to them. We certainly make sure that all our promotion is incorporated to our residents who live in the affluent parts of the LGA as well as those in the public housing. So we treat everyone from an equitable basis. There is not a lot of space, to be fair, to put in new public housing. We definitely want to make sure we keep our current public housing within the Woollahra area. We have focused more in our Draft Woollahra housing strategy looking at the affordable housing, trying to work with our developers and other community housing providers to try and accommodate more of the affordable housing for those key workers such as teachers and nurses et cetera. That is what our policy is putting into focus, mainly because we are a well-developed LGA in the Sydney region.

The CHAIR: Ms Munro, obviously being a Sydney metro council, it is quite congested and chockas, for want of a better term. Is there anywhere in your particular council that a tiny home initiative could possibly work?

Ms MUNRO: Chair, yes, I know that part of our housing strategy and affordable housing policy is to look at the micro tiny housing. That is part of the draft affordable housing policy but for further details, Chair, I would have to take that on notice.

The CHAIR: What about you, Mr Green? Your geography is a little bit different to Sydney metro, but is there an ability in your area to do something along those lines?

Mr GREEN: Council has actually written to the State Government and has sought funding to fund the business case to have a look at a tiny home estate that we have done a concept for in Murwillumbah. It is 50 homes in stage one, but it could enhance up to 200 in stage two. It adjoins the industrial estate that is reasonably close to the town centre, but the business case to actually fund it is in the order of \$300,000 by the time we do the studies and our additional build cost for it could be upwards of \$100 million. They are not necessarily cheap options to build and require significant pocket money.

The only comment I would put to the Committee on that is that those type of estates can create the NIMBY type attitude, but the immediate people who live in that vicinity do not want it there. I will tell you a

thing: Your options for tiny homes are probably better situated by promoting Fonzie flats and so forth above existing residential homes so that you have got people, I guess, mixed in normal residential development—I say that as my own personal opinion. Unfortunately, as I have said in my submission, the taxation system discourages that so that if there was a family that was to build a three-bedroom home with a double garage and they were to put a Fonzie flat above it, that portion of percentage of their home will be subject to capital gains tax and then potentially land tax as well. So there is a direct disincentive to do that for the home. That is why I suggested some out-of-the-square thinking and say if you can get homeowners to dedicate that and link that property to Centrelink, that might be the innovative way to be able fund that and achieve that outcome without the stereotypes and stigmas that attach in other estates.

The CHAIR: Mr Green, if the tax penalty—for want of a better term—is not there, as a council, insofar as development applications and things go, how would you view having that in your council remit?

Mr GREEN: Our council would be in favour of it. Of course, we would not want every home to be like that, but if you had—we have got Kings Forest that is about to be developed; there are 5,000 lots there. If 25 per cent of those homes had some type of dual occupancy capacity within it, it would be a really good way to be able to provide some affordable homes, and it would be something that we could promote. The ability to do so, in many cases, you will need a larger lot size. If you have a look at the suburb next to the train station there at Penrith where the old ADI site was, Landcom did a development directly adjacent to that train station that has a similar model to what I suggested where you have got traditional homes with a Fonzie flat or a terrace home and a garage that has a Fonzie flat above it. So it can be done and it is successful and it is more than what we would entertain but, unfortunately, I just cannot see the uptake of it. A lot of people are happy to put up a granny flat in the backyard but you end up in cash economies or things being done illegally and not necessarily meeting the needs of the whole community.

The challenge for governments is to try to get those most in need, who are normally registered with Centrelink or an agency, into these types of accommodation. For them to get rental assistance, they need to declare their rent and so forth. They are not going to go into a home that is doing it off the books, so to speak. Hence, why I put forward a suggestion to say you would not just open it up to a real estate agent. It would have to be something like Centrelink, the Department of Housing or Aboriginal Affairs that would come and look at it and assess and say, "Yes, this is suitable. We will register it." For want of a better term, they would register it for five years or something. Then a lease would go out through that agency.

The CHAIR: And what about for your council, Ms Munro? Obviously your council is pretty different to the Tweed area.

Ms MUNRO: I am sorry, Chair. I have to take this one on notice.

Mr DAVID HARRIS: In both of your local government areas, what impact does the short-term rental market have on longer term accommodation availability?

Mr GREEN: In Tweed, it is massive. It is huge. In the 2016 census, there were 4,000 vacant properties in the Tweed. Many of those were being holiday let. All of the properties that I know around me that are available are short-term holiday let because they command a premium. We, as a council, do not support the State Government's policy position on short-term holiday letting. In all honesty, there should have been some type of registration of an annual fee payable. That annual fee should have been split fifty-fifty between the State Government and councils—council's one to regulate and to the State Government to fund social housing. From my perspective, the short-term holiday letting policy position is not in the public interest. It is also detrimental to some of our longer term tourist accommodation places that have to meet certain rules and standards in relation to BCA requirements. They employ staff, and it directly impacts on them. They have got traditional accommodation—hotels, motels and resorts—competing against homes that have been let out under standards of a normal residential home.

Ms MUNRO: Woollahra Council has 55 per cent of our current housing stock are apartments. Of those 55 per cent, they are more likely to be rented out. We are finding that rental stress is very high within the Woollahra LGA due to the costs of our rentals. The average rental cost was \$650 a week. Of those, in regard to short-term, 5.38 per cent of those apartments and properties are rented out on Airbnb. We do not have the issues that Mr Green has referred to in regard to holiday units, et cetera. Most of our homes are fully being used. A lot of them are people in their homes by themselves. We have a high percentage of that. In answer to that, we do not have such a big issue, as Mr Green has. But we have only got a small perspective in regard to Airbnb—5.38 per cent.

Mr DAVID HARRIS: Mr Green, you mentioned there is a lot of land that has been banked in your area.

Mr GREEN: Correct.

Mr DAVID HARRIS: Does the cost of connecting infrastructure impact on people not proceeding with developments—waiting for sewer and roads, et cetera, to get closer to reduce costs? Or are they just simply sitting and waiting for the highest value that they can get?

Mr GREEN: There is a mixture of both, to be frank. The State Government's policy, again, has actually exacerbated the problem. Under the Water Industry Competition [WIC] Act, developers can now choose to not go to councils for the provision of water and wastewater. By way of a practical example, council has borrowed \$70 million to forward fund a water treatment plant at Bray Park in anticipation of these developments. We had the situation then where the developer said to us, "We think we are going to do our own water, under the WIC Act," after we had already borrowed and forward funded for that infrastructure.

The whole system, honestly, is arse about in the sense that councils need to borrow money, forward fund it and have it there for development, but, as I said, there is no stick then to make the developers go to the market. So councils, or maybe the general ratepayer, are left to pay the interest on the money that we are borrowing to fund the infrastructure for the new development and then the new government policy says that the developer does not even need to use the council resources, but we are the supplier of last resort should their alternative fail. That, in my opinion, needs to be reviewed. The effect that it has had on the Tweed is now we do not forward fund building infrastructure until we have got a commitment from the landholder to do it. But then you have very long lead times. By the time you go through all the Environmental Planning and Assessment Act requirements and BDAR (Biodiversity Development Assessment Report) requirements and so forth that you have to do—often get approval for where you are going to discharge your wastewater to—too often the lead times are five to 10 years. There needs to be a new fundamental holistic look at the way land release is managed and governed in the state. The Western Australian system, as I suggested in my submission, is a much better system where you give zonings deferred zones so that you have actually got some incentive then to bring it to the market.

I talked about the Victorian system with their windfall gains tax. To tell you the truth, I am not sold on that; I think it would be a disincentive to bring land to the market, but it is something worth considering exploring. The Western Australian system though would see these sites that I am talking about in the Tweed that were zoned back in the 1980s, so they might have been brought to the market within the first five to 10 years or they would be back-zoned to farmland and if rezoned or put forward now we would have a look at the appropriate zone. We have got Cobaki estate, which adjoins directly adjacent to the airport; it is 5,000 lots, strategically it is one of the best places in New South Wales to do industrial or commercial development and it could capitalise on the shortfall in industrial land in south-east Queensland and then bring in jobs and investment to northern New South Wales, and it is very similar to what the Government is trying to do at the moment in south-west Sydney, but we are going to go and build houses on it because that is what the zoning was determined in the 1980s. It is tragic.

Ms JENNY LEONG: Thank you both for your contributions and for your submissions. If I can ask Ms Munro first about the homeshare model that Woollahra council is supporting and I guess to ask whether or not you see if there are ways that that could be scaled up or supported to happen in other areas and what, in your experience of that, could be done to recommend that the State Government could do to support similar models? Then I will come to you in a second, Mr Green, after I have heard Ms Munro on that, thanks.

Ms MUNRO: The homeshare initiative was a new one starting from the Holdsworth Community, which runs some of our key local community organisations; it started in 2018. Council supplied seed funding of \$50,000 to get the program started. That is where we are looking at trying to address the issues of social housing, social isolation and loneliness, and affordable housing. A lot of our community—close to 25 per cent—are 60-plus in age range. So we are an ageing community. A lot of our people—and I did not explain it very well—are living there by themselves, often in large properties, and they are lonely and they have spare rooms and accommodation. The idea was to match these homeowners with other younger community members—that intergenerational approach—and try to get assistance for those people. It is affordable housing; they do not pay rent. They are matched through the Holdsworth staff.

At the moment, the numbers since it started are around about 12 matches, but they have had a lot more inquiries. With the impact of COVID, a lot of our current elderly who are living in these isolated homes or units have at the moment been hesitant about allowing other younger or other community members into their house to do the homeshare initiative. We are hoping that once COVID is over and we are coming into the road map for freedom, we have started on the path that this initiative can be really highly promoted because I think that is one of the problems. Talking to the Holdsworth Community staff member, we have got to get the message to the elderly and to the community that this program exists and that it is available and then to promote it. There are certainly people who want to—the sharers, not the homeowners. There are a lot of sharers interested in participating in the HomeShare program, but we need more homeowners to be willing to participate. What we are hoping is that post-COVID we will do a major promotion working with Holdsworth to let the community know that the program exists. Certainly I can see that there will be increased demand.

Holdsworth are lucky enough. In July 2020—I was just going to add—they got a pilot program to move the HomeShare program outside of the Eastern Suburbs and take it across Sydney. They got \$200,000, and that money is aimed at this project. It is aimed at the young people—18 to 24—to match those community members with the older community in the homeshare initiative. I certainly think that pilot is worthwhile following through and making it wider across other local government areas. There are a lot of well-to-do suburbs in Sydney—The Hills district, northern suburbs, northern beaches—where people who are living in isolation, lonely older people, would benefit from having a younger person or a middle-aged person. We are getting a lot of inquiries from women aged 45 and over—

The CHAIR: Older women.

Ms MUNRO: —who have found themselves homeless or under financial hardship and they are looking for accommodation that is cheap but that is able to give back as well. To me, it is a good project that allows companionship for the elderly, reduces their isolation and provides another informal level of support for them. For the young person or the women—not just women—they are community members who are looking for cheaper affordable housing for them to go to. They just give a little bit back; it is not a transactional experience. They normally either do gardening, help with shopping et cetera, so that the two members of the community, the elderly as well as those younger members, can find a meeting together through this initiative. I certainly think it is transferable and can go across other LGAs. But I would also strongly support that the pilot program for Holdsworth Community is continued beyond the 12 months, that is, up until July next year.

Ms JENNY LEONG: Thanks, Ms Munro. If there is any additional information that Holdsworth Community wants to provide the Committee in terms of what resources are needed to be able to provide that matching service—because I think it is important to reassure the two people that there is a process for how people are matched—it would be great to know what resourcing would be needed to be able to support that, from their perspective, and what is in place. Having door knocked around some of the places in Redfern and Petersham, I have seen four or five bedroom terraces with one elderly woman living there who looked very lonely, who cannot afford the energy bills and the heating bills or clean the place, but who obviously does not want to leave the family home. So I think the model for that is really key.

A final question to both Ms Munro and Mr Green, if I may, Chair? It is in relation to how your LGA monitors vacancy rates, both in terms of residential and commercial, or if you do have an indication of vacancy rates. One of the things that we heard from one of the submissions earlier was in terms of, obviously, the challenges around not wanting to share vacancy rates, but also—knowing that people are now working from home more and the demand for commercial spaces particularly, Ms Munro, has shifted and changed—suggestions around the potential for shopfronts to be turned into alternative accommodation spaces. Mr Green, from your perspective, is there a definite shortage or is there a way to be able to tell that there are vacancies, it is just how that mechanism is used beyond land banking?

Mr GREEN: Yes. Our residential vacancy rate is about 0.8 per cent. As I said though, at the last census there were 4,500 homes sitting there vacant that were not available for longer term rental. Our industrial land, there is an absence of supply—you know, regularly we have people come to us wanting industrial land for manufacturing and so forth. Commercial, there are some vacancies in the traditional town centre of Murwillumbah that could potentially be refitted, but that has all got to do with COVID at this point in time. It may change.

Can I just say, everything that Ms Munro and yourself have said with regard to that homeshare is pretty much what I included in the start of my submission as well. Just as you are walking around Petersham and you are looking at the lady there with the spare five bedrooms, they are exactly the type of people we are talking about. Unfortunately, they might go and participate in a home share arrangement like this but then when they go to sell that is when they find out what their tax liability is. So we need to try and remove that impediment from the market because otherwise, as people start to get advice and they see their accountants each year, the programs will fail. It just does not add up if you are going to get, say, \$200 a week rent if you are then going to have 25 per cent or 30 per cent of your home subject to capital gains tax on sale.

Ms MUNRO: Through the Chair, could I just add, that homeshare initiative for Holdsworth, the community members that—the sharers do not actually pay any rent at all. Sorry, they both—the homeowner pays some funding. I will just get the exact amount. Apologies. The homeowner, they pay \$100 a month to Holdsworth and the sharer, the person that is staying in that large property, they pay \$100 a week to Holdsworth Community. So that then covers the employment of the Holdsworth homeshare coordinator, the transport and the promotion of the service. So in this program—not to speak across you, Troy—but the home owner actually does not get any income. It is up to the sharer to pay Holdsworth separately, the \$100 a week, and the person who is the sharer, they just pay a contribution to the utilities as well as their own food. When there is grant funding available to Holdsworth, such as the one from the Department of Communities and Justice—that 200k I was telling you

about—that allows that funding, those charges to the home owner and to the sharer, to be reduced. So the grant funding received has then offset the need to charge those: \$100 a month to the owner or \$100 a week to the sharer.

Ms JENNY LEONG: Thanks for clarifying that, Ms Munro. I appreciate it.

Ms MUNRO: If I could just say in regard to your question, in regard to vacancy rates within the Woollahra LGA, I will take that on notice.

Ms JENNY LEONG: Thank you very much.

Ms MELANIE GIBBONS: A brief one if I may. We have had some of our witnesses earlier tell us that there has been some commercial buildings that maybe could have meanwhile use or there has been aged care facilities that could be converted into some temporary accommodation whilst waiting to be demolished to be built into something else, which would be great for meanwhile use except for the fact that going through the council process can take 12 to 18 months. Is there anything that can be done to reduce that process when something is on its way to being demolished in the future anyway, so it is a temporary use of a premises for accommodation purposes?

Mr GREEN: You would need to make changes to the Environmental Planning and Assessment Act 1979. Council processes only follow the procedures that are put in front of us by the EP&A Act, so there would need to be adequate provision within the EP&A Act that provides for what you suggested.

Ms MELANIE GIBBONS: Along what lines would you suggest?

Mr GREEN: You could make it an exempt development. For one, residential accommodation is not currently permissible in a commercial zone, so you would have to make residential accommodation permissible in that zone in the instance that that building was going through the process of being demolished and rebuilt for some other purpose. I think that would be something that you would have to talk to the department of planning about and the legislators about how you would word that, but fundamentally if there were provisions under the Act our council processes would be quicker. The reason council processes would be longer is because people would need to seek the rezoning of the land to make it a permissible use. But the standard instrument LEP, introduced by the State Government, has not simplified things; it has complicated things.

Ms MUNRO: Through the Chair, I hate to take this on notice. I am from the community development side. I will have to take this and speak to our planners and get a written response to that question. Apologies for that.

The CHAIR: Ms Doyle, do you have any questions?

Ms TRISH DOYLE: We are short of time. I think we are running over time actually, so I will just say thank you to you both. I think it is really important to hear some of the barriers and some of those frustrating elements that council is dealing with when it comes to bureaucracies, and it is good for us to hear that. Nothing to do with this Committee at all, Troy, but I think I met you during the fires when I travelled up with my colleague Janelle Saffin and we came to visit you at Tweed Shire Council to talk about some of the many difficulties that you were facing then and I imagine still recovering from. It is nice to see you.

Mr GREEN: Thanks, Trish.

Ms TRISH DOYLE: In answering some of the questions here today, you have highlighted a couple of different barriers that I think we would normally consider, so I will not ask you to speak more to that. I will just acknowledge that that has been very interesting. Thank you, Vicki and Troy.

The CHAIR: Thank you both for joining us today. Ms Munro, if you could get some of those answers back to us within one or two weeks, that would be fantastic.

Ms MUNRO: Certainly.

The CHAIR: Thank you for your submissions.

(The witnesses withdrew.)

The Committee adjourned at 16:02.