

22 August 2022

Standing Committee on Social Issues
Inquiry into Homelessness Amongst Older People Over 55 in New South Wales
Via email: Committee.SocialIssues@parliament.nsw.gov.au

Response to Supplementary Questions

Please see below the Community Housing Industry Association NSW's responses to the Standing Committee's supplementary questions, received on 1 August 2022.

1. In Submission 71 there is a call (for) NSW to create Fifteen Thousand homes per year for 14 years to accommodate for those expected to become homeless.

a) Do you have any recommendations on how this could be achieved?

There are several opportunities available to increase the delivery of new social and affordable homes. For example, [CHIA NSW's 2022-23 pre-Budget submission](#) called for:

- An expansion of the Community Housing Innovation Fund (CHIF) by investing \$200 million per annum for the next two years. It was estimated that this could deliver up to 2,200 new social and affordable housing properties, by leveraging resources contributed by the community housing including equity, land, debt financing and/or tax concessions.
- The establishment of a \$500 million Regional Housing Fund to deliver new and renewed social housing properties, affordable housing properties, and key worker homes over two years.

In 2020, [CHIA NSW's submission](#) on the NSW Government's 20-year Housing Strategy set out a range of recommendations to increase the supply of social and affordable housing in NSW. These included:

- Establishment of social and affordable housing supply targets as a Premier's priority – aligned with the Housing Strategy.
- Establishment of a Social Housing Capital Fund.
- Ensuring that the social housing subsidy gap is addressed as part of negotiations for the next National Housing and Homelessness Agreement due to be finalised in 2023.
- Resumption of title transfers to the community housing sector to provide additional opportunities for ongoing growth and the leveraging of new social and affordable housing supply.

The Federal Government's Housing Australia Future Fund aims to build 30,000 new social and affordable housing properties across Australia in its first five years. The Fund provides a critical opportunity for NSW to deliver more social and affordable housing.¹

CHIA NSW recommends that the NSW Government commits to a co-funding model with the Federal Government to maximise social and affordable housing supply, and to partner with CHPs to leverage additional social and affordable housing supply by transferring title to the sector, an approach which was utilised through the Social Housing Initiative in 2009 (see below).

b) Have you come across any programs in other states that have achieved similar goals?

- The Social Housing Initiative (SHI) which was part of the Rudd Government's Nation Building Economic Stimulus Plan. Of the \$5.2 billion for the construction of new social housing properties, NSW received around \$1.8 billion, delivering over 6,000 properties.² To maximise this Federal funding and the build capacity in the community housing sector, \$1.7 billion worth of the housing delivered in NSW under the SHI was transferred to the community housing sector. This enabled a further 1,200 properties to be delivered by the community housing sector.³
- The National Rental Affordability Scheme (NRAS) which commenced in 2008, funded the delivery of the largest-ever supply of affordable housing in Australia, with more than 38,000 new properties approved nationally, including 6,545 in NSW.⁴ NRAS offered annual financial incentives for up to ten years to organisations to rent dwellings to people on low and moderate incomes at 80% or less of the market rent.⁵
- The Big Housing Build in Victoria - \$5.3 billion to deliver more than 12,000 new homes across Victoria – including more than 9,300 new social housing dwellings.⁶

2. Submission 45 notes that NSW has a shortage of affordable rental housing particularly in rural, regional areas, a trend exacerbated by the onset of COVID-19. Regional and rural areas would have the advantage of greater availability of land. If the government released more land for development and combined it with the proposed housing models outlined in Alternative housing models for precariously housed older Australians report (this report is referenced in submission 41), would that not go far in solving a great deal of the social housing shortage?

Land represents a considerable cost and many CHPs have reported difficulties accessing suitable development sites as a barrier to delivering new supply. However, releasing more land into the market in an untargeted way is not likely to be sufficient to resolve the shortage of social housing.

Despite record high levels of housing completions in NSW in recent years, the proportion of housing supply that is affordable for lower-income households has not increased. Without targeted interventions, increased development in an area can exacerbate affordability issues by displacing lower cost homes from supply, increasing the number of lower-waged jobs in an area, and/or increasing property values and rents.

Recent research has shown that social and affordable housing outcomes will only be delivered when effective policies and funding programs are in place to support delivery at the strategic level.⁷ Clear strategic plans are needed at both the regional and local level to establish the right conditions for the delivery of housing supply that addresses actual need and aligns with broader strategic priorities.

A key finding of the Regional Housing Taskforce was that in many areas there is sufficient land zoned for housing. However, much of this land is unable to be activated for development for a number of reasons, including a lack of enabling infrastructure and unresolved environmental issues.

As such, improved strategic planning is essential to addressing housing supply issues. This needs to resolve environmental issues at an early stage and provide certainty to industry and the community as to expected development outcomes. Infrastructure planning and delivery needs to be coordinated with growth to ensure housing development is properly sequenced and supported by access to transport, services and community facilities.

CHIA NSW strongly supports the targeted release of government land for social and affordable housing. Prioritising the use of government-owned land will support development feasibilities and presents a real opportunity to maximise the delivery of social and affordable housing. This needs to be complemented by reforms to remove policy obstacles that currently restrict an agency's ability to transfer or divest land

for less than market value. Broader social outcomes need to be recognised alongside financial return in the disposal of government land and property for social and affordable housing development. Such a reform was supported by the Regional Housing Taskforce in their recommendations to the NSW Government. Barriers to public private partnerships that deliver affordable housing also need to be reduced, including reforming provisions in the Local Government Act that impede partnerships with CHPs.

With regard to the housing models that should be targeted, CHIA NSW supports the delivery of a more diverse range of affordable housing options. It is noted that the models outlined in the Australian Housing and Urban Research Institute (AHURI) report referenced are not intended as an exhaustive list of suitable options. Rather they are intended to illustrate examples of how housing supply could be diversified to provide more affordable options for older Australians.

While the delivery of alternate forms of housing may contribute to addressing the needs and preferences of older Australians, there remains a critical need for increased investment directly in social housing. This is a point recognised by AHURI in their report.

To ensure the right types of housing are delivered in the right places, regional and local strategic plans need to include affordable rental housing supply targets, based on an assessment of need. Different regions will have different housing needs, both in terms of quantum and housing type. Addressing these needs through strategic planning will provide a clear indication of the scale of supply and the types of housing products required and highlight where specific models are needed. These strategic plans must be supported by joint-delivery plans developed in collaboration between industry and all levels of government to ensure that all opportunities for delivering new social and affordable rental housing are leveraged.

3. Are there affordable housing programs out there that offer a mix of government and private funding? What do such projects need with regards to funding and legislation to be successful?

Governments across Australia regularly encourage or, in some cases, require partnerships or consortium between the private sector (for example private investors or developers) and community housing providers to deliver social and affordable housing projects.

A recent example is the redevelopment of the Ivanhoe Estate, which is being delivered by the Aspire Consortium, made up of Frasers Property Australia, Citta Property Group and Mission Australia. More details are available from the [Department and Planning and Environment website](#), [Frasers' website](#), and [Mission Australia Housing](#). In these instances, the private parties and the CHPs independently agree the terms of finance for the project, subject to contractual requirements with the NSW Government.

CHIA NSW is aware of one example of a government taking a more proactive role in brokering or facilitating private investment as part of a potential offer for CHPs. The NSW Land and Housing Corporation (LAHC) and National Housing Finance and Investment Corporation (NHFIC) arrangement for the Community Housing Renewal Program. There is limited public information available about these arrangements. [NHFIC](#) and [LAHC](#) have provided some details on their websites.

Due to the limited public information on the program, CHIA NSW is unable to provide advice on the specific funding and legislative requirements.

4. In your Submission (25) one of your recommendations was expanding the Community Housing Innovation Fund (CHIF) by investing \$200 million per annum for the next two years.

a) What is the current funding of the CHIF and how many houses does this funding create?

To date the NSW Government has announced \$150 million in funding under the CHIF, comprising:

- **CHIF Round 1** which closed in April 2021 and allocated \$23.1 million to seven CHPs to deliver eleven projects. CHPs contributed \$37.1 million in land, equity, and debt – a 62% co-

contribution, and delivered 171 dwellings – 108 social housing and 63 other housing types such as affordable and transitional housing.

- **CHIF Stimulus – Social Housing economic recovery package** which was announced in October 2021 and allocated \$50 million to 14 projects delivering more than 270 social and affordable homes with a total value of \$116 million. CHPs contributed \$66 million in land, equity, and debt – a 57% co-contribution.
- **CHIF Stimulus – DFV (Domestic and Family Violence) economic recovery package** which was also announced in October 2021 and \$50 million allocated to develop or acquire up to 200 homes for women escaping domestic and family violence.
- **CHIF Round 2** which is planned to go to tender in early 2023 and allocate a further \$27 million.

Of the announced tenders, around 441 homes have been delivered through the CHIF. With a total value of \$176 million, this represents a 41.5% to 58.5% contribution ratio from the NSW Government and the community housing sector respectively. (To date the NSW Government has contributed \$73.1 million and CHPs around \$103.1 million).

b) Are there affordable housing programs out there that offer a mix of government and private funding?

Please refer to question 3 above.

c) What do such project(s) need to have to be successful?

Please refer to question 3 above.

5. What's the average time for an application for social housing to be assessed and approved?

CHIA NSW does not have access to Housing Pathways data on the average time for a social housing application to be assessed and approved. It is recommended that the Committee refers this matter to the Department of Communities and Justice for a response.

6. How many people are over 80 years in the current general housing waiting list in the last 5 financial years and how many people over 80 years in the general waiting list were added to the priority list in the same period?

CHIA NSW does not have access to Housing Pathways data on the age profile of social housing general and priority applicants. It is recommended that the Committee refers this matter to the Department of Communities and Justice for a response.

7. How many older people in social housing transitioned to aged care in the last 5 years?

CHIA NSW does not have access to Housing Pathways data on the number of older people who transitioned to aged care in the last 5 years. It is recommended that the Committee refers this matter to the Department of Communities and Justice for a response.

8. What is the rationale for NSW Homelessness Strategy 2018-2023 to identify older women as those over 55 years?

Although CHIA NSW is not able to confirm the NSW Government's rationale for the Homelessness Strategy, it is noted that the Australian Bureau of Statistics classifies older people as 55 years and older.⁸

In addition, 55 years is the average retirement age in Australia. Women also retire earlier than men – with the average age of retirement in 2018-19 being 52.1 years for women and 59.5 years for men.⁹

9. Why is there no consistency in relation to age of older people across different NSW government policy documents?

CHIA NSW recommends that the Committee refers this matter to the Department of Planning and Environment and the Department of Communities and Justice for a response.

10. How many units are dedicated/available under Senior SEPPs, Pensioner (PPPH) housing and Public housing senior communities (PPOPH) The properties in these public housing complexes are specifically for older people? More information:

<https://www.facs.nsw.gov.au/housing/policies/social-housing-eligibility-allocations-policy-supplement/chapters/matching-and-offering-a-property-to-a-client>

CHIA NSW does not have access to data on the number of units dedicated to Senior SEPPs, Pensioner housing and Public housing senior communities. It is recommended that the Committee refers this matter to the Department of Planning and Environment and the Department of Communities and Justice for a response.

Thank you for the opportunity to participate in the inquiry. CHIA NSW would be pleased to discuss our responses further with the Standing Committee.

Kind regards,

Caitlin McDowell

Head of Policy

¹ Australian Labor Party, [Safer and More Affordable Housing, Labor's Housing Australia Future Fund](#).

² Australian Government, [Nation Building Economic Stimulus Plan – Social Housing Initiative Stage two](#), 1 September 2009.

³ Murray, S, Bertram, N, Khor, L, Rowe, D, Meyer, B, Newton, P, Glackin, S, Alves, T and McGauran, R (2013) [Design innovations delivered under the Nation Building Economic Stimulus Plan—Social Housing Initiative](#), AHURI Positioning Paper No.155. Melbourne: Australian Housing and Urban Research Institute.

⁴ Australian Government Department of Social Services, [NRAS Quarterly Performance Report 30 June 2014](#), 2014.

⁵ Australian Government, [Department of Social Services, About the National Rental Affordability Scheme](#) (NRAS).

⁶ Homes Victoria, [Victoria's Big Housing Build](#), 2020.

⁷ Pill, M., Gilbert, G., Gurran, N. and Phibbs, P. (2020) *Strategic planning, 'city-deals' and affordable housing*, AHURI Final Report No. 331, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/331>, doi: 10.18408/ahuri-7320301.

⁸ Australian Bureau of Statistics, [Census of Population and Housing: Estimating Homelessness 2016](#), released 14/03/2018.

⁹ Australian Bureau of Statistics, [Retirement and Retirement Intentions, Australia](#), 2018-19. Released 8/5/2020.