

**Submission  
No 48**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE  
HOUSING**

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**Date received:** 25/02/2014

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## **Inquiry into social, public and affordable housing**

*NSW Legislative Council*

*Select Committee on Social, Public and Affordable Housing*

*February 2014*

This brief submission makes some general points and addresses part (e) of the Committee's Terms of Reference:

Criteria for selecting and prioritising residential areas for affordable and social housing development.

New South Wales and in particular, Sydney, faces a broader housing crisis than a social or public one. The market for housing is extremely tight, with the last published National Housing Supply Council key indicators data indicating a gap (of demand to supply) of 89,000 dwellings in NSW.<sup>1</sup> It described rents growing more rapidly than household income, with vacancy levels remaining extremely low.

The problem of 'social, public and affordable' housing as defined by the Committee cannot therefore be isolated to public sector management issues. It is not to the management of Housing NSW stock, or to the better financialisation of community sector housing providers that the Committee should primarily look. Our urban problems relate more to the state of the housing market, and the ills of the broader system, than to any specific public sector fix.

In human terms, public and social housing tenants, tenants in private housing, and private owners of residential housing are not separated by Chinese walls. They are often the same people at different stages of their lives, and under different family, health, and employment circumstances. For every public housing tenant who would like to get ahead in life and to rent or buy on their own, there are more owners and private tenants who would be better suited to a social or affordable housing option.

Most of all, the provision of social and affordable housing by the State affects the rental and housing market just as the deficiencies in supply make critical the State's problems. The State Government and NGO sector fulfil a housing market sector which is inherently unprofitable. Contrary to popular historical imaginations of slumlords and large landowners profiteering, there is no present-day business model that proposes to fill the very 'lowest' sector of the housing market, of the most vulnerable people, with the least and least regular ability to pay.

The State must look to its own responsibilities not just as a landlord and service provider to these tenants, but to its broader responsibility in shaping and guaranteeing the provision of housing to the lower sector of the market. Government schemes which offer to tinker around the outer parts of the machine—first home owners' grants, stamp duty exemptions, affordable housing requirements put on developers—really only shrug the NSW Government's moral requirement: *to build more houses, of all kinds, everywhere.*

<sup>1</sup>National Housing Supply Council. *Housing Supply and Affordability—Key Indicators*. Commonwealth of Australia, 2012.

The criteria for selecting and prioritising, spatially, therefore, should be redistributive: rather than selecting land for future social housing development based on low cost or easy availability, prioritising affordable housing across the city to try to *offset* the displacement effects of gentrification. While there may always be ‘nicer’ suburbs, it should never be acceptable that whole classes of Australians be priced out of whole cities.

The State Government must expand its understanding of its own role in housing. It is more than merely a provider of last resort. It is, whether it likes to be or not, the determining influence in the question of whether our housing market is equitable or not. Decisions of revenue, and expenditure, on housing, must be seen in that light.

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February 2014