



**Australian Government Department of
Social Services**

**Shelter NSW submission on
*Developing the National Housing
and Homelessness Plan – Issues
Paper***

A secure home for all

20 October 2023



About Shelter NSW

Shelter NSW has been operating since 1975 as the State’s peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides secure homes for all. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality.

Alongside National Shelter and other State Shelters, we also look to national settings that exacerbate or alleviate housing stress for low-income households.

We are especially concerned for low-income households which struggle to afford good-quality and well-located housing in the private market. We consider a sustainable housing system one that delivers what we call Triple-A housing and Triple-P outcomes.

Affordable and diverse homes Housing supply and demand Tenure forms and rights Housing types and sizes	Accessible, well-located housing Proximity to jobs and services Access to public transport Accessibility and adaptability	Appropriate, high-quality development Amenity and aesthetics Energy and environment Standards and maintenance
Productive cities and regions Access to jobs and services Housing costs and consumption Financial and economic stability	Poverty-free communities Housing stress and homelessness Physical and mental health Education access and attainment	Protected neighbourhoods Energy use and consumption Urban heat Climate resilience and adaptation

We believe that all people deserve to live in housing that delivers these priorities and objectives. Ahead of the NSW 2023 State election, we developed a comprehensive policy platform centred on “a secure home for all”:

Shelter NSW

2023 - 2027
Priorities for NSW

A secure home for all

- 1

Restore the social housing safety net to 5% by 2027, 10% by 2040. Build/acquire 5,000 dwellings per year

Includes maintenance, upgrades + 3 youth foyers
- 2

Increase Specialist Homelessness annual funding by 20%

Move beyond crisis. Focus on women, aged and First Nations
- 3

Make the planning system deliver Affordable Rental Housing for lower income people

Rezoning targets: 10 – 30/45%
- 4

Build more accessible & climate ready dwellings

Minimum standards set & met for rental dwellings
- 5

Support Renters and Renting

Remove No Grounds Evictions
Create a Home at Last service
Create a standing hardship fund & protocol for times of crisis
Get the balance right between housing for tourists and housing for locals



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1. About our submission

Shelter NSW thanks the Australian Government Department of Social Services for the opportunity to comment on *Developing the National Housing and Homelessness Plan – Issues Paper* (‘Issues Paper’). We further thank the Department for prolonging the exhibition period of this significant Issues Paper.

For many years, the community services sector and housing experts have called for the creation of a coordinated, holistic National Housing and Homelessness Plan (‘NHHP’). We welcome the Issues Paper as a small step in this general direction.

National Shelter and Community Housing Industry Association Australia (‘CHIA’) have prepared and submitted a joint response to the Issues Paper. We worked closely with National Shelter on informing that response. As such, our standalone Shelter NSW submission on the Issues Paper seeks to provide more State-level context for the many themes touched upon in the National Shelter submission. Where strictly relevant, we will quote parts of the National Shelter submission to set the scene for our own responses.

Another hugely influential piece of work that informs our submission on the Issues Paper is that of the Australian Housing and Urban Research Institute ‘AHURI’ sponsored Report (15 June 2023) by Dr Chris Martin et al, *Towards an Australian Housing and Homelessness Strategy: Understanding national approaches in contemporary policy*.

Thus, wherever our response may appear to be ‘silent’ on a particular issue or in response to a particular question posed in the Issues Paper, please defer to National Shelter and CHIA’s submission on the Issues Paper as well as the aforementioned paper by Dr Chris Martin et al.

NSW is not well-placed to respond to the precarious economic conditions of the mid-term, let alone the longer-term trends of an ageing population and income/wealth inequity. Lack of access to affordable housing, whether it be as renter or homeowner, risks entrenching disadvantage and generational inequity.

It is clear, that under current taxation and other settings, the private housing market, now also functioning as a much-sought out investment class cannot deliver truly affordable housing when and where it is needed. The private housing market, even when awash with supply has not and cannot reliably meet the needs of low-income people especially from vulnerable cohorts.

NSW requires a stock of well-designed, secure and affordable social, specialist and affordable housing where and when it is required. Only Government has the power, resources and policy mechanisms to address this.

In this submission **we explicitly reject the economic framing of the housing crisis as being primarily about an overregulated and frustrated market supply**; a position most prominently advanced by the Productivity Commission’s August 2022 report *In need of repair: The National Housing and Homelessness Agreement*. Instead, we advocate that Social and Affordable Housing (but especially social housing) should be considered as

essential infrastructure, not as a residualised welfare response. This position is well set out by SGS Economics & Planning in its 2023 review of the Productivity Commission's paper for CHIA¹.

At Shelter NSW we believe that growth should be fair and inclusive – improving the life of all people; built on the foundation of a secure home for all. A substantial expansion of the social housing dwellings in NSW over the next decade will build a solid asset base for the state; restore the social housing safety net of 5% of all housing stock and work towards 10% of all stock by 2040 (2050 at the latest). Stock of this size would create a meaningful alternative to the private rental sector, in terms of affordability, accessibility, amenity and security; provide a more efficient response to homelessness and represent a significant platform of physical, community and social infrastructure for NSW as it grows.

Shelter NSW supports the calls of National Shelter and CHIA for a new 10-year NHHP that looks at the whole housing system – one that plans for market, social and Affordable Homes and for the delivery of homelessness services and support. We are calling for a single agency, that is, Housing Australia, to be given responsibility for developing and delivering the plan. Development of the plan offers the opportunity to advance a range of reforms based on research and sound public policy rather than populist tactics. **A clear plan with a compelling purpose; small set of targets and achievement milestones and clear delineation of responsibilities across levels of Government** will go a long way to helping the Australian community understand how we managed to end up in the housing crisis and the pathway out of it.

¹ Refer Appendix CHIA and National Shelter: Submission to the National Housing and Homelessness Plan (October 2023).

2. Background

The Australian housing market has moved a long way from what many would say is its inherent and essential purpose – to provide secure, functional, and affordable shelter to all people at various stages of their lives. Since the 1990s, the renting cohort in Australia has grown and dove-tailed with a decrease in home ownership:

Proportion of households by housing tenure type, 1994-95 to 2019-20

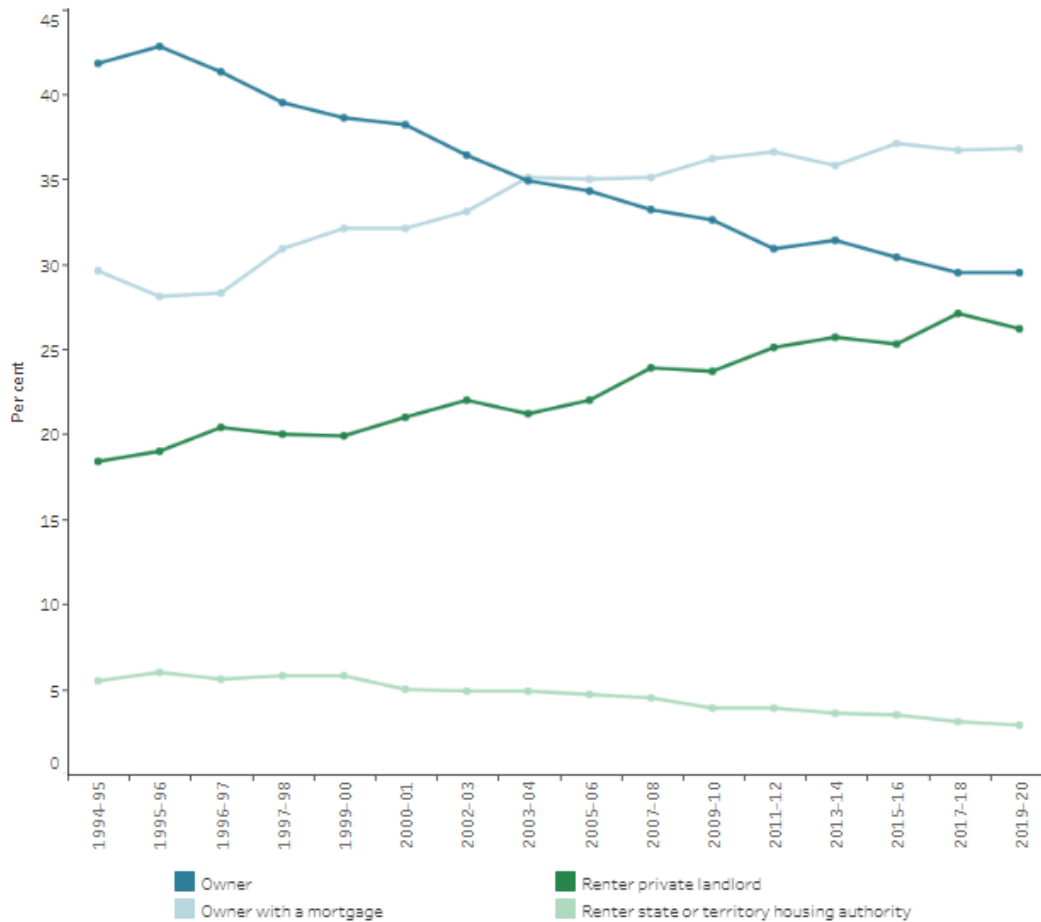


Fig 1. Extracted from [Australian Institute of Health & Welfare](#).

Similarly, growth in social housing properties and tenancies has taken a backseat since the 1970s² and as such, many households of varying incomes and life stages are surviving/struggling in the ‘wild west’ of the private rental market.

These changes in tenure dynamics are no accident; it is through Commonwealth and State tax settings, concessions, investments, policies, and legislation that ‘housing’ has become a financial product or a wealth-creation vehicle (for a few landholders). The private housing market in this country is consistently and persistently failing to provide

² Pawson, H., Milligan, V., & Yates, J. (2020, p. 104). *Housing Policy in Australia: A case for system reform*. (P. Macmillan, Ed.) Singapore: Springer Nature. doi:<https://doi.org/10.1007/978-981-15-0780-9>

secure, well-located, and affordable shelter especially for the lowest 40 percent of income earners.

There exists, then, a significant responsibility for all levels of government to step back into the non-market housing game in a bold way; stabilising the highly volatile housing market; building and growing essential infrastructure and ultimately, securing shelter for all.

Additionally, the Federal Government must **acknowledge the many policy and tax settings within its remit that are stacked against affordable, sustainable home price-growth and that drive speculative investment in land.** The National Housing and Homelessness Plan must not be reactive and concerned only with acute, programmatic need at one end of the housing spectrum; the Plan must be ambitious, with a goal to **resolving housing injustice and ending homelessness.** Ambition of this scale must necessarily involve integrating reform across multiple portfolios – tax, superannuation and retirement, finance, land use and resource planning, regional development, urban development, economic development, population/settlement planning, climate change, corrections/justice, and health to name a few. Shelter NSW endorses the range of 10 priority reforms that span across many of these areas, as contained in National Shelter’s submission on the Issues Paper.

New South Wales has a lot to gain by being subject (and party) to such an ambitious Plan. **By the same token, we have a lot to lose if the Plan is not well-designed and executed.**

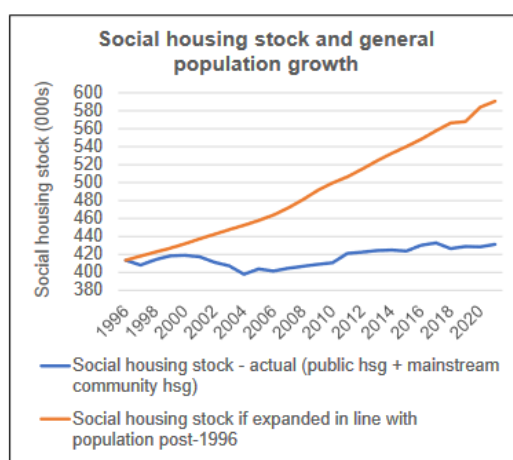
3. NSW context – Priority reforms for the NHHP

The following priority reform areas are lifted from National Shelter’s submission to the Department on the Issues Paper. We have not replicated the recommendations from that submission, rather, **we have provided additional context on why these reforms are necessary to resolving housing injustice and ending homelessness in NSW.**

3.1 A national long-term program to build social and Affordable Homes

A key component of the housing spectrum which is necessary for any community to sustainably function and thrive, is the provision of social housing. The intent of both public and community housing (as subsets of social housing) is to accommodate people on very low, low, and moderate incomes.

Public housing has moved away from being a valued part of the housing mix in the 1950s – housing workers and welfare recipients alike – to being a highly rationed form of housing for very vulnerable populations with complex needs³. Thus, social housing stock has been in real decline across the State for at least a decade⁴. Further, there is a widening gap between population growth and the commensurate required growth in social housing:



Sources: ABS; Productivity Commission ROGS



Fig 2. Extracted from [UNSW City Futures Research Centre presentation](#) by Hal Pawson.

³ Pawson, H., Milligan, V., & Yates, J. (2020, p. 104). *Housing Policy in Australia: A case for system reform*. (P. Macmillan, Ed.) Singapore: Springer Nature. doi:<https://doi.org/10.1007/978-981-15-0780-9>; Pawson, H. & Lilley, D. (May 2022). Working Paper: Managing Access to Social Housing in Australia - unpacking policy frameworks and service provision outcomes. UNSW City Futures Research Centre. Retrieved from https://shelternsw.org.au/wp-content/uploads/2022/05/Waithood_paper.pdf

⁴ NSW Parliament, Legislative Council. (1 March 2021, pp. 57 & 83). *Budget Estimates 2020-2021 Portfolio Committee No. 4 Industry: Answers to supplementary questions (Pavey)*. Retrieved from <https://www.parliament.nsw.gov.au/lcdocs/other/15376/Answers%20to%20supplementary%20questions%20-%20Pavey.pdf>

The people of NSW need genuine alternatives to the private rental market. In other countries⁵, a large and robust social housing program provides real competition (both in quality and affordability) to the private rental market.

Given our firmly held position that the private market fails to provide enough quality, well-located, affordable housing, we call on governments to make an urgent and widespread investment in social housing acquisition and construction. A report jointly prepared by SGS Economics and Housing All Australians⁶ has anticipated the cost to the economy (lost economic productivity; corrections; health) of not investing **now** in social and affordable housing on a large-scale across Australia will be \$25,000,000,000 annually (in 2021 dollars) from 2051 onward.

The most efficient and most direct way to alleviate housing stress for low-income households is through restoring social housing stock levels to 5% of all dwelling stock in each LGA, with 10% of all housing stock being social housing by 2040 in NSW. These are not fantastical or unrealistic percentages; in Australia up until a decade or so ago, 5% of housing as social housing was the norm⁷. **Shelter NSW advocacy in the 5-10% range would put NSW below the average of other OECD jurisdictions⁸.**

We must move beyond viewing social housing as merely a safety net for those most in need – it must be a robust market player in our housing system, acknowledged for its social return on investment and ability for State governments to capture long-term capital gains. Thus, numerical social housing targets should also be commensurate with the growth in population forecast for each LGA or planning region⁹. For example, under this scenario and utilising data provided by NSW Department of Planning & Environment ('DPE') on population projections and implied dwelling demand¹⁰, **our 10% stock ask would materially result in more than 75% of all social housing properties in the State being delivered in the '6 cities metropolitan region' by 2041.** It is also projected that by 2041, 80% of the State's population will reside somewhere within the 6 cities metropolitan region¹¹ (of the Eastern Harbour City, Central River City, Western Parkland City, Lower Hunter & Greater Newcastle City, Central Coast City, and Illawarra-Shoalhaven City).

Advocacy bodies such as St Vincent De Paul Society, Homelessness NSW, CHIA NSW, and Sydney Alliance have consistently asked for 5,000 additional social housing properties be

⁵ Quince, A. and Baker, N. in *ABC Radio National* (4 August 2023). *Vienna has created an equitable and affordable housing market, here's how.* Retrieved from <https://www.abc.net.au/news/2023-08-04/vienna-s-social-housing-and-low-rent-strategy/102639674>

⁶ SGS Economics & Planning, Housing All Australians. (June 2022). *Give Me Shelter: The long-term costs of underproviding public, social and affordable housing.* Retrieved from <https://housingallaustralians.org.au/wp-content/uploads/2022/06/Give-Me-Shelter.pdf>

⁷ Pawson, H., Milligan, V., & Yates, J. (2020). *Housing Policy in Australia: A case for system reform.* (P. Macmillan, Ed.) Singapore: Springer Nature. doi:<https://doi.org/10.1007/978-981-15-0780-9>

⁸ OECD Affordable Housing Database. (2022). *PH4.1 Social Rental Housing Stock.* Retrieved from <https://www.oecd.org/els/family/PH4-2-Social-rental-housing-stock.pdf>

⁹ NSW Department of Planning & Environment. (2022). *GCC Six Cities 2022 CPA Population and Dwelling projections.* Retrieved from <https://www.planning.nsw.gov.au/Research-and-Demography/Population-Projections/Explore-the-data>

¹⁰ Ibid.

¹¹ Ibid.

acquired/built in NSW for a decade to meet population projections alone. We reiterate this ask and note of that 50,000 figure, **approximately 40,000 additional social housing properties should be delivered in the NSW Metropolis of 6 cities by 2033.**

Land represents a considerable cost that significantly impacts the viability of social and Affordable Housing developments. On government-owned land suitable for residential purposes, **more land than not should be retained in public hands to deliver public housing for current and future generations.** Opportunities exist across all levels of government (including in NSW: Land and Housing Corporation 'LAHC', Aboriginal Housing Office, Transport Asset Holding Entity, Landcom, TAFE, School Infrastructure NSW, Local Health Districts, Crown Lands, local Councils) to support delivery of the homes NSW needs. This land-use attitudinal shift of **retaining existing holdings to realise public housing assets** requires a reconsideration of the requirements of 'timely' financial returns and a greater focus on social return on investment.

In 2021, Shelter NSW released an important piece of research¹² that calls on people interested in sound public policy to reimagine the economics of public housing. While the paper looks at the proposals for the large Waterloo South social housing estate renewal project as a case study, it has broader applications that we implore the Department to consider.

The paper, [Reimagining the economics of public housing at Waterloo](#), observes that in NSW, investment in new public housing has been considered as a cost only. **But even lay people would see housing (including public housing) as an asset that generates a return over time** in the form of rental income and capital gains. Murray & Phibbs argue that:

ignoring these asset returns is a key economic issue with the LAHC self-fund development model... [it] privatises long-term returns on real estate assets, which are the source of value that funds public housing redevelopment.

Murray & Phibbs' Paper calls for more elegant economic and financial designs. This would include **mimicking private sector behaviour**, such as using leverage during redevelopment periods, retaining market risk and return during the development process, and retaining long-term ownership of as much of the real estate asset base as possible. With specific reference to Waterloo Estate renewal, the Paper explored a model whereby 50% of new dwellings are social housing, 25% are retained by LAHC as build-to-rent housing at market prices, and 25% are sold by LAHC to the private market. This scenario uses low-cost leverage to generate positive cashflow, and maximises exposure to long-term capital gains for LAHC.

Finally, we are strong advocates for **Affordable Housing in addition to social housing, not instead of it.** Affordable Housing in the NSW Planning system is housing eligible to

¹² Murray, C. & Phibbs, P. (2021). *Reimagining the economics of public housing at Waterloo*. Retrieved from https://sheltersnsw.org.au/wp-content/uploads/2022/03/Reimagining-the-economics-of-public-housing-at-Waterloo_FINAL.pdf

very low, low, moderate income households, where they must not pay more than 30% of their gross income on rent¹³. Thus, throughout this submission where we make reference to “Affordable Housing”, we are referencing this capped-as-a-proportion-of-income rental product, as opposed to any other definitions of Affordable Housing that may exist nationally (e.g. legacy NRAS properties charged at below-market-rates).

Affordable Housing is an important tenure type that should complement public housing renewal projects and be an embedded requirement in private developments through mandatory inclusionary zoning (more on this under **section 3.2**). This type of housing and tenure responds to a vital group of households that are often overlooked – financially stressed renters in the insecure, private residential housing market (renters who otherwise generally may not be prioritised for access to social housing). It also caters for important key workers such as aged care workers and early childhood educators who are increasingly falling into rental stress and housing precarity with all-time-low national rental vacancy rates¹⁴.

3.2 Planning reforms to support efficient delivery of social and Affordable Homes

At Shelter NSW, we are critical of the rhetoric surrounding ‘planning red tape’ as the major handbrake to solving the housing crisis. As Nicole Gurran points out¹⁵, **in NSW more than 90% of multi-unit development applications are approved and decisions are issued within three months of lodgement**. Furthermore, development application approvals and completions for housing supply have fluctuated relative to the Greater Sydney annual target since 2016¹⁶. Housing typology, distribution across districts, and increasing infill housing over greenfield development, however, is the bigger challenge¹⁷ in ensuring housing supply is diverse, accessible, and meeting household needs and incomes.

We also assert that increasing housing supply alone will not deliver affordability outcomes and security of tenure for low-income households. ‘Filtering’ – the process of adding new private housing supply to be occupied by higher income households, freeing

¹³ s1.4 of *Environmental Planning & Assessment Act 1979*; cl. 13 of *State Environmental Planning Policy (Housing) 2021*.

¹⁴ Gilbert, C., Nasreen, Z. and Gurran, N. (2021). *Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities*, AHURI Final Report No. 355. Australian Housing and Urban Research Institute Limited, Melbourne. Retrieved from <https://www.ahuri.edu.au/research/final-reports/355> ; Domain Research House. (2 September 2022). *Vacancy Rates: Key Findings*. Retrieved from <https://www.domain.com.au/research/vacancy-rates-august-2022-1164176/>

¹⁵ Gurran, N in The Sydney Morning Herald. (22 August 2023). *The real reason housing supply isn't keeping up with demand*. Retrieved from <https://www.smh.com.au/national/nsw/the-real-reason-housing-supply-isn-t-keeping-up-with-demand-20230821-p5dy40.html>

¹⁶ Property Council Australia. (June 2022, p. 14). *Greater Sydney Housing Analysis: Sydney and Western Sydney regions*. Retrieved from https://www.propertycouncil.com.au/downloads/PDF/PCA_Regional%20NSW%20Housing%20Analysis_Greater%20Sydney.pdf

¹⁷ Ibid, p. 11

up older private stock for lower income households – is an unreliable source of additional lower cost housing for low-income households in cities such as Sydney¹⁸.

With these points in mind, **we support any process which expedites the right kind of housing in the right kind of locations with the right kind of design.** Alongside the Planning Institute of Australia ('PIA')¹⁹, we have been calling for inclusive renewal of neighbourhoods and especially those neighbourhoods slated for growth along transport corridors. Inclusive renewal in this sense means existing communities have assurances about amenity and all forms of infrastructure adding to the liveability of a place, alongside embedding social and Affordable Housing in these growth areas.

We have recently (as of this week) made representations²⁰ to the State Government on its targeted consultation of planning reforms to expedite and streamline social and Affordable Housing projects in NSW. Central to our concerns is that **bypassing local decision-making without strongly embedding inclusive renewal principles will result in poor quality neighbourhoods**, homes, and increased stigma of social and Affordable housing products.

Another core issue with the State Government's current proposals²¹ for expediting and streamlining planning processes to deliver more Affordable Housing, is that there are no **guarantees that said Affordable Housing will be available in perpetuity.** Any large-scale development projects that include Affordable Housing and as such are granted floor space bonuses etc, an accelerated determination pathway, waiving of certain fees **must be set at affordable rents (proportion of household income) in perpetuity**, rather than current NSW provisions of Affordable Housing caveats maxing out at 15 years. These developer incentives must be shared with the community in the form of long-term gains to Affordable Housing supply.

Research undertaken for Shelter NSW (forthcoming) shows that when the affordability term for dwellings delivered through inclusionary housing policies is short, the overall impact on affordable housing supply is very small, as dwellings leave the program at the same time that new dwellings enter it. Further, the research shows that over 90% of inclusionary housing schemes operating in the US have affordability terms of at least 30 years. In California, the long-standing State-wide density bonus policy requires affordable dwellings delivered under the policy to remain affordable for at least 55 years. Research on the performance of inclusionary housing schemes in the US demonstrates that **a longer affordability term is not associated with a lower level of overall dwelling production.** In the UK, affordable housing delivered through the planning system is

¹⁸ Nygaard, C., van den Nouweland, R., Glackin, S., Martin, C. and Sisson, A. (15 September 2022). *Filtering as a source of low-income housing in Australia: conceptualisation and testing*, Final Report No. 387 in AHURI. Retrieved from <https://www.ahuri.edu.au/research/final-reports/387>

¹⁹ PIA x Shelter NSW. (5 September 2023). *Media release: Planning reforms to do housing density well*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2023/09/PIA-Shelter-Density-Better-Media-Release-4-Sept-final.pdf>

²⁰ Link not yet available. Navigate to <https://shelternsw.org.au/submissions/> and search "Housing SEPP reforms"

²¹ NSW Government. (19 June 2023). *Media release: Planning reforms to deliver social and affordable housing*. Retrieved from <https://www.nsw.gov.au/media-releases/planning-reforms-to-deliver-social-and-affordable-housing>

owned by community housing providers which ensures all dwellings remain affordable in perpetuity.

Mandatory inclusionary zoning is critical to achieving inclusive renewal. We, and our peers at Shelter WA and National Shelter, regularly tout The Constellation Project's calls for mandatory inclusionary zoning (10% of all new housing developments) to boost social and Affordable Housing supply across all jurisdictions²².

Developer contributions to social and Affordable Housing as a result of planning uplift (ie changes to land use zoning, planning controls) must also become the norm across Greater Sydney and many regional cities and towns. For instance, a recent study by Judith Stubbs and Associates²³ for Coffs Harbour City Council actually found that the level of value uplift in rezoning rural to residential around Coffs would mean that an Affordable Housing contributions rate of 15% would be feasible in these locations (ie developers would still meet their profit margin requirements of 18-22%).

The NSW Government (and Federal Government) must facilitate creation of these Affordable Housing Contributions Schemes and dedicate resources to help local Councils finalise these Schemes.

3.3 Address unmet housing needs in regional, rural, and remote communities

Regional NSW is in crisis mode. In NSW, 50% of the 47,700 or more people seeking accommodation assistance from the Specialist Homelessness Sector were turned away during the reporting period of 2021-22²⁴. In another review, the NSW Auditor-General also found²⁵ that the reach of Specialist Homelessness Services ('SHSs') into regional areas was limited, with just 34 of 128 local government areas receiving direct support.

Migration trends during the COVID-19 pandemic and the ability for Sydney-employed professionals to work remotely contribute to a deepening regional housing crisis for NSW²⁶. Locals with lower incomes relative to Sydney-natives have seen rental asking prices skyrocket 20% or more, year on year²⁷, and rental vacancy rates drop below 1% for

²² The Constellation Project. (2021). *Establishing a National Framework for Mandatory Inclusionary Zoning*. Retrieved from https://theconstellationproject.com.au/wp-content/uploads/2021/09/Mandatory_Inclusionary_Zoning-Final.pdf

²³ Judith Stubbs & Associates. (March 2023). *City of Coffs Harbour Affordable Housing Strategy: Options Report*. Retrieved from <https://haveyoursay.coffsharbour.nsw.gov.au/88209/widgets/414264/documents/267393>

²⁴ Productivity Commission (Cth). (20 January 2023). *Report on Government Services, Part G Housing and Homelessness*. Retrieved from <https://www.pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness>

²⁵ NSW Office of the Auditor-General (4 June 2021, p. 15). *Performance Audit: Responses to homelessness*. Retrieved from <https://www.audit.nsw.gov.au/our-work/reports/responses-to-homelessness>

²⁶ Pawson, H., Martin, C., Thompson, S., & Aminpour, F. (2021, p. 45). *COVID-19: Rental housing and homelessness policy impacts*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 12. Retrieved from https://shelternsw.org.au/wp-content/uploads/2021/11/Covid-19_rental-housing-and-homelessness-impacts-in-Australia-24-Nov.pdf

²⁷ Burke, K in Domain AU. (14 October 2022). *The NSW tree-change towns where rents have soared*. Retrieved from <https://www.domain.com.au/news/the-nsw-tree-change-towns-where-rents-have-soared-1174917/>; DCJ rent and sales quarterly reports (<https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>)

extended periods of time²⁸. We have heard several anecdotes from desperate renters up and down the coast about not being able to compete with other tenants in rent-bidding and offers to pay 6 months of rent upfront – **practices which are not illegal**.

In addition to COVID-induced migration trends outlined above, there has been the domestic tourism boom. The lure of higher-profits per week in converting a dwelling to non-hosted whole-home holiday accommodation through easy-to-use platforms such as Airbnb has gone basically unchecked in NSW. We have made significant representations on this issue for regional towns to the NSW Independent Planning Commission²⁹.

Additionally, **there is a chronic mismatch between housing typology and household formation types in the regions**. The lack of diversified housing in regional centres is at odds with ABS data indicating the number of people per household in regional locations is more conducive to 1-to-2 bedroom dwellings³⁰.

Regional and rural communities are often home to an ageing demographic which increasingly wants to age-in-place (this is considered best practice and reflected in the Aged Care Royal Commission's recommendations)³¹. Downsizers, ex-farmers, and older people in general will need housing that is easy to maintain, affordable, and well-located with respect to key health and social services. Population growth will be highest in the 80+ year age group in the coming years in many regional towns of NSW³².

First Nations households tend to be overrepresented in regional, rural, and remote areas. AHURI released a report in November 2021 titled *Sustaining Indigenous Housing in Regional and Remote Australia*, and this report alongside 2019 findings from the Australian Institute of Health and Welfare ('AIHW') paints a stark picture of Aboriginal households with respect to overcrowding, poor maintenance, and vulnerability to climate change. The ABS *Results of 2018 Survey of Disability, Ageing, and Carers* further highlight the acute need for culturally appropriate, universally-accessible designed dwellings in rural and remote Aboriginal communities.

Non-market housing, and particularly social housing stock, has stagnated relative to population growth in NSW. **Social housing options and waitlist times in regional NSW are dismal**; routinely, the proportion of all dwellings as dedicated social housing stock is below 5 percent³³. Waitlist times average 2 to 5 years for all dwelling types (ie regardless

²⁸ SQM Research. (n.d.). *Residential vacancy rates by postcode*. Retrieved from https://sqmresearch.com.au/graph_vacancy.php

²⁹ Shelter NSW submission to the NSW Independent Planning Commission. (8 March 2023). *Byron Shire "short term rental accommodation" Planning Proposal*. Retrieved https://shelternsw.org.au/wp-content/uploads/2023/03/230308_IPCByronSTRAHearing_WrittenSupplementarySubmission_final_KC.pdf

³⁰ ABS. (2011-2016). *Census of Population and Housing (Enumerated)*. Compiled and presented in profile.id, retrieved from <https://profile.id.com.au/australia/population?WebID=180>

³¹ Royal Commission into Aged Care Quality and Safety. (26 February 2021). *Final Report - Recommendation 39*. Retrieved from https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume-1_0.pdf

³² Shelter NSW in partnership with Regional Australia Institute. (February 2023). *New South Wales Regional Housing Need Report*. Retrieved from https://shelternsw.org.au/wp-content/uploads/2023/02/230223_Shelter-NSW-Regional-Housing-Need-Index_FINAL.pdf

³³ Shelter NSW in partnership with Regional Australia Institute. (February 2023). *New South Wales Regional Housing Need Report*. Retrieved from https://shelternsw.org.au/wp-content/uploads/2023/02/230223_Shelter-NSW-Regional-Housing-Need-Index_FINAL.pdf

of no. of bedrooms), and the Warrumbungle Shire, for example, has a 10+ year waitlist for 2-bedroom properties³⁴. The lack of suitable, accessible housing overall contributes to young Aboriginal people with disability being over-represented in residential aged care facilities in NSW³⁵.

The Planning Institute of Australia has long called for the creation of a National Settlement Strategy³⁶, and the Regional Institute of Australia has similarly advocated the need for a National Population Plan taking into account and synthesising with economic development, infrastructure projects, and growth plans in the regions³⁷. We support these calls and **reiterate our ask that the National Housing and Homelessness Plan increase its scope, ambition, and integration** with other key portfolio areas of the Federal Government.

3.4 Tenancy law reform to improve renter's rights

New South Wales is home to the largest number of renters of any State or Territory in Australia³⁸. For too long, the language around renting in Australia has been that it's predominantly a 'lifestyle choice'. This could not be further from the truth for low-income households that have little to no capital to buy into the persistently unaffordable and hyper-inflated housing market on the one hand, and face excessive and stressful waits on the State's social housing waiting list on the other hand³⁹.

According to the ABS in its June CPI report, rental price increases across Australia are the highest since 2009, up by 6.7 per cent annually – reflecting low vacancy rates amid a tight rental market across the country⁴⁰. This backs up the experiences of renters forced into the rental marketplace – whether driven there by eviction or affordability constraints. This of course is the phenomenon that has attracted community, media, political concern and attention. At Shelter NSW, however, this is not an exclusively 2023 concern.

Regardless of rental vacancy rates or newly added housing stock, low-income renters always struggle to compete with higher income households. The private

³⁴ Ibid, (version from November 2021, p. 13). Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

³⁵ Ipsos. (July 2020). *Analysis of younger people living in residential aged care*. Retrieved from <https://www.health.gov.au/sites/default/files/documents/2020/09/analysis-of-younger-people-living-in-residential-aged-care.pdf>; ABS QuickStats (2016)

³⁶ PIA. (2018). *Towards a National Settlement Strategy*. Retrieved from <https://www.planning.org.au/planningresourcesnew/national-settlement-strategy>

³⁷ Regional Australia Institute. (n.d.). *Regionalisation Ambition 2032: A Framework to rebalance the nation*. Retrieved from <https://rebalancethenation.com.au/>

³⁸ ABS. (2021). *New South Wales Quickstats*. Retrieved from <https://www.abs.gov.au/census/find-census-data/quickstats/2021/1>

³⁹ Pawson, H. and Lilley, D. (2022). *Managing Access to Social Housing in Australia: Unpacking policy frameworks and service provision outcomes*; CFRC Working Paper; Sydney: UNSW City Futures Research Centre accessed from [City Futures website](#)

⁴⁰ Australian Bureau of Statistics (ABS) Consumer Price Index June 2023 Quarter Report: [accessed from ABS site 17 August 2023](#)

rental market is designed not to comfortably accommodate those who are less 'willing (able) to pay'⁴¹:

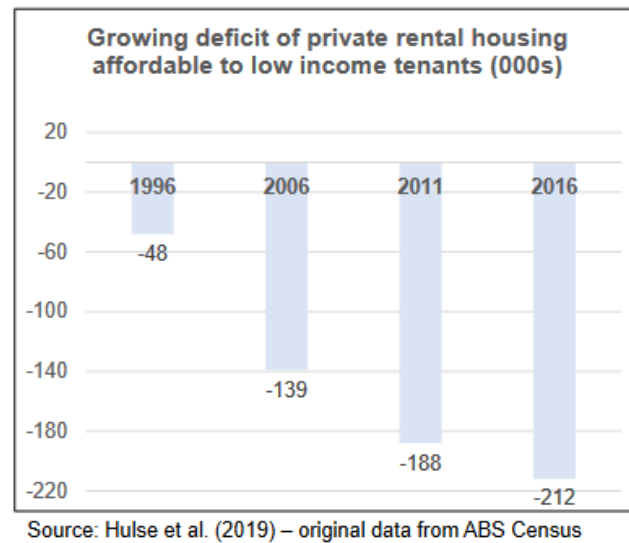


Fig 3. Extracted from [UNSW City Futures Research Centre presentation](#) by Hal Pawson.

We are at a crucial juncture in rental reform history in NSW and Australia more broadly. Shelter NSW welcomes commitments out of National Cabinet around improving the power imbalances inherent in the private rental market. In response to the Federal *Senate Standing Committee Inquiry into The Worsening Rental Crisis in Australia*, Shelter NSW and National Shelter joined other peak bodies and organisations to outline our views on the need for national, state, and territory governments to work together to develop a consultative framework and national plan for rental reform. A coordinated approach – led by National Cabinet – will ensure renters' rights do not regress in any jurisdiction.

In our recent presentation to the *NSW Select Committee on the Residential Tenancies Amendment (Rental Fairness) Bill 2023*⁴², we urged that consideration be given to how any new law, regulations, or policies – once implemented – will be practically experienced by any vulnerable cohort trying to compete on the uneven playing field that is currently (and always), the private rental sector. We ask that of the Department of Social Services as well.

⁴¹ Nygaard, C., van den Nouwelant, R., Glackin, S., Martin, C. and Sisson, A. (15 September 2022). *Filtering as a source of low-income housing in Australia: conceptualisation and testing*, Final Report No. 387 in AHURI. Retrieved from <https://www.ahuri.edu.au/research/final-reports/387>; Pawson, H. (4 July 2023). *Housing policy challenges for Australia: How does the Albanese Government's investment and reform package measure up?* [Powerpoint presentation]. UNSW City Futures Research Centre. Retrieved from https://cityfutures.unsw.edu.au/documents/720/ACTU_presentation_4_July_2023_v2.pdf

⁴² Shelter NSW submission on NSW Parliament, Legislative Council Select Committee on the Residential Tenancies Bill (Rental Fairness Amendment) Inquiry. (31 May 2023). Retrieved from <https://shelternsw.org.au/wp-content/uploads/2023/06/010623-Shelter-NSW-Submission-Rental-Fairness-Bill-Inquiry.pdf>

The NSW Department of Customer Service recently released for consultation its *Improving Rental Laws Paper*. In our submission on that Paper⁴³, we heavily advocated for increased consumer protections for renters in the private rental market and the need for the rental market to mature in how it deals with renters as consumers (and enforcing landlord obligations). Firstly, asserting one's rights as a renter/consumer must not be undermined by the threat of no-grounds eviction. This reform, in of itself, is hugely important to the welfare of all renters and the health of the rental market. Once enacted, this reform will serve two key purposes: correct the power imbalance inherent in the private rental market; and reduce the frenetic and stressful speed dynamic of the current market (kicked along by evictions and largely unfettered rent increases).

No-grounds evictions are currently being used in NSW to dispose of tenants who exercise their rights to ask for maintenance repairs⁴⁴ or, in some instances, to circumvent regulations that are otherwise in place to limit annual rent increases⁴⁵. For these reasons, **legislation abolishing no-grounds evictions needs to be in concert with other rental reforms**. For example, banning no-grounds evictions without also legislating limits on rental increases may serve to create a de facto process of eviction by way of landlords simply raising rents beyond any reasonable amount for an incumbent tenant to meet. In reference to our earlier point about 'no jurisdiction being left behind', we therefore recommend National Cabinet and the National Housing and Homelessness Plan consider application of the ACT rental increase-cap model (linked to CPI) across all jurisdictions.

Further, putting an end to no-grounds evictions will only be a worthwhile exercise where no-grounds terminations are abolished for households on periodic **as well as** fixed term leases. **The end of a fixed term contract is not grounds enough for eviction**, in the same way that when an internet plan contract expires, your internet provider does not cut off your service.

It is important to note here that we have observed a lot of fearmongering from various parties about how significant rental reform in this country will lead to perverse effects in rental availability and housing affordability. AHURI has undertaken recent research into "the regulation of residential tenancies and impacts on investment", and in doing so, has seemingly busted a few myths on this topic.

The Paper⁴⁶ examines the 2010 "major rental reform period" in NSW (with the introduction of the *Residential Tenancies Act 2010*) against baseline limited regulatory

⁴³ Shelter NSW submission on NSW Department of Customer Service Improving Rental Laws Consultation Paper. (18 August 2023). Retrieved from https://shelternsw.org.au/wp-content/uploads/2023/08/230818_ShelterNSW-response-to-improving-rental-laws-consultation-paper_submission_finalproofread_KC.pdf

⁴⁴ Wallace, N. in *9Now*. (13 October 2022). *Tenants claim they face eviction for complaining 'too much'*. Retrieved from <https://9now.nine.com.au/a-current-affair/sydney-tenants-speak-out-over-eviction/935cdb5b-b940-43e1-8467-9018dbd86395>

⁴⁵ VERTO Tenancy Advice and Advocacy Service. (2022). *Supporting vulnerable tenants during a rental crisis*. Retrieved from <https://www.verto.org.au/blog/supporting-vulnerable-tenants-during-a-rental-crisis>

⁴⁶ Martin, C., Hulse, K., Ghasri, M. et al. (November 2022). *Regulation of Residential Tenancies and Impacts on Investment*, Final Report No 391, AHURI. Retrieved from <https://www.ahuri.edu.au/sites/default/files/documents/2022-11/AHURI-Final-Report-391-Regulation-of-residential-tenancies-and-impacts-on-investment.pdf>

changes in Victoria at the same point in time. **The Paper found no statistically significant change to the number of rental properties in the market or bonds being lodged as a result of the introduction of the 2010 NSW legislation.** This is despite the 2010 changes limiting the number of rent increases per year for all lease types (or more frequently for fixed agreements but only if increase(s) were built into the written agreement at the outset). Additionally, one of the key findings of the paper was that landlords sell their investment properties for a variety of reasons – mostly to do with wanting to realise capital gains of the land or the need to liquidise assets. **Rental legislation was not found to be a hugely influential factor in the buying or selling of an investment property.**

Arguably, therefore, recent State history reveals that reform to limit rental increases has not been a significant disrupter to rental stock availability in NSW and further reforms to limit excessive rent increases, or abolishing no-grounds evictions for all lease types, can be explored without the State Government kow-towing to landlord or real estate sector boogeyman stories.

If anxieties still persist amongst policy and decision-makers on the underutilisation of housing stock as a result of ‘onerous’ rental obligations, then other reforms (vacancy taxes; change of land use permit settings) can be enacted. In fact, **we would encourage pursuit of these reforms in their own right**, to ensure housing is used for homes and not left unreasonably vacant – or turned over at unsustainable rates to the whole-home holiday letting market.

3.5 Tax reform to support long-term housing outcomes

It is a feature of the Australian federation that the Commonwealth collects the majority of taxation revenue whilst the states carry the responsibility to run many programs without the ability to fully fund them.⁴⁷

As a state-based organisation, Shelter NSW recognises this. The development of the NHHA necessarily needs to acknowledge this so that its implementation is properly funded.

Beyond the issue of funding, **we support the call made by National Shelter for a review of the taxation system and its impact on the housing system, especially in the way it currently encourages speculation.**

In its submission to a parliamentary inquiry into housing affordability and supply, the Grattan Institute⁴⁸ argued that the Federal Government ought to reduce the capital gains tax discount and abolish negative gearing. While the impact on house prices would be modest, they noted, would-be homeowners would win at the expense of investors. And

⁴⁷ NSW Government Treasury, Taxation in Australia - accessed October 2023 from <https://www.treasury.nsw.gov.au/index.php/budget-financial-management/revenue-and-taxation/taxation-australia>

⁴⁸ Grattan Institute, Coates, B. & Crowley, T. How to make housing more affordable.- Submission to the Parliamentary Inquiry into housing affordability and supply in Australia accessed October 2023 [Grattan Institute website](#)

homebuyers at the lower end of the market would benefit even more as the tax breaks (state and federal) have channelled investors into lightly-taxed, low-value homes.

Beyond a budget bottom-line improvement, these changes would go some way to neutralising speculative forces which have distorted the housing market.

3.6 Reform of income support and Commonwealth Rent Assistance

Shelter NSW advocates that the substantial expansion of social housing is the most efficient and effective public policy response to the unmet housing needs of low-income people in NSW; rather than the over-reliance on income subsidies intended to help low-income people better compete in the private rental market.

However, and while ever the current low and declining stock of social housing in NSW fails to meet any definition of a 'safety net', **we do acknowledge the role of the CRA in supporting low-income people and join National Shelter in calling for its reform.**

Currently, levels of income support and CRA are not enough to enable low-income people to establish and maintain a home. Anglicare in its *2023 Rental Affordability Snapshot*⁴⁹ noted 46% of people receiving the benefit remained in rental stress. If CRA is to remain part of the response, fundamental design changes need to be made. Eligibility to CRA is very restricted. The Anglicare report noted, for example, that only one in ten Jobseeker recipients are eligible to receive CRA.

Additionally, as noted by National Shelter, CRA doesn't take account of location, disregarding actual rental costs. This is especially significant for renters in Sydney. Even a cursory review of the most recent Australian Institute of Health and Welfare (AIHW)⁵⁰ housing affordability data reveals substantial differences in rental costs between states and generally, between metropolitan and regional areas.

3.7 Assistance for low to moderate income households to enter home ownership

While Shelter NSW asserts that renting ought to be supported to be a reasonable alternative to home ownership (affordability, amenity, accessibility and tenure security), the fact remains that Australia's wealth creation, income and retirement system presupposes homeownership. Unfortunately, homeownership is increasingly out-of-reach for many lower-income people.

⁴⁹ Anglicare (2023) accessed October 2023 from <https://www.anglicare.asn.au/wp-content/uploads/2023/04/Rental-Affordability-Snapshot-National-Report.pdf>

⁵⁰ Australian Institute of Health & Welfare (AIHW) (September 2023) accessed [Housing affordability - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/reports/health/living-conditions/housing-affordability)

Access to home ownership (direct or inherited) is entrenching disadvantage and generational inequity. In 2009-10, 41.8% of homes built or sold were affordable to low-moderate income households. By 2017, this had deteriorated to just 17.4 percent⁵¹.

The NSW Treasury's own assessment⁵² of the relative differences in the wealth of households approaching retirement (aged 50-64) who do not own their own home as typically having just \$78,000 net household wealth provides a stark contrast to the estimated \$1.4 million for homeowners of the same age.

For this reason, Shelter NSW supports calls for the Plan to explicitly assess traditional approaches to assisting first homebuyers calling out those that are counterproductive. **The Plan should identify a set of sound responses targeted at low-income people who would not otherwise be able to enter the housing market.** The Plan should also aim to streamline the various Commonwealth/State programs such as shared equity models, for example, to remove duplication, maximise impact and simplify for consumers.

3.8 Healthy homes meeting energy and amenity standards

People on low incomes are more likely to be renters (40%), as are First Nations adults (68%)⁵³. People with disability have lower heat tolerances and mental health disorders/medication can negatively impact the ability to self-regulate body temperature⁵⁴. **Low-income and marginalised households are more likely to live in the most inefficient houses and spend a greater proportion of their income on utility bills compared to owner occupiers**⁵⁵.

NSW is part of the cross-jurisdictional process of developing a National Framework for Minimum Rental Requirements, under the *Trajectory for low energy buildings*⁵⁶. The timeline for this was meant to have jurisdictions beginning processes to implement rental schemes before the end of 2023. Delaying action on this means higher energy costs for renters, and more unnecessary sickness and death from allowing landlords to rent out unhealthy homes.

We call on the National Housing and Homelessness Plan to look to the recommendations outlined (and endorsed by 50+ community organisations) in Healthy Homes for Renter's

⁵¹ Productivity Commission (2022) *Report on Government Services - Housing & Homelessness sector* overview table GA-4

⁵² NSW Treasury op. cit.

⁵³ Australian Government – Australian Institute of Health and Welfare. (16 September 2021). *Indigenous Housing*. Retrieved from <https://www.aihw.gov.au/reports/australias-welfare/indigenous-housing>

⁵⁴ American Psychiatric Association. (30 June 2021). *Extreme heat contributes to worsening mental health, especially among vulnerable populations*. Retrieved from <https://www.psychiatry.org/news-room/news-releases/extreme-heat-contributes-to-worsening-mental-health>

⁵⁵ Razaghi, T. in *Sydney Morning Herald*. (26 May 2022). *Renters slugged with \$150 extra in home energy bill costs per year*. Retrieved from <https://www.smh.com.au/property/news/renters-slugged-with-150-extra-in-home-energy-bill-costs-per-year-20220518-p5amgs.html>

⁵⁶ Australian Government – Department of Climate Change, Energy. (n.d.). *Trajectory for low energy buildings*. Retrieved from <https://www.energy.gov.au/government-priorities/buildings/trajectory-low-energy-buildings>

[Community Sector Blueprint: National Framework for Minimum Energy Efficiency Rental Requirements.](#)

At present, States can opt-into requiring all new residential builds meeting at least silver standard accessibility provisions in the National Construction Code. NSW has not signed up to this standard. This standard, if adopted, would require all new residential dwellings to have minimum doorway widths, step-free ingress/egress areas into a home, and reinforced bathroom walls⁵⁷. In the Final Regulatory Impact Statement, **the upfront cost of these design requirements was estimated to be less than \$6,000 per build⁵⁸ compared to the retrofitting cost of up to \$50,000 per dwelling with accessible home modifications⁵⁹.**

The cost burden of **not** adopting the NCC silver standard accessibility changes will be disproportionately shouldered by people with disability, older Australians, and various levels of government through funding home modification programs. Given the ageing demographic of regional NSW and the challenges ex-farmers face in downsizing to appropriately located and designed accommodation in regional towns, this is a grave course of action by the NSW Government.

States should be conscripted to apply this NCC provision, and gold standard shall apply to all social and Affordable Housing⁶⁰.

Overall, the National Housing and Homelessness Plan shall require **superior built-form outcomes and accessibility standards for social housing, Affordable Housing, and below-market rentals** to reduce long-term costs and climate shocks, as well as improve health outcomes of vulnerable households.

3.9 A national climate change retrofit strategy

As anthropogenic global warming continues to be a major society-shaping factor into 2050 and beyond, **homes and neighbourhoods need to be well-located and resilient to alternating flood and bushfire events⁶¹.**

Communities in the Illawarra-Shoalhaven region are still recovering from the devastating effects of the 2019-20 Black Summer bushfires. Here, supply-chain and workforce issues

⁵⁷ Croft, S for Housing Industry Association. (2021). *Sweeping changes to the NCC* [blog]. Retrieved from <https://hia.com.au/our-industry/housing/in-focus/2021/sweeping-changes>

⁵⁸ Centre for International Economics. (February 2021, Table 6.1, p. 150). *Proposal to include minimum accessibility standards for housing in the National Construction Code: Decision Regulation Impact Statement prepared for The Australian Buildings Codes Board*. Retrieved from <https://ncc.abc.gov.au/sites/default/files/resources/2022/Final-decision-RIS-accessible-housing.pdf>

⁵⁹ Ibid, Table D.3, p. 307

⁶⁰ National Construction Code. (2022). *New liveable housing design requirements*. Retrieved from <https://ncc.abc.gov.au/news/2022/new-liveable-housing-design-requirements>

⁶¹ Intergovernmental Panel on Climate Change. (February 2022). *IPCC Sixth Assessment Report*. Retrieved from <https://www.ipcc.ch/report/ar6/wg2/>

during the pandemic have further delayed rebuild efforts for hundreds of homes and many communities⁶².

North Coast communities in NSW are similarly still recovering from numerous flood events in 2022. Lismore locals are still waiting for buyback and raising/retrofit offers for severely flood affected properties⁶³; people are “camping” with BBQs and tents inside wall-less homes⁶⁴. Again, insurance challenges, supply-chain and workforce issues have further delayed rebuild efforts for hundreds of homes and many communities⁶⁵.

Shelter NSW contributed to UNSW City Futures Research into “The impact of housing vulnerability on climate disaster recovery for the Northern Rivers 2022 flood events”⁶⁶. This piece of research highlights how chronically housing stressed the North Coast region was prior to the 2022 flood events and how this chronic stress led to already scarce housing options for vulnerable people becoming essentially non-existent after the floods.

In the months that followed the North Coast flood events of 2022, several submissions were made to the NSW Parliament *Select Committee Flood Inquiry* with respect to land use planning and the need for a larger, safer stock of social housing in many localities⁶⁷ (e.g. submissions from Homelessness NSW and Local Government NSW). Land swaps, resettlement, and **critical social infrastructure such as social housing and emergency accommodation should be built well above the 1% AEP flood planning level** and closer to being at or above the probable maximum flood level. This view appears to be consistent with the Technical Director of Flood Management Australia who presented at the Select Committee Flood Inquiry, as well as the submission by Insurance Council of Australia⁶⁸.

For homes and communities that are already established and will face mounting climate-related shocks such as heatwaves, **retrofitting of homes and suburbs with energy-efficiency measures and green infrastructure is imperative**. Communal heat refuges,

⁶² May, N in The Guardian. (30 April 2022). *Disaster's in the recovery: Bushfire survivors still waiting for homes*. Retrieved from <https://www.theguardian.com/australia-news/2022/apr/30/disasters-in-the-recovery-bushfire-survivors-still-waiting-for-homes>

⁶³ McLeod, C in The Guardian. (20 October 2023). *NSW floods: just 11% of applications approved for buybacks and no homes retrofitted nearly 20 months on*. Retrieved from <https://www.theguardian.com/australia-news/2023/oct/20/nsw-floods-just-11-of-applications-approved-for-buybacks-and-no-homes-retrofitted-nearly-20-months-on>

⁶⁴ Hall, A & Armbruster, S. in SBS News. (28 February 2023) *A year on from the devastating Lismore flood, Greg and Vicki are still living in a caravan*. Retrieved from <https://www.sbs.com.au/news/article/a-year-on-from-the-devastating-lismore-floods-greg-and-vicki-are-still-living-in-a-caravan/5yhfipq1o>

⁶⁵ Wood, D. in Insurance Business Magazine. (11 January 2023). *Insurance challenges: Local broker on Lismore's flood recovery*. Retrieved from <https://www.insurancebusinessmag.com/au/news/natural-catastrophe/insurance-challenges-local-broker-on-lismores-flood-recovery-432412.aspx>

⁶⁶ van den Nouweland, R. & Cijin, A. (October 2022). *The impact of housing vulnerability on climate disaster recovery: The 2022 Northern Rivers Floods*. UNSW City Futures Research Centre. Retrieved from <https://cityfutures.adu.unsw.edu.au/documents/700/Northern-Rivers-postflood-housing-20221102.pdf>

⁶⁷ NSW Parliament, Legislative Council Select Committee on the Response to Major Flooding across New South Wales in 2022. (2022). *Submissions*. Retrieved from <https://www.parliament.nsw.gov.au/committees/listofcommittees/Pages/committee-details.aspx?pk=277#tab-submissions>

⁶⁸ Ibid, [Transcript from Hearing Tuesday 14 June 2022](#); Ibid, [Submission no. 37 Insurance Council of Australia](#)

funded at the expense of local Councils in Western Sydney⁶⁹, are a last resort solution to an urban design problem in how little green space and amenity-planning we require of private developers in greenfield, sprawling estates.

AHURI's report⁷⁰ in November 2021 found that climate change is affecting Aboriginal households **now** and retrofitting subpar housing stock will only go so far in addressing poor health outcomes related to extreme heatwaves, cold snaps, and wild wet weather. Increased minimum standards and maintenance schedules for all dwellings are required to ensure housing justice is delivered to First Nations communities. Additionally, alternative construction and planned layouts are required for more culturally appropriate living options.

With all of this being said, **passive heating/cooling through design and retrofits is superior to installing energy-efficient appliances in otherwise energy inefficient dwellings**⁷¹. In this regard, we turn to the recent matter of ceiling insulation being a mandatory requirement for rental dwellings (new and existing) in the ACT⁷². Shelter NSW strongly supports this level of commitment to ensuring renters do not unfairly 'foot the [energy] bill' of poorly constructed and maintained properties.

As noted by NSW Council of Social Services ('NCOSS') in its Pre-Budget Submission to the State Government⁷³, there are considerable carbon emission reductions and household savings possible through improving the quality of existing rental homes:

*"... Upgrades made to 1,230 existing homes by one NSW community housing provider – such as insulation, drought proofing and LED replacement, and installation of heat pumps for hot water systems, ceiling fans and solar – delivered an estimated energy saving of 2,270,000 kWh of energy per year and an average saving of \$400 per dwelling."*⁷⁴

New estates, new homes, and existing homes that house vulnerable populations must all be fit for purpose for our rapidly changing climate. It makes economic and social sense to do so.

⁶⁹ Taylor, A. in The Sydney Morning Herald. (8 May 2022). 'Homes aren't safe': Western Sydney prepares evacuation shelters for hot summers. Retrieved from <https://www.smh.com.au/national/nsw/homes-aren-t-safe-western-sydney-prepares-evacuation-shelters-for-hot-summers-20220505-p5ai0j.html>

⁷⁰ Australian Housing and Urban Research Institute (AHURI). (November 2021). *Sustainable Indigenous housing in regional and remote Australia*. Retrieved from: <https://www.ahuri.edu.au/sites/default/files/documents/2021-11/AHURI-Final-Report-368-Sustainable-Indigenous-housing-in-regional-and-remote-Australia.pdf>

⁷¹ Healthy Homes for Renters. (2022). *Community Sector Blueprint: National Framework for Minimum Energy Efficiency Rental Requirements*. Retrieved from <https://www.healthyhomes.org.au/news/community-sector-blueprint>

⁷² ACT Government – Justice and Community Safety Directorate. (2023). *Minimum energy efficiency standards for rental homes*. Retrieved from <https://www.justice.act.gov.au/renting-and-occupancy-laws/energy-efficiency-standards-for-rental-homes>

⁷³ NCOSS. (August 2023). *Pre-Budget Submission 2022-23*. Retrieved from <https://www.ncoss.org.au/policy-advocacy/policy-research-publications/ncoss-pre-budget-submission-2022-23/>

⁷⁴ Clean Energy Finance Corporation. (May 2020). *Clean energy and community housing*. Retrieved from https://www.cefc.com.au/media/2vqg5rly/cefc_investmentinsights_communityhousing.pdf

3.10 Establishing a national social and Affordable Housing regulatory system

We support National Shelter's calls for a strong and fair regulatory regime as a fundamental foundation of the increased supply of social and Affordable Housing.

Given the scale of financial subsidies required to support the delivery of the plan, we believe it is reasonable and necessary to require a registration system. **Any regulatory system would require many basics such as defining social and Affordable Housing (as well as 'key worker housing')** in a nationally consistent way – or where there are jurisdictional differences, making these differences plain to understand and interrogate.

Monitoring of Affordable Housing targets (especially Affordable Rental dwellings) is notoriously lacking in NSW. The NSW Department of Planning & Environment does not presently track Affordable Housing numbers, types, locations, nor lapsing periods of Affordable Rental Housing developed as a result of the *Housing SEPP 2021* (or former *SEPP 70* and former *Affordable Rental Housing SEPP 2009*). **We therefore urge the NHHP to create a system of accurately tracking Affordable Housing approvals and developments.**

4. Other comments

Homelessness is more than just 'rooflessness'

Leave the 'severe overcrowding' definition as is.

The Issues Paper postulates about the purpose and need of the current definition of 'severe overcrowding' as a form of homelessness. We maintain that this definition is generally fit for purpose for the Australian context, and it is a useful proxy for determining what households (and to what extent) are **significantly constrained in terms of individual and collective autonomy over decisions of space and home**. Any fiddling at the margins with the definition to better align gendered language or other nascent topics is distinctly subordinate to the **overall benefit of keeping the definition in line with international standards and historical, longitudinal data collection from the ABS**. Benchmarking progress against a new definition and against historic trends on a former definition of 'severe overcrowding' is administratively burdensome, relative to any perceived beneficial policy outcomes.

'Couch surfing' statistics on homelessness tend to reveal the extent to which tenure insecurity is most acutely felt by young people⁷⁵. **Similarly, 'severe overcrowding' statistics on homelessness tend to reveal the extent to which housing typology fails culturally diverse and First Nations communities⁷⁶**. In the same way that 'couch

⁷⁵ Australian Institute of Health and Welfare. (14 December 2018). *Couch surfers: a profile of Specialist Homelessness Services clients*. Retrieved from <https://www.aihw.gov.au/reports/homelessness-services/couch-surfers-a-profile-of-specialist-homelessness/summary>

⁷⁶ Ibid; AIHW. (7 September 2023). *Housing circumstances of First Nations people*. Retrieved from <https://www.aihw.gov.au/reports/australias-welfare/indigenous-housing>

surfing' is commonly accepted as a form of homelessness despite it not being 'rooflessness', we ask that the Department extend this logic to accepting the current 'severe overcrowding' definition as a form of homelessness despite it not being 'rooflessness'.

Shelter NSW commissioned research recently into the experience of severe overcrowding in south-western Sydney⁷⁷. A major theme out of this study was that severe overcrowding in these communities is mostly a by-product of families wanting to stay within the same neighbourhood and/or domicile, maintain access to core community services and cultural ties, and the lack of housing diversity and affordability for this to be done in a way that enables dignity of choice.

Severe overcrowding in south-western Sydney is also driven by the lack of social supports and Centrelink benefits available to migrants, depending on their visa status. Humanitarian refugees and asylum seekers are not eligible to apply for social housing or be admitted on the State social housing waitlist until such time that they are granted permanent resident status, which can take many years⁷⁸. If governments are wishing to 'fiddle at the margins' on anything related to severe overcrowding, a sound place to start would be to **ensure access to social housing and welfare supports is not limited to only certain migrant streams**.

Overcrowding in dwellings continues to disproportionately affect Aboriginal households. NSW holds the dubious honour of having the highest proportion of community housing households experiencing overcrowding (at 6%) and **Aboriginal households experiencing overcrowding in public housing dwellings were more likely to be in very remote and remote areas**⁷⁹. This was highlighted as a serious health concern during the COVID-19 outbreak in Wilcannia, where family members could not adequately isolate from other family members in overcrowded households.

Severe overcrowding, in its current definition, is shown to be growing in each Census period and is the predominant type of homelessness⁸⁰. This longitudinal check-in of how Australia is failing to provide adequate and dignified housing to its most marginalised citizens is hugely important in informing the National Housing and Homelessness Plan (and assessing its performance over time).

⁷⁷ Shelter NSW & Judith Stubbs and Associates. (January 2023). *Understanding Overcrowding in South West Sydney: Stage 2 Report*. Retrieved from <https://shelternewsw.org.au/wp-content/uploads/2023/02/UNDERSTANDING-OVERCROWDING-REPORT-2-230214.pdf>

⁷⁸ Ibid, p. 9

⁷⁹ Australian Institute of Health and Welfare (AIHW). (18 July, 2019). *Housing Assistance in Australia 2019*. Retrieved from <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/contents/overcrowding-and-underutilisation>

⁸⁰ ABS. (22 March 2023). *Estimating homelessness: Census 2021*. Retrieved from <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>