

National Housing and Homelessness Plan Issues Paper City of Sydney submission



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Introduction

The City acknowledges the Gadigal of the Eora Nation as the Traditional Custodians of our local area. We acknowledge Elders past and present and celebrate the diversity of Aboriginal and Torres Strait Islander peoples and their ongoing cultures and connections to Country.

The City of Sydney (the City) welcomes the opportunity to provide a submission on the National Housing and Homelessness Issues Paper (Issues Paper). The City acknowledges the evidence base that underpins the Issues Paper, and this submission makes recommendations to further develop and refine the Australian Government's response to our national housing and homelessness crisis.

The City has reviewed the exhibited Issues Paper and commends the Australian Government for its work to help the delivery of housing that supports security, comfort, independence, and choice for all people at various life stages. However, the City is concerned by several elements of the Issues Paper and makes the following recommendations:

Homelessness

- Recommendation 1:** Fund local government to coordinate and deliver homelessness responses for people experiencing rough sleeping (primary homelessness). Noting that these should not take the place of current state and Australian Government responsibilities.
- Recommendation 2:** Develop a national procedure for supporting people sleeping rough during extreme heat and weather events that considers local contexts.
- Recommendation 3:** Develop a National Housing and Homelessness strategy that oversees the urgent investment and delivery of large-scale diverse housing options. The delivery should include state and territory targets and consider how they meet the short term and long-term demand for those currently facing homelessness. This includes support for people to "age in place".
- Recommendation 4:** Provide funding and direction to state institutions, including correctional facilities, hospitals, mental health facilities and out-of-home care, to make preventing homelessness a core priority.
- Recommendation 5:** Support the delivery of homelessness early intervention and prevention approaches into service systems across all levels of government, including brokerage options.
- Recommendation 6:** Develop shared KPIs for preventing homelessness across mainstream services including health, mental health, justice, and out of home care.
- Recommendation 7:** Fund Specialist Homelessness Services to work directly with those facing 'hidden' or 'invisible' homelessness. Ensure funding considers housing pathways for people who don't have residency status.

Homelessness services

- Recommendation 8:** Work with states and territories to increase funding for specialist homelessness services including crisis support and brokerage opportunities to ensure these services are available for a minimum of 12 months.
- Recommendation 9:** Work with states and territory homelessness sectors to better understand and plan the delivery of a diverse range of supported accommodation options to meet the needs of diverse groups.
- Recommendation 10:** Fund and support local governments to lead and deliver service coordination and collective impact approaches to homelessness.
- Recommendation 11:** Increase support for preventative strategies that address the drivers of homelessness, including planned exits from institutions to stable housing, escaping family violence, additional and appropriate support for those experiencing mental health and people who are not eligible to housing or income support due to visa status.
- Recommendation 12:** Commit to co-design future homelessness strategies with states and territories, the homelessness sector, and people with lived experience.

Aboriginal and Torres Strait Islander Housing

- Recommendation 13:** Take a multi-pronged approach in the National Housing and Homelessness Plan to embed strategies across a range of housing policies, programs and services to increase the quantum and cultural appropriateness of Aboriginal housing.
- Recommendation 14:** Ensure Aboriginal housing is culturally appropriate and designed to meet the specific needs of Aboriginal households by working with Aboriginal led organisations and end-users to co-design housing.
- Recommendation 15:** Encourage and support Aboriginal people to enter a career in housing, including scholarships and programs that lead to professions such as architecture, tenancy managers, academics, community engagement professionals, Aboriginal heritage experts, planners, policy developers.
- Recommendation 16:** Listen to and privilege the voices of Aboriginal housing experts when developing housing policies and programs.
- Recommendation 17:** Develop best practice culturally appropriate tenancy support programs, to be led by experienced local Aboriginal workers, that can connect households with wraparound services that will support successful tenancies.
- Recommendation 18:** Provide better and more programs that support homeownership rates amongst Aboriginal and Torres Strait Islander households. Programs should:
- be cognisant that higher levels of support are generally needed where land is more expensive.
 - where the household may live off Country, potentially in an urban area, develop programs that support purchase on Country as either an investment (that could be rented to an Aboriginal household) or future return and retirement opportunity.
 - adopt culturally appropriate consultation strategies and approaches that facilitate diverse Aboriginal and Torres Strait

Islander voices in the development of housing and homelessness policies and programs.

Recommendation 19: Adopt culturally appropriate consultation strategies and approaches that facilitate diverse Aboriginal and Torres Strait Islander voices in the development of housing and homelessness policies and programs.

Recommendation 20: Allocate additional funding and resources targeted at increasing the supply of Aboriginal and Torres Strait Islander housing. Funding should focus on supporting the retention of Aboriginal housing and growing housing supply in historically significant locations of Aboriginal communities.

Recommendation 21: Develop programs that invest in building the capacity and capability of ATSIICCHO, such as:

- Providing pathways and programs that support ATSIICCHOs to achieve Tier 1 status under the National Regulatory System for Community Housing.
- Establishing and funding regional panels of housing experts tasked with supporting organisations to identify and realise development opportunities.
- When allocating funding to a CHP for affordable housing projects, exploring opportunities to partner them with ATSIICCHOs.
- Directly funding Aboriginal housing projects, accepting that there may be greater development risk in the project because capacity and capability is still being developed.

Recommendation 22: Secure for the Aboriginal community those secondary benefits that arise from housing development by preferencing procurement and contract opportunities for Aboriginal led organisations.

Social housing

Recommendation 23: Commit to working with state and territory governments, including housing authorities, to collaborate and seek partnerships with local governments to deliver effective supports for social housing communities that address local issues and needs.

Recommendation 24: Incentivise the delivery of social housing in inner city areas through the Australian Government's Social Housing Accelerator, the National Housing Accord, and Housing Australia Future Fund.

Recommendation 25: Increase funding to the NSW Government to commit to a significant net increase in new social housing in the inner city of Sydney.

Recommendation 26: Increase funding to the NSW Government to support ongoing quality maintenance and upgrades to existing social housing stock in the inner city of Sydney.

Recommendation 27: Increase funding to states and territories to adequately resource and implement tenant centred customer service approaches and place-based programs that deliver positive social outcomes for social housing communities.

Recommendation 28: Increase funding to the NSW Government to deliver adaptable, co-designed, place-based specialist wrap-around support services that are tailored for residents with diverse needs.

Affordable housing

- Recommendation 29:** Develop a consistent and unambiguous definition of affordable housing, which limits use of the term to housing that is capped at 30% household income and is to be managed as affordable rental housing in perpetuity.
- Recommendation 30:** Engage and work collaboratively with local government to deliver affordable housing, recognising the significant role it plays as community leaders, landowners, and planning authorities.
- Recommendation 31:** Provide direct funding opportunities to local government, where they partner with CHPs for the delivery of affordable housing projects, that addresses local need.
- Recommendation 32:** Provide funding to continue the work of the Resilient Sydney Affordable and Diverse Housing collaboration.
- Recommendation 33:** Encourage state and territory governments to facilitate inclusionary zoning schemes in their planning frameworks where land is rezoned to allow for development.
- Recommendation 34:** Ensure affordable housing that is leveraged through the planning system is provided in perpetuity, increasing the long-term supply of affordable housing.
- Recommendation 35:** Ensure that where the federal and state governments redevelop land, land is made available to CHPs, free of cost or at a subsidised rate, to build affordable housing, noting that sustaining development by CHPs can have countercyclical benefits.

Housing costs and the private rental market

- Recommendation 36:** Encourage and support state and territory governments to end 'no grounds' terminations, including increasing notice to 90 days for fixed term leases in NSW.
- Recommendation 37:** Encourage and support state and territory governments to introduce a portable rental bond scheme to allow a renter to transfer their bond from an old property to a new property, before the bond from the old property has been repaid.
- Recommendation 38:** Encourage and support state and territory governments to prohibit rent being increased twice in 12 months if a renter has changed their agreement from periodic to a fixed term.
- Recommendation 39:** Encourage and support state and territory governments to ensure that renters have easily available data that is Government sourced and managed to exercise their rights' and inform decisions.
- Recommendation 40:** Encourage and support state and territory governments to require landlords and/or agents to report rent increases to state and territory governments using an online system.

The importance of planning, zoning, and development

- Recommendation 41:** Adopt a whole of system approach to address the housing crisis, recognising that increasing housing supply and addressing affordability are separate and complex issues that require holistic,

sustainable, long-term reform, including introducing levers to encourage approvals to be converted to built housing stock.

- Recommendation 42:** Investigate reforms that will identify and return latent capacity in land supply and housing stock to the market to disincentivise vacant residential properties and land banking alongside more sustainable regulation of bank credit.
- Recommendation 43:** Acknowledge in the National Housing Plan the limited contribution increased housing supply will make to the delivery of housing that is affordable for lower to moderate income households.
- Recommendation 44:** Ensure the inclusion of nuanced strategies in the National Housing Plan that respond to geographic variations to housing demand. Strategies must aim at delivering supply across the spectrum of housing need.
- Recommendation 45:** Work with local government to identify suitable opportunities to facilitate planning capacity for housing supply without undermining the benefits and purpose of clear and defined local planning frameworks.
- Recommendation 46:** Noting the City does not support the removal of local planning decisions from local decisions makers, any top-down changes to planning controls to facilitate housing supply must:
- be cognisant of exiting planning controls and local environmental and market conditions.
 - be specifically targeted to ensure they avoid encouraging speculation and land banking and genuinely deliver housing in the short to medium term. This may include consideration of time-limited planning concessions.
 - capture a proportion of windfall gains to fund the delivery of affordable and social housing as part of the development, and other infrastructure needed to support a growing community.
- Recommendation 47:** Improve monitoring of available development capacity at the local level to inform long term strategic planning for housing supply, as opposed to relying on dwelling delivery data, which is not a reliable indicator of barriers to housing supply.
- Recommendation 48:** Investigate targeted housing codes to fast-track diverse housing in consultation with architects, the construction industry, communities, and local councils.
- Recommendation 49:** Consider condition(s) of consent which deliver a faster turnaround between approval and delivery of housing.
- Recommendation 50:** Increase targeted investment in state and local infrastructure that facilitates the delivery of housing supply.
- Recommendation 51:** Restore direct government investment in building social and affordable housing to address housing supply shortages and facilitate countercyclical housing supply.

The impact of climate change and disasters on housing security, sustainability, and health

- Recommendation 52:** Prioritise investment in preparedness and adaptation to support climate-resilient housing and accommodation.

- Recommendation 53:** Direct research funding streams to incentivise university and government researchers to work with local governments, their communities and industry to improve disaster and hazard risk reduction in place.
- Recommendation 54:** Develop a nationally consistent home resilience rating tool, suitable for both new builds and retrofits, and mandate disclosure of performance rating at point of sale or lease.
- Recommendation 55:** Introduce mandatory disclosure of energy efficiency performance at point of sale or lease for all Australian homes (houses and apartments).
- Recommendation 56:** Provide dedicated funding streams for individuals and strata and owner corporations operated buildings to include or retrofit electric upgrades.

Homelessness



City of Sydney Street Count volunteers (image by Adam Hollingworth)

In Australia, housing and homelessness are primarily the responsibility of state and federal governments and have not been a traditional domain of local government. While councils have had a strong role in setting and implementing planning controls and delivering community services they have not been typically involved in broader aspects of housing and homelessness.

The City understands that no one organisation can solve homelessness in isolation. We understand that our communities, businesses, and stakeholders expect us to take a leadership role in addressing the needs of the people who live in our local area. This includes taking direct action in areas where we have direct control, such as responding to the effects of homelessness in public spaces we own and/or manage. We also work with a wide range of partners to demonstrate innovative solutions and advocate for action from other levels of government.

Local governments have a key role to play in supporting solutions to homelessness. Their close connections to community and stakeholders make them ideally placed to coordinate and facilitate responses to homelessness, including those with state and federal government and other sector partners. These may include coordinating or implementing assertive outreach responses, identifying the unique homelessness challenges of their local government area, or coordinating responses to support people sleeping rough.

Recent State inquiries in NSW have found that local governments are best equipped to support community during a crisis. Homelessness is a crisis, and a defined local government role is required to ensure that those experiencing homelessness have future support from all levels of government.

Recommendation 1: Fund local government to coordinate and deliver homelessness responses for people experiencing rough sleeping (primary homelessness). Noting that these should not take the place of current state and federal government responsibilities.

Challenges for people experiencing homelessness in the City of Sydney local area.

The challenges facing people experiencing homelessness within the LGA can be broken down into the following categories.

Housing and lack of suitable housing

There is a critical shortfall of social and supported housing within the city and more broadly across NSW. Additional stresses such as rental pricing in urban, regional, and rural areas are also placing additional pressure on existing private housing stock and creating a new form of financial homelessness. A rapid investment in social, affordable, and supported housing is required to meet the current and future need. There is also a requirement for housing that supports people to “age in place”.

Impacts of Extreme Weather

The City is a signatory to an Emergency Response Protocol with the Department of Communities and Justice. The Terms of Reference of this protocol enable the City and Department of Communities of Justice to provide, with NSW Health, an emergency response for people sleeping rough in extreme weather conditions (including heat). Since its inception the City has enacted the three tier protocol terms of reference with increased frequency, over 19 times in the last two years alone. The protocol’s three levels are “yellow”, “orange” and “red”. At the “orange” level, the Department of Communities and Justice provide temporary accommodation to those requiring shelter. The most enacted levels are “yellow” and “orange”.

Rural and regional councils are struggling with similar impacts of weather on people sleeping rough, but without resourcing or temporary accommodation available to provide respite for those experiencing homelessness.

Extreme weather events such as the 2019 bushfires and 2022 floods have also had a devastating impact on social housing and housing supply and future events will place further pressure on housing availability.

Complex Mental Health

The 2019 Connections Week showed over 30 per cent of people sleeping rough reported mental health conditions. Health districts mental health services are at capacity and there are few long-term mental health wards or longer-term rehab options for people within greater Sydney and NSW.

Following the 2021 lockdown due to Covid-19, the City and partner agencies have observed an increased mental health complexity of those sleeping rough¹. Research has shown an

¹ <https://www.sydney.edu.au/news-opinion/news/2023/03/09/moving-on-from-covid-means-facing-its-impact-on-mental-health--s.html>

uptick in mental health presentations across the country, with this being exacerbated for those facing homelessness.

Capacity

The homelessness sector has seen a dramatic turnover of staff post Covid-19. The City's four funded specialist homelessness services have seen a 20 per cent retention rate amongst their services alone. Furthermore, a recent report by Homelessness Australia² has highlighted that the homelessness sector is at a critical capacity point. This is having a flow on impact for those experiencing homelessness – with people being forced to retell their stories due to a changing workforce, turned away due to lack of sector capacity, or a failure for health, homelessness, and housing data systems to be able to share information across systems.

In rural and regional areas, where homelessness is becoming an emerging issue, there are limited or no funded specialist homelessness services to provide a response – with regional and rural communities turning to local government instead. Local governments are willing to lead coordination efforts for their community but need clearly defined roles in the future National Housing Plan as well as appropriate resourcing to better support their community.

Eligibility

Of the 277 people sleeping rough currently in the City, roughly 150 do not meet housing eligibility due to a range of conditions including residency status, former failed tenancy, complexity of mental health presentations or they are currently housed but unable to return due to housing condition or unsafe conditions³. Those in these categories must endure a prolonged and unnecessary period of secondary or tertiary homelessness (in most cases years) due to the inability of the current housing and homelessness system to cater for their needs.

Recommendation 2: Develop a national procedure for supporting people sleeping rough during extreme heat and weather events that considers local contexts.

Actions that governments can take to prevent homelessness or support people who may be at risk of becoming homeless.

a. Short Term Actions

There is an urgent need to secure, in the short term, additional social and affordable housing to provide permanent, stable accommodation for people currently homeless or housed in temporary or crisis accommodation.

Relying on temporary hotel and crisis accommodation arrangements in lieu of long term social and affordable housing arrangements does not deliver stability, nor is it an optimal use of taxpayer funds. In particular, the use of hotel accommodation is unsuitable for people sleeping rough due to high cost, short term occupancy and limited wrap around support attached to the service model.

Australian and NSW Government funding to acquire existing housing stock (such as turnkey or 'scaffold ready' developments that are at or near completion) for immediate short-term use would be far more effective and sustainable than funding the ongoing use of hotel and motel

² <https://homelessnessaustralia.org.au/wp-content/uploads/2023/08/HA-Overstretched-and-overwhelmed-report-v03-1.pdf>

³ <https://news.cityofsydney.nsw.gov.au/articles/more-people-sleeping-rough-on-inner-sydney-streets>

accommodations. As demonstrated during the Covid-19 pandemic, turnkey models, or ‘meanwhile use’ buildings, can quickly be available for supported transitional style accommodation – meeting the immediate short-term housing need - while waiting for medium and long term housing to be delivered.

b. Medium and Long-Term Actions

Only direct investments in social, affordable, and supported housing can address chronic shortages of supply in NSW, provide a foundation to end street sleeping through ‘housing first’ models, while providing necessary economic stimulus and jobs during what will likely be a deep economic downturn.

The Australian Government, working with state/territory and local government, should fund and deliver the urgent development of strategic inner-city sites for social and affordable housing. The investment would provide a vital pathway out of homelessness and prevent people from becoming homeless by rapidly increasing social housing stock. It would also address severe rental stress experienced by people on low incomes in the private rental market by enabling them to access affordable housing.

Investing in innovative ‘housing first’ models that include supports tailored to client need is critical to ending homelessness. These supports can include financial assistance, legal assistance, specialist disability services, acute health care, community transport services, drug and alcohol services, and community care for older people, family support services and more. As governments begin to plan pathways towards economic recovery, the federal and state governments must listen to peak homelessness bodies, social services and economists who make clear that investing in social and affordable housing projects creates jobs and helps break the cycle of homelessness.

Recommendation 3: Develop a National Housing and Homelessness strategy that oversees the urgent investment and delivery of large-scale diverse housing options. The delivery should include state and territory targets and consider how they meet the short term and long-term demand for those currently facing homelessness. This includes support for people to “age in place”.

A more effective homelessness system.

Not only are specialist homelessness services not able to meet demand but, in some instances, they are unable to provide appropriate support. Better outcomes can be achieved when people who are homeless are placed at the centre of decision making. The service system needs to be flexible and responsive to client circumstances, creating clear accessible pathways for people to exit homelessness. The existing homelessness, health and housing system is not appropriate for many people who have complex needs and have experienced long-term homelessness. This includes people who are older, and living with complex co-morbidities such as dementia, and younger people with specific developmental needs.

Mainstream homelessness accommodation services can lack skills and capacity to support people with complex needs. Current funding is inadequate to ensure required staffing levels and appropriately trained staff to work with a multitude of complex issues which a person may be experiencing such as behavioural and personality-based disorders, alcohol or other drug use, brain injury, mental health, or a combination of these. The National Housing Plan should recognise these challenges and ensure that homelessness services can both hire and train staff to adequately meet the current complexity.

The City provides funding to address post crisis support but places contractable limits on the case worker caseloads (no more than 10 clients) – recognising the time and effort it takes to stabilise someone post housing and that overloading case managers with unreasonable targets will not improve outcomes. Considerations for brokerage support as a preventive measure, should also be made. The Launchpad Brokerage Program, which has been supported by the City, has prevented over 150 young people each year from becoming homeless since its inception in 2014.

Government's role in early intervention and preventative response.

Prevention and early intervention of homelessness can be achieved by addressing systemic failures that bring groups into homelessness, including people exiting prison, mental health facilities and out-of-home care without adequate discharge planning. State governments are responsible for many of the agencies, institutions, and mainstream service systems which people who are at risk of homelessness will encounter. These include the health system and hospitals, education, training and education, the police force, child protection agencies, criminal justice and corrective service agencies, some mental health services, as well as housing and homelessness services.

The Australian government also plays critical roles in health, especially aged care, mental health, and disability support through the National Disability Insurance Scheme. Mainstream services, and not just specialist services, have an important role to play in prevention. Mainstream services, like schools, local doctors, community centres and police will often be the first point of contact for people who are at risk of homelessness. This puts these services in a good position to identify that a person might need early intervention supports or to be referred to a specialist homelessness service to avoid issues or problems from escalating and increasing their risk of homelessness. Services must also be joined up, and integrated across the whole of government, to:

- Understand how people at risk are navigating service systems so that access barriers can be identified and resolved, and client-centred service responses can be planned.
- Better capture the number of people exited into homelessness. Crisis, temporary accommodation, and boarding house placements from institutional care, should be considered as exits into homelessness.
- Enable service coordination and communication between services and agencies.
- Make homelessness prevention a shared outcome across governments.

Ultimately, to prevent exits into homelessness, these key services need to be properly resourced, funded and most importantly have access to a diverse range of housing that is readily available.

Recommendation 4: Provide funding and direction to state institutions, including correctional facilities, hospitals, mental health facilities and out-of-home care, to make preventing homelessness a core priority.

Recommendation 5: Support the delivery of homelessness early intervention and prevention approaches into service systems across all levels of government, including brokerage options.

Recommendation 6: Develop shared KPIs for preventing homelessness across mainstream services including health, mental health, justice, and out of home care.

Collecting evidence on 'hidden' or 'invisible' homelessness.

The homelessness crisis comes at the cost of initiatives to address secondary homelessness such as couch surfing and overcrowding. Services are simply at capacity dealing with the most complex and pressing cases, or within NSW, contractually obliged to only work with those experiencing primary or tertiary forms of homelessness.

Within NSW and the City, there are no Specialist Homelessness Services contracted to work with those experiencing secondary homelessness, yet we know it is one of the largest forms of homelessness. Vulnerable groups such as international students, migrant workers and refugee and asylum seekers who are without access to housing and homelessness support often falling into this form of homelessness. These people are at a high risk of being pushed into extreme housing stress, overcrowded conditions, or rough sleeping.

Data for hidden or invisible homelessness is currently provided within the census, but to best capture the evidence, governments need to be funding specialist homelessness services to directly work with this cohort. Considerations also need to be made as to how funded services will support those experiencing secondary homelessness that may not have a clear pathway into longer term housing, such as people without residency status or young people.

Recommendation 7: Fund Specialist Homelessness Services to provide direct support to those facing 'hidden' or 'invisible' homelessness and people who do not have residency status.

Homelessness services



Wentworth Park, Glebe (image by Katherine Griffiths)

The City's dedicated homelessness unit.

Providing housing and support to the most vulnerable members of the community is fundamental to this vision and to the social wellbeing of the community.

We were the first council in Australia with a dedicated homelessness unit. The City's Homelessness Unit is a leader in providing and coordinating innovative, evidence-based responses to reduce homelessness and its impact in Sydney. This includes coordinating an annual street count, which tracks the number of people sleeping rough in the city, hosting homelessness interagency meetings to build the capacity of the sector, providing training, conducting research and advocacy to influence policy and government spending, and engaging and coordinating services to harness the capacity of the sector and the community to share resources, skills, and knowledge to address this complex social issue.

The City employs four Public Space Liaison Officers, (PSLOs) who work across seven days engaging people who are sleeping rough in the city and connecting them to services. PSLOs also engage with residents and businesses to increase understanding of homelessness and resolve problems before conflict arises. PSLOs build professional relationships and provide links to essential services as well as manage the social and environmental impacts of homelessness.

The City provides \$1.2 million per annum to support specialist homelessness services to deliver services in the City that contribute to reducing the risk of and breaking the cycle of homelessness.

In 2023/24, the City is funding:

- \$700,000 for assertive outreach, case coordination and post crisis support services, delivered by Neami Way2Home.
- \$300,000 for prevention and support to young people at risk of homelessness, delivered by Launchpad.
- \$200,000 for culturally specific outreach services for Aboriginal and Torres Strait Islander people, delivered by Innari and Aboriginal Corporation for Homelessness and Rehabilitation Community Services.

Neami Way2Home helps break the cycle of homelessness for people who are sleeping rough. Outreach workers assist people on the streets to gain and keep long-term housing, as well as ongoing support. The workers partner with health and other community services. The service helped 812 people find housing between 2010 and June 2023.

Between 2015 and June 2023, services co-funded by the City and the Department of Communities and Justice prevented 2,067 young people from becoming homeless in the inner city. Another 1,135 young people were assisted to find safe and sustainable accommodation.

Recommendation 8: Work with states and territories to increase funding for specialist homelessness services including crisis support and brokerage opportunities to ensure these services are available for a minimum of 12 months.

'Housing first' models.

The 'housing first' model proposes safe and permanent housing as the priority for people experiencing homelessness. For those experiencing homelessness with complex needs, once housing is secured, a multidisciplinary team of support workers can address individual needs through services such as drug and alcohol counselling or mental health treatment. An individual's engagement with these support services is not conditional on them maintaining accommodation.

This differs to other models of support, where access to housing can be conditional for example, requiring people to abstain from alcohol or drugs or comply with mental health programs to qualify for housing. Conditional housing can often make it difficult for people to qualify for housing support or maintain tenancy if they do get a house.

A report by the Australian Housing and Urban Research Institute titled *Policy shift or program drift? Implementing Housing First in Australia* examines the 'housing first' programs in the United States of America (USA) found that the programs were successful in retaining accommodation for those people at risk of homelessness. A longitudinal study of 225 people in the USA compared the outcomes of those using a 'housing first' model to those that were using more traditional services. The research found that 88 per cent of those in the 'housing

first' program retained their housing for two years compared to 47 per cent in the other programs⁴.

'Housing first' programs have also found to be cost beneficial to governments and community. A London 'housing first' program was found to cost £9,600 (excluding rent) per person per year. This was around £1,000 per year cheaper than placing a person in a shelter and nearly £8,000 cheaper than placing them in a high-intensity support service (excluding rent)⁵.

Platform 70 launched in Sydney in 2011, has supported people who were sleeping rough to access private rental accommodation. It uses a 'scatter site' approach that focuses on meeting individual needs, providing access to known community support services and ongoing case management. In the first four years over 80 per cent of the tenants retained their housing and continued to receive ongoing support and case management⁶. Run by Bridge Housing, the Platform 70 project surpassed all targets for housing people and residents sustaining their tenancies.

The Camperdown Project, based on the New York Common Ground model, was established in 2011 and is a specially designed set of apartments with on-site support services for people experiencing chronic homelessness.

The model is based on six principles:

1. **Permanence:** There is no time limit on leases for formerly homeless tenants.
2. **Safety:** A 24-hour concierge restricts entry to the building.
3. **Supportive:** Social services are provided on site at no cost to the tenant.
4. **Integrated:** Projects normally house a mix of both formerly chronically homeless tenants and low-income earners.
5. **Affordable:** Rent is charged to all tenants at less than 30 per cent of income.
6. **Quality:** Buildings incorporate sophisticated design and high environmental ratings.

The building has 100 self-contained units. Of these, 60 per cent are social housing and 40 per cent are affordable. These and other new outreach programs contributed to a 34 per cent reduction in the number of rough sleepers in the City between February 2010 and August 2012.

Youth Foyers aim to address youth unemployment and youth homelessness through an integrated approach to working with young people. Youth Foyers typically offer secure and good quality accommodation for up to three years alongside programs designed to enhance job skills and living skills for young people aged 16-25.

Youth Foyers offer a holistic approach for young people looking to make a transition to independent living. At a minimum, Youth Foyers offer integrated access to affordable accommodation, training, personal development, mentoring, and job searching facilities.

⁴ Australian Housing and Urban Research Institute (2018). AHURI brief: What is the Housing First model and how does it help those experiencing homelessness? Available at: <https://www.ahuri.edu.au/policy/ahuri-briefs/what-is-the-housing-first-model>

⁵ Australian Housing and Urban Research Institute (2018). AHURI brief: What is the Housing First model and how does it help those experiencing homelessness? Available at: <https://www.ahuri.edu.au/policy/ahuri-briefs/what-is-the-housing-first-model>

⁶ Bridge Housing. (2014) Platform 70 Media Release. Available at: www.bridgehousing.org.au/data/mediareleases/MR_Platform70_0508f.pdf

Participation in a foyer is based on a formal agreement as to how facilities and local community resources will be used and commitment to this agreement is a condition of continual residence in the foyer.

Youth Foyers are usually purpose-built buildings which offer a combination of crisis, transitional, and independent forms of accommodation. This consists of individual bed-sits and studio apartments, as well as one and two bedroom flats. Other spaces that foyers require are staff office areas, counselling and meeting rooms, reception areas, training and group workspaces, drop-in space, and meal rooms. Youth Foyers often also provide services and spaces that are available to the wider community, and they vary in scale, from 35 to 210 beds per site and are ideally located close to education services, transport, and shops.

Coupled with increasing the number of young people completing education and being productively employed, one of the key benefits of the Youth Foyer model is that it reduces the number of young people cycling through the housing system. It is also a platform through which young people can better engage with the community and discuss issues which are important to them.

Recommendation 9: Work with states and territory homelessness sectors to better understand and plan the delivery of a diverse range of supported accommodation options to meet the needs of diverse groups.

Consistent and appropriate funding for specialist homelessness services.

Currently there is inadequate funding for Specialist Homelessness Services in NSW to address secondary homelessness such as couch surfing and overcrowded accommodation, which is disproportionately experienced by younger people and Aboriginal and Torres Strait Islander people.

In addition, Specialist Homelessness Services can find it difficult to sustain services and retain staff in an environment of uncertainty about funding arrangements, especially when short term funding agreements are used. In NSW, funding agreements with specialist homelessness services have more recently been three-year contracts, but in some instances 12-month funding agreements are used, especially following reforms and or in anticipation of changes to funding or commissioning models.

It is well known that there is a significant overrepresentation of Aboriginal and Torres Strait Islander people experiencing homelessness, with different data sources estimating the proportion of rough sleepers who identify as Aboriginal and Torres Strait Islander in inner Sydney as being between 15 and 25 per cent, compared to an average two per cent of the residential population. In inner Sydney, at present there are two Aboriginal Specialist Homelessness Services, each with one worker. The level of resourcing does not adequately match the need in inner Sydney.

Governments funding specialist homelessness services across Australia should look more closely at the specific demographic and cultural needs of those experiencing homelessness in each funding region and ensure an appropriate mix of specialist homelessness services are funded.

While provision is made within current NSW Government funding for the delivery of culturally appropriate outreach services, culturally specific post-crisis supports services are required to appropriately address the needs of Aboriginal and Torres Strait Islander people experiencing homelessness. This includes a range of crisis, short and medium term culturally appropriate accommodation options in Sydney for Aboriginal and Torres Strait Islander people visiting from

their communities. This should include accommodation for extended family members who accompany a family member visiting the city for health care or ceremonial purposes (e.g., funeral) or to visit family who have been incarcerated or just for holidays. Services in remote areas will also reduce the need for people to travel from the country to capital cities.

Funding and support for collaborative impact approaches led by local governments.

Local government is best placed to lead and coordinate service responses to homelessness.

The City developed the Homelessness Assertive Outreach Response Team (HART) - a collaborative impact approach to assertive outreach in inner Sydney. The HART brings multiple stakeholders together with a common goal of supporting people sleeping rough in Inner City Sydney to exit homelessness and access long term housing with support.

The HART brings 19 organisations together to work collaboratively, and this includes staff from the City, Department of Communities and Justice, NSW Police, Neami Way2Home, the Aboriginal Corporation for Homeless and Rehabilitation Community Services, Launchpad Youth Services as well as other specialist homelessness organisations.

The HART members share skills, resources, and knowledge towards a shared vision for change including a common understanding of the problem and a joint approach to solving it through agreed upon actions. Participant activities are differentiated while still being coordinated through a mutually reinforcing plan of action. This coordinated approach has allowed outreach staff to assess clients more quickly, bringing several services around the client at once and accelerating their pathways into housing.

Along with the Department of Communities and Justice, the City has adopted the role of backbone organisation of the HART. It supports other members through taking a role as coordinator, which allows services to focus their efforts on delivering outreach.

The HART, coordinated by the City and Department of Communities and Justice, conduct weekly patrols and place-based operations to ensure a coordinated approach to safe, supported long-term housing. HART has engaged with 4,470 people since March 2019 and 389 people have been housed since March 2017.

Recommendation 10: Fund and support local governments to lead and deliver service coordination and collective impact approaches to homelessness.

Key priority community groups.

Non residents

With rising housing costs, temporary visa holders and some New Zealanders living in Australia (as Non-Residents) are especially vulnerable to homelessness.

People seeking asylum, international students and temporary visa holders are not eligible for income support if they lose their job. While eligible to access support from homelessness services within NSW, people sleeping rough who are Non-Residents are also not eligible to access temporary accommodation, crisis accommodation or social housing support.

The City, in partnership with St Vincent's Health, have found that over 20 per cent of those sleeping rough in the city are classified as Non-Residents and will not have a housing pathway.

People Exiting Prison

Findings from Connections Week 2019 show 28 per cent of people experiencing homelessness in Sydney have been in prison. There are proven links between homelessness, offending and reoffending⁷. People who find suitable, supported, and stable housing are more likely to stay out of prison, particularly those with complex needs⁸. Improved planning between agencies is required to support people exiting prison to access health and other services, and appropriate housing.

A key preventative measure is planned exits from institutional settings. Planned exits should ensure:

- people are placed in transitional housing upon release, with appropriate supports, instead of temporary accommodation, and
- applications for housing assistance and social housing are completed prior to release.

This won't be possible without adequate supply of transitional housing, and appropriate resourcing of social workers in correctional and other institutional facilities to ensure these measures are in place.

Mental Health

Recent research from Australian Housing and Urban Research Institute (AHURI) notes that safe, secure, appropriate, and affordable housing is critical for recovery from mental ill-health and for being able to access appropriate support services.

Yet, there is a shortage of appropriate housing options for people with lived experience of mental ill-health. Key issues are decreasing housing affordability, social housing shortages, and a lack of supported housing. The housing, homelessness and mental health policy systems are crisis-driven and are not well integrated, which means that many people struggle to access the supports when they need them⁹.

The research identified five trajectories to describe the lived experience of people with mental ill-health:

- Excluded from help required.
- Stuck without adequate support.
- Cycling.
- Stabilising.
- Well supported.

A lack of access to housing, healthcare and mental health care leads to people being excluded from required support. Consequently, people live in inadequate housing that prevents recovery or worsens their mental health. Factors that inhibit people receiving mental health support include long wait times, lack of assertive outreach and assistance to navigate the system, and dependence on a diagnosis.

⁷ Schetzer, Louis. 2013 Beyond the prison gates: Subtitle: the experiences of people recently released from prison into homelessness and housing crisis

⁸ Australian Institute of Health and Welfare, 2018. Family, domestic and sexual violence in Australia

⁹ Brackertz, N., Borrowman, L., Roggenbuck, C. Pollock, S. and Davis, E. (2020) Trajectories: the interplay between mental health and housing pathways. Final research report, Australian Housing and Urban Research Institute Limited and Mind Australia, Melbourne, <https://www.ahuri.edu.au/research/trajectories>.

The mental health and housing systems are crisis-driven and have limited resources to provide people with adequate support and a clear pathway for recovery. Instead, people lack control and choice because they are stuck in temporary housing, cannot be discharged from institutions, and/or do not receive mental health treatment to address their multiple complex needs.

The housing, homelessness and mental health systems are not well integrated, resulting in people entering and dropping out of support services repeatedly without recovering. Cycling between services leads to an accumulation of disadvantage and people experience a strong downward trajectory. Negative experiences with these services can also lead to mistrust and result in some with chronic ill-health refusing offers of help, and or choosing to stay on the street.

Circuit breakers allow people to overcome barriers and to access the supports and housing they need, enabling them to stabilise their mental health and achieve recovery. Circuit breakers include wrap-around services, assistance to navigate the system, access to public housing, receiving a mental health diagnosis, and gaining access to integrated supported housing.

People living in a well-supported environment have safe, secure, appropriate, and affordable housing, and receive mental health care that addresses their needs to live their best life. In a well-supported environment, people can focus on needs that go beyond housing and mental health recovery. Relying on their ability to access support services when needed, they are empowered to self-advocate for services.

For people with complex needs requiring intensive support, models that provide wrap-around support services is vital to help them maintain their tenancies.

Recommendation 11: Increase support for preventative strategies that address the drivers of homelessness, including planned exits from institutions to stable housing, escaping family violence, additional and appropriate support for those experiencing mental health and people who are not eligible to housing or income support due to visa status.

Building awareness of available services and supports for people who are at risk of homelessness or experiencing homelessness.

Any strategies developed to assist with information sharing need to be co-designed with both Specialist Homelessness Services and people with lived experience. One current service designed to build awareness of available services and supports is the Ask Izzy mobile website. Ask Izzy is reliant on services updating information themselves and, as most Specialist Homelessness Services are time poor, much of the information provided on the app is outdated quickly.

The City's work with Street Care, a lived experienced advisory panel established by the Public Interest Advocacy Centre, has ensured strategies and programs are developed in a way that they are both effective and user friendly.

Recommendation 12: Commit to co-design future homelessness strategies with states and territories, the homelessness sector, and people with lived experience.

Aboriginal and Torres Strait Islander Housing



The Pemulwuy Project: Redfern (image by City of Sydney)

The City is committed to listening to, working with, and elevating the voices of Aboriginal and Torres Strait Islander peoples in the city. We acknowledge the harmful impact of colonisation and government policies is still impacting on the city's Aboriginal and Torres Strait Islander peoples. It has led to intergenerational trauma and disadvantage in housing, education, health, and wellbeing.

By addressing housing affordability, cost of living and gentrification, we are working to prevent further displacement of Aboriginal and Torres Strait Islander peoples. The City understands that these past injustices affect us all as a nation and must be addressed in consultation with Aboriginal and Torres Strait Islander peoples.

The City supports the right to self-determination for Aboriginal and Torres Strait Islander people in finding solutions and identifying opportunities. This can be achieved through meaningful partnerships and collaboration with the broader community and governments.

Urban centres are home to high populations of Aboriginal people, living away from Country for a range of historical and current social and economic circumstances. The city is home to the sixth largest urban Aboriginal and Torres Strait Islander community in the Sydney Metropolitan area. The current Aboriginal housing situation in contemporary Australia for Aboriginal people cannot be dissociated from the historical experience of colonisation, dispossession, displacement, segregation, child removals and the exclusion from opportunities for education, employment, and equal wages. The majority of Aboriginal people in NSW were segregated on Missions, Reserves and fringe town camps under the Aboriginal Welfare Act and children were removed by the Aborigines Protection Board. Government policy and agencies have long been instrumental in determining the housing and family impacts of Aboriginal people in NSW.

Inner Sydney has strong historical and place associations relating to the patterns of migration of First Nations peoples. Redfern has a particular legacy of fighting for Aboriginal and Torres Strait Islander self-determination and human rights. Redfern and Waterloo are home to significant clusters of Aboriginal medical, health, housing, employment, media, aged care, and legal services.

Self-determined Aboriginal housing has been central to the significance of Redfern. This was key to creating a place where Aboriginal and Torres Strait Islander people could live, gather, support each other, and strengthen their communities and cultures. This community swelled to a large strong population peaking in the 1960s and 1970s largely due to significant societal change.

However, the number of Aboriginal and Torres Strait Islander people living in inner Sydney continues to decline. It now stands at just 3,009 individuals in the local area.¹⁰ Aboriginal and Torres Strait Islander communities have expressed concern that gentrification and a lack of social and affordable housing are causing further displacement. They want to make sure that Aboriginal and Torres Strait Islander people with ties to the local community can maintain those links and stay in the area.

Aboriginal and Torres Strait Islander people's experience of mainstreamed housing services are characterised by higher incidences of overcrowding, homelessness, and housing insecurity. Aboriginal and Torres Strait Islander people are 15 times more likely to experience homelessness than the wider community.¹¹

Housing for All, the City's local housing strategy is focused on "bringing the people back" to the local area by partnering with the community to advocate the provision of culturally appropriate affordable and social housing that is dedicated for the specific use of Aboriginal and Torres Strait Islander households.

¹⁰ ABS, Sydney – City 2021 Census Aboriginal and/or Torres Strait Islander people QuickStats: <https://www.abs.gov.au/census/find-census-data/quickstats/2021/IARE107026>

¹¹ Indigenous homelessness is distinct and requires culturally appropriate responses, AHURI 2022: <https://www.ahuri.edu.au/analysis/news/indigenous-homelessness-distinct-and-requires-culturally-appropriate-responses>

City of Sydney support for the delivery of culturally appropriate Affordable housing.

In addition to advocating for improved Aboriginal housing outcomes to government and local community housing providers, the City takes direct action to grow and support the quantum and cultural appropriateness of housing for Aboriginal and Torres Strait Islander households.

- **Selling land at a subsidised rate** – the City sold land at below market rate to St George Community Housing (SGCH) to enable the development of an affordable housing project at Gibbons Street, Redfern. While the SGCH is not an Aboriginal Community Housing Provider (ACHP), about 40 per cent of the available tenancies are currently made available to Aboriginal households.
- **Grant funding** – through its Affordable and Diverse Housing Grant Fund, the City has funded an Aboriginal Housing Coordination Officer position that works across the three main community housing providers (CHP) in the City of Sydney. The role has been integral in increasing the number of Aboriginal tenancies, improving the culturally appropriate management of those tenancies, and working with CHPs to develop targets, and culturally appropriate practices and procedures for Aboriginal tenancies.
- **Facilitation through land dedication** – the City facilitated the development of the Pemulwuy Aboriginal housing project with the dedication of small parcels of land that would have otherwise impeded the development.
- **Requirements in planning controls** – where there is opportunity, the City includes requirements in planning controls that a minimum of 10 per cent affordable housing be made available to low income Aboriginal households. Examples of this requirement is in the planning controls that apply to the Waterloo South Estate redevelopment, 600-660 Elizabeth Street, Redfern and the Botany Road Precinct, Waterloo.
- **Guideline for culturally appropriate housing** – to assist in the delivery of culturally appropriate housing for Aboriginal households, the City is preparing a planning guideline for the development of culturally appropriate housing, with a focus on inner city housing.

The above mechanisms, that are applied by the City of Sydney at a scale appropriate to local government level, can be scaled up to state and federal governments to encourage the delivery of more housing for Aboriginal households by Aboriginal led organisations.

Recommendation 13: Take a multi-pronged approach in the National Housing and Homelessness Plan to embed strategies across a range of housing policies, programs and services to increase the quantum and cultural appropriateness of Aboriginal housing.

Better housing outcomes for Aboriginal and Torres Strait Islander households.

“Governments at state, territory and federal levels need to accept responsibility for the outcomes of previous policies that have disadvantaged Indigenous households, and work on putting in place enablers that can change these trajectories”.¹²

Housing programs and policies that support Aboriginal and Torres Strait Islander households are needed across the whole housing spectrum, from exiting homelessness into social housing, renting in CHP controlled affordable housing or the private rental market, through to home ownership.

Social and affordable housing

Aboriginal housing must be culturally appropriate and designed to meet the specific needs of Aboriginal households. Housing needs are different for Aboriginal households, depending on location, individual needs, tenancy types and so on. Where possible, housing providers are encouraged to work directly with Aboriginal led organisations and end-users to co-design housing.

Notwithstanding the above, government may also have a role in working with Aboriginal led organisations to develop guidance on best practice principles for delivering culturally appropriate housing in different contexts.

Funding for tenancy support programmes and wraparound service provision is also required to assist Indigenous people to secure and maintain successful tenancies, with drivers of tenancy issues for Aboriginal and Torres Strait Islander households ranging from discrimination by landlords and neighbours, to failure of landlords and housing agencies to appropriately address cultural needs, such as hospitality expectations for extended family.¹³

Private rental market

Significantly more Aboriginal and Torres Strait Islander people (around 60 per cent) live in rental accommodation than non-Indigenous Australians (30 per cent). This is skewed towards the social housing sector due to difficulties faced by Aboriginal households in accessing private rental accommodation.

The challenges to be addressed range from availability of culturally appropriate housing, particularly in inner urban environments where housing supply is skewed towards apartment buildings, typically on the smaller side, affordability, racial discrimination, and difficulties meeting criteria for properties.¹⁴

¹² ‘What works’ to sustain Indigenous tenancies in Australia, AHURI 2022:

https://www.ahuri.edu.au/sites/default/files/documents/2022-02/AHURI-Final-Report-374-What-works-to-sustain-Indigenous-tenancies-in-Australia_1.pdf

¹³ Sustaining at risk Indigenous tenancies: a review of Australian policy responses, Australian Housing and Urban Research Institute, Flatau et al 2009:

https://www.academia.edu/34347368/Sustaining_at_risk_Indigenous_tenancies_a_review_of_Australian_policy_responses

¹⁴ ‘What works’ to sustain Indigenous tenancies in Australia, AHURI 2022:

https://www.ahuri.edu.au/sites/default/files/documents/2022-02/AHURI-Final-Report-374-What-works-to-sustain-Indigenous-tenancies-in-Australia_1.pdf

Home ownership

Only a third of Aboriginal Australians own their own home, compared with two-thirds of non-Aboriginal people.¹⁵

As part of the broader housing continuum, home ownership offers Aboriginal and Torres Strait Islander people across many income levels the opportunity to enjoy housing stability and to create independence. Permanency has individual and community benefits, together with a range of long-term economic benefits.

Increasing Aboriginal and Torres Strait Islander home ownership improves inclusion, intergenerational economic stability, wealth and equity building, credit ratings, health outcomes and generates financial independence.

Affordability is a key barrier to improving Aboriginal home ownership rates, particularly in inner-urban areas where the cost of housing is very high. More targeted assistance is required to assist Aboriginal and Torres Strait Islander people to purchase a home.

Recommendation 14: Ensure Aboriginal housing is culturally appropriate and designed to meet the specific needs of Aboriginal households by working with Aboriginal led organisations and end-users to co-design housing.

Recommendation 15: Encourage and support Aboriginal people to enter a career in housing, including scholarships and programs that lead to professions such as architecture, tenancy managers, academics, community engagement professionals, Aboriginal heritage experts, planners, policy developers.

Recommendation 16: Listen to and privilege the voices of Aboriginal housing experts when developing housing policies and programs.

Recommendation 17: Develop best practice culturally appropriate tenancy support programs, to be led by experienced local Aboriginal workers, that can connect households with wraparound services that will support successful tenancies.

Recommendation 18: Provide better and more programs that support homeownership rates amongst Aboriginal and Torres Strait Islander households. Programs should:

- be cognisant that higher levels of support are generally needed where land is more expensive; and
- where the household may live off Country, potentially in an urban area, develop programs that support purchase on Country as either an investment (that could be rented to an Aboriginal household) or future return and retirement opportunity.

Aboriginal and Torres Strait Islander voices in housing and homelessness policy.

Aboriginal and Torres Strait Islander people and consultation should be embedded into existing or new governance opportunities that determine housing and homelessness policies

¹⁵ Indigenous Housing, Australian Institute of Health and Welfare 2021: <https://www.aihw.gov.au/reports/australias-welfare/indigenous-housing>

and programs, with an opportunity for them to influence target-setting and outcomes which affect them.

Established Aboriginal-led peak bodies, such as the Metropolitan Local Aboriginal Land Council and the Aboriginal Community Housing Industry Association (ACHIA), already exist and can provide expertise and insight into the conception and development of housing and homelessness policies and programs which affect Aboriginal and Torres Strait Islander peoples.

The City recommends that government draws from the experience of existing peak bodies and works collaboratively to develop *and* implement strategies and initiatives aimed at Aboriginal and Torres Strait Islander people.

Governments should also look to establish appropriately representative bodies if there is a gap. Agencies can invest in culturally appropriate engagement through creating advisory boards which ensure diverse Aboriginal and Torres Strait Islander voices are heard and listened to.

The City, for example, has convened and regularly engaged with an Aboriginal and Torres Strait Island Advisory Panel since 2008. Comprised of community and industry professionals, the panel's members are Aboriginal and Torres Strait Islander peoples who live, work or study in the local area.

Each member of the Panel brings a wealth of knowledge and skills to provide advice on matters of importance to Aboriginal and Torres Strait Islander communities. They provide advice to inform the policies of the City of Sydney and make a positive contribution to the City's relationship with Aboriginal and Torres Strait Islander individuals, organisations, and leaders.

The City also recommends culturally appropriate consultation processes which are led by Aboriginal people in an accessible and meaningful way and which ensure a diverse range of First Nation voices are heard and responded to. Typically, this would build in positive feedback loops, allowing for consultation and co-design from project/policy inception, through refinement, to delivery. Short, mostly online, linear consultation processes, are not appropriate when developing Aboriginal housing policy and programs. Consultation and co-design should occur from project inception, through refinement, to delivery.

Recommendation 19: Adopt culturally appropriate consultation strategies and approaches that facilitate diverse Aboriginal and Torres Strait Islander voices in the development of housing and homelessness policies and programs.

Increasing the supply of Aboriginal housing.

Increasing the supply of culturally appropriate Aboriginal housing is crucial in closing the gap for Aboriginal and Torres Strait Islander communities and overcoming the inequality experienced by Aboriginal and Torres Strait Islander people to ensure their life outcomes are equal to all Australians.

Significant additional government funding is required to achieve the housing targets set out in the National Agreement to 'close the gap' for Indigenous communities, with a commitment that 88 per cent of Aboriginal and Torres Strait Islander people will live in appropriate housing that

is not overcrowded by 2031.¹⁶ Funding should focus on supporting the retention of Aboriginal housing and growing housing supply in historically significant locations of Aboriginal communities. To ensure funding is channelled appropriately, Aboriginal and Torres Strait Islander people must determine, drive, and own these outcomes alongside government.

Increased allocations of social and affordable housing to Aboriginal and Torres Strait Islander households are required to re-prioritise existing housing supply to address the significant need. Improved allocation policies are also needed so that Aboriginal and Torres Strait Islander tenants have enhanced choice and are better able to access good quality and culturally appropriate housing in their preferred location.

Recommendation 20: Allocate additional funding and resources targeted at increasing the supply of Aboriginal and Torres Strait Islander housing. Funding should focus on supporting the retention of Aboriginal housing and growing housing supply in historically significant locations of Aboriginal communities.

Building capacity in Aboriginal and Torres Strait Islander Controlled Community Housing Organisations.

Ultimately, the objective of state and federal government policies and programs to facilitate Aboriginal housing must be aimed at delivering housing that is owned and managed by Aboriginal CHPs as a continued expression of self-determination.

The National Housing Plan must directly invest in and support building the financial capacity and the 'know-how' capability of Aboriginal and Torres Strait Islander Controlled Community Housing Organisations (ATSICCHO) so they may grow in a sustainable way. This includes supporting existing ATSICCHOs who have both the community membership as well as the land and property ownership to build and run their own housing for community.

More direct investment is required in ATSICCHO to identify opportunities and develop housing projects for community, including the infrastructure needed to support housing development. Equally important however is investment in capability building.

Recommendation 21: Develop programs that invest in building the capacity and capability of ATSICCHO, such as:

- Providing pathways and programs that support ATSICCHOs to achieve Tier 1 status under the National Regulatory System for Community Housing.
- Establishing and funding regional panels of housing experts tasked with supporting organisations to identify and realise development opportunities.
- When allocating funding to a CHP for affordable housing projects, exploring opportunities to partner them with ATSICCHOs.
- Directly funding Aboriginal housing projects, accepting that there may be greater development risk in the project because capacity and capability is still being developed.

¹⁶ Aboriginal and Torres Strait Islander Housing Sector Strengthening Plan, Closing the Gap: <https://www.closingthegap.gov.au/sites/default/files/2022-08/housing-sector-strengthening-plan.pdf>

Recommendation 22: Secure for the Aboriginal community those secondary benefits that arise from housing development by preferencing procurement and contract opportunities for Aboriginal led organisations.

Social housing



Gibbons Street, Redfern (image from City of Sydney)

Under the National Housing and Homelessness Agreement (NHHA), states and territories have the primary responsibility for the funding, ongoing management, and regulation of social housing and for tenant outcomes within social housing.

Despite not being primarily responsible for social housing, the City has a long and proud history of working with social housing tenants and advocating for resilient, safe, connected communities. The City has a vision for a future city for all, one where high-quality social housing is available for those who need it.

According to the 2016 Census, the City has one of the largest number of households living in social housing in the greater Sydney area. This is both in terms of the absolute number, as well as the proportion of all households that stated their tenure type. In June 2020, there were 9,630 social housing properties in greater Sydney with an estimated 15,000 residents.¹⁷

The City works collaboratively with the NSW Land and Housing Corporation (LAHC), the NSW Department of Communities and Justice (DCJ), and community housing providers to address issues affecting social housing residents. To coordinate this support, the City employs a dedicated Social Housing Project Manager to work with social housing residents and non-

¹⁷ City of Sydney Submission to the NSW Government's Legislative Assembly Inquiry into the Management of the NSW Public Housing Maintenance Contracts, December 2020, p.5

government organisations to improve safety and wellbeing outcomes for social housing communities.

The City delivers a range of events, services and programs that support social housing communities through direct services and grant programs. These include:

- Funding for community development to support residents affected by the Waterloo social housing redevelopment.
- Funding tenancy advice for social housing tenants impacted by redevelopment relocations.
- Capacity building programs for residents to address safety and wellbeing including, youth programs, mental health, and domestic and family violence.
- Supporting food support services and programs.
- Resourcing digital inclusion projects.

Recommendation 23: Commit to working with state and territory governments, including housing authorities, to collaborate and seek partnerships with local governments to deliver effective supports for social housing communities that address local issues and needs.

The role of social housing.

Housing, as shelter, is a fundamental human right. The inability to access secure, safe, and appropriate housing compromises health and wellbeing, creating significant distress in the community. People are limited in their ability to obtain and retain paid employment, access education and training, and build a better life for themselves and their families. Social housing provides secure and affordable housing for people not able to access housing in the private market.

The allocation of social housing by governments.

The Issues Paper notes that the social housing waitlists managed by the state and territory governments provide some measure of unmet demand, but that there are shortcomings with using waitlists as the sole indicator. One shortcoming is that social housing properties are not readily available in all areas and in the required dwelling types. Additionally, some available social housing properties are not sufficiently maintained and managed.

The City of Sydney local government area does not have properties that are readily available, with the situation quite desperate for those who are on the NSW DCJ social housing waitlist. According to the latest data from DCJ, on 30 June 2023, there are 772 applicants waiting for a social housing property in inner-Sydney, with 182 of these applicants identified as high risk or 'priority' applicants¹⁸. The average wait time is 5-10 years for 1, 2 or 3 bedroom apartments in the inner city and 10 years plus for 4 bedroom apartments.¹⁹

Recommendation 24: Incentivise the delivery of social housing in inner city areas through the Federal Government's Social Housing Accelerator, the National Housing Accord, and Housing Australia Future Fund.

¹⁸ <https://www.facs.nsw.gov.au/housing/help/applying-assistance/social-housing-waiting-list-data#social>

¹⁹ <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

Building social housing in the right locations to meet current and future needs.

Prioritising social housing in the inner city ensures that more social housing residents can access support services and resources that are more readily available.

New social housing dwellings need to meet the current and future requirements tenants, including high quality design and materials, sustainable, climate adaptable and universally designed for aging in place and people with disability. In addition, existing properties need to be improved and maintained to a high standard. This will enable people to continue to live in their neighbourhood and maintain social connections throughout their life.

Recommendation 25: Increase funding to the NSW Government to commit to a significant net increase in new social housing in the inner city of Sydney.

Recommendation 26: Increase funding to the NSW Government to support ongoing quality maintenance and upgrades to existing social housing stock in the inner city of Sydney.

Improvements to the social housing system and place-based approaches.

A tenant centred customer service approach and asset maintenance system is needed. This approach should include improved communication with tenants seeking services and repairs, better coordination of services for tenants, and consistent work standards.

It is vital for social housing tenants to have a say in how to support their communities. Co-designed approaches to decision making and shared responsibility for place making contributes to improved systems and services that benefit the whole community.

The City plays a key role in supporting tenant participation through local social housing Neighbourhood Advisory Boards (NABs) and Sydney Lord Mayor Social Housing forums, which are held in social housing estates across the city.

Each social housing community experiences its own challenges and opportunities. The City has seen positive outcomes when localised responses are delivered in partnership with agencies and residents. A partnership approach is most successful when a dedicated community development worker or team is allocated to public housing estates.

Placed based approaches provide an important role in creating safe and inclusive communities, the presence of community development workers on the ground who can address and if necessary, escalate issues as they arise, contributes to an improvement of the overall amenity and general maintenance on housing estates within the inner city.

Recommendation 27: Increase funding to states and territories to adequately resource and implement tenant centred customer service approaches and place-based programs that deliver positive social outcomes for social housing communities.

Wrap-around supports for social housing residents.

Social housing communities require appropriate support services that reflect the intersectionality and diversity of needs. People with experiences of trauma, incarceration, physical and mental ill-health, can face additional systemic barriers due to their culture,

gender, sexuality, or disability. In turn, this can compromise access to safe, appropriate housing and support for long-term social housing tenancies.

It is important that social housing communities are connected to culturally safe and inclusive services. This includes financial and legal support, mental and primary healthcare, transport, drug and alcohol programs, domestic and family violence support, community care and case management.

Recommendation 28: Increase funding to the NSW Government to deliver adaptable, co-designed, place-based specialist wrap-around support services that are tailored for residents with diverse needs.

Affordable housing



Platform Apartments, North Eveleigh (image from City of Sydney)

The City is deeply concerned about the impacts of the housing crisis on its community and is committed to working with all levels of government, the development sector and the community housing sector to grow the supply of affordable housing, that is owned or managed by community housing providers (CHP), in our local area and across NSW.

The City's 2036 target is for 7.5 per cent of all private housing in the local area to be affordable housing and 7.5 per cent social housing.

What is affordable housing?

In simple terms, housing affordability is the problem, and increasing the supply of affordable housing (and social housing) is a big part of the solution.

The Issues Paper talks about “affordable housing” in two ways. The first is a reference to the cost of private market housing, for example, “Access to secure and affordable housing is fundamental for the welfare of Australians” (pg. 17). Declining housing affordability, that is, the cost of housing relative to household incomes, is a result of a complex range of macro-economic factors, well beyond the influence of local government.

The second type of reference to “affordable housing” is housing that is owned and/or managed by a CHP and specifically made available for very low to moderate income groups. The City's response to this section of the Issue Paper is focused on this second type of housing.

Social housing and community housing (social housing managed by CHPs), that is generally targeted to very low-income households who have the greatest need, is excluded from this definition for the purposes of this discussion. Importantly, affordable housing can help bridge the gap between social housing and private market housing, providing some housing support as low-income households transition out of social housing.

A distinction must be made between these different references to affordable housing as they each require different policy approaches.

It is noted these different types of housing have been conflated in this section of the Issues Paper, with references to what the Australian Government is doing to address housing supply generally (pg. 57) somewhat confusing the discussion about how supply of affordable housing that is owned and/ or managed by a CHP can be increased. The City's view on the impacts of supply on housing affordability is discussed within "The importance of planning, zoning, and development" section of this submission.

National definition of affordable housing

Different governments use different definitions of affordable housing in different contexts.

The National Housing Accord from 2022 states "For the purposes of this Accord, "affordable housing" is generally taken to refer to rental housing that is provided at below market rent to qualifying tenants (usually between 70 and 80 per cent of market rent)".

Currently the NSW Affordable Housing Ministerial Guidelines²⁰ define Affordable Housing as "*housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs, such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income*".

However, this definition leaves the door open to include housing that is delivered through density bonus schemes and rented at 70-80% of market rates for a time limited period. In the City of Sydney rents for a 2-bedroom apartment rose by 25% in the year ending 30 June 2023.²¹ With the rates rents have been rising, a discount of 20-30% meant that for many these properties were too expensive anyway for many people. This type of housing should no longer be characterised as affordable housing.

Given the way the different types of affordable housing are conflated in the Issues Paper, and various definitions are used by different governments at different times, there is a need for consistent and unambiguous definition of Affordable Housing to ensure housing that is delivered is actually affordable., particularly when government policies are being designed to incentivise affordable housing in exchange for planning benefits such as density bonus schemes.

The City is of the view that the term "Affordable Housing" should only be used to describe housing owned and managed by Community Housing Providers, for households on low to moderate incomes with rents capped at 30 per cent of household income, *in perpetuity*. Housing delivered through bonus density schemes could be characterised as "Moderate Cost" or "rent reduced".

Recommendation 29: Develop a consistent and unambiguous definition of affordable housing, which limits use of the term to housing that is capped at 30% household income and is to be managed as affordable rental housing in perpetuity.

²⁰ <https://www.facs.nsw.gov.au/download?file=843446>

²¹ <https://homelessnessnsw.org.au/data/housing-and-homelessness-dashboard/>

Why is affordable housing important?

Australia has one of the least affordable housing markets in the world, and Sydney remains Australia's least affordable city. The high cost of housing is an important economic and social issue for all major cities in Australia and its impacts are becoming increasingly apparent in regional areas.

In Sydney, Australia's global city, a sustainable and diverse housing supply is fundamental to the cultural and social vitality, economic growth, and liveability of the city. Housing should therefore be considered critical infrastructure, necessary to support the economy, but also to support resilient communities.

Where that housing is located, its proximity to employment, its diversity in price and type and its quality, are things that require careful management.

Addressing inequality

Climbing housing costs are expected to have an increasingly detrimental impact on its socio-economic diversity as low-income households are pushed from increasingly expensive inner-city areas to the edges of our cities where housing is cheaper. Housing is cheaper in these areas of our cities because it is generally located further away from employment opportunities, require much longer commute times, has less access to public transport, typically has less access to other critical infrastructure, such as health infrastructure and community facilities and services.

Most households on low to moderate incomes who remain in the private housing market are increasingly in housing stress or crisis and will eventually be forced to move out as housing costs continue to escalate ahead of wage growth. The relative inequality among those who can and cannot afford housing in the city has widened.

At a more localised level, in many inner-city areas there is a growing disconnect between affluent households able to afford private market housing and very low-income households living in inner city social housing estates. As middle-income households are forced to leave inner-city areas this 'hollowing out of the middle' creates considerable division in the community and impacts on community sustainability and cohesion.

The issue also has a dimension of generational inequality, as younger people, both home buyers and renters, are increasingly priced out of the wealth accumulating housing market.

Maintaining a resilient economy

The cost of housing also affects a city's ability to attract and retain global businesses and a highly skilled workforce. Where relatively low paid key workers, who underpin and enable growth in high value sectors, and contribute to the efficient functioning of a city cannot access appropriate and affordable housing, there is direct risk to metropolitan Sydney's global city status and by extension the Australian economy. These award wage key workers are employed across a range of sectors and include, amongst others, our health care technicians, cleaners, bus drivers, childcare workers, administrators, hospitality staff, as well as many self-employed tour guides, musicians, and artists.

Declining socio-economic diversity in the inner city associated with inadequate social and affordable housing supply has significant economic impacts. A recent report by the Committee for Sydney values this cost at more than \$10 billion per year.²²

The ongoing loss of very low to moderate income households from inner Sydney, as they are priced out to the outer suburbs of Sydney, makes it increasingly difficult for essential employment sectors to fill employment vacancies and staff shifts. On the city scale, this hampers business productivity and by extension the wider economic growth of Sydney.

The role of local government.

Local governments are community leaders, landowners, and planning authorities, yet they are often overlooked as genuine partners with a significant role to play in solving Australia's housing crisis. Better consultation and engagement with local government, entered with a willingness to understand and address local barriers to affordable housing delivery, will result in better housing outcomes.

While state governments have constitutional responsibility for housing people who cannot access safe and secure housing in the private housing market, many local councils, out of concern for their community and/or their local economy, have chosen to take direct action to deliver affordable housing in their local area. This action may take the form of using their contributions plans and policies to promote affordable housing through the planning system, using their land where it is not required for another purpose, providing grants and advocacy.

Resilient Sydney

Resilient Sydney is a collaboration of all 33 metropolitan councils of Greater Sydney to develop and implement a city-wide resilience strategy, published in 2018. As Sydney grows, inequity is rising and infrastructure and services lag. Not everyone shares the benefits of prosperity from a growing economy. Shocks and stresses, including declining housing affordability, needs to be managed through planning for growth.

The Resilient Sydney Diverse and Affordable Housing Steering Committee (Committee) first convened in March 2021 to work together to identify solutions how local government can contribute to increasing the supply of affordable housing in Sydney.

The Committee is chaired by [REDACTED] and has representatives from:

- The Resilient Sydney Office.
- Metropolitan councils.
- Department of Planning and Environment.
- Greater Cities Commission.
- South Sydney Regional Organisation of Councils (SSROC).
- Community Housing Industry Association NSW (CHIA).
- Industry experts.

The objective of the Committee is to understand the diverse needs of councils and work with them to deliver more affordable housing that meets the needs their local communities.

²² Committee for Sydney, 2023: <https://sydney.org.au/policy-library/chronically-unaffordable-housing/>

The Committee has worked extensively with Sydney councils to identify barriers to the delivery of affordable housing in their local area. The key issues identified include:

- Lack of clear, consistent, and locally relevant data.
- Lack of understanding about local affordable housing need and how and why it manifests at the local level.
- Developer and, in some areas, community resistance to providing affordable housing.
- Prohibitively complex legislation and processes that prevent councils from implementing inclusionary zoning schemes (this issue is discussed further below).
- Resourcing limitations, in particular insufficient staff, or staff without the necessary expertise to develop appropriate policy and/or planning responses and implement them.
- Concerns about shifting the cost of providing affordable housing from state government to local government.
- Limited 'know-how' and resources to partner with CHPs for the delivery of affordable housing, noting partnerships of this nature require complex negotiation, and understanding of development issues, including financing, and so on.
- Where a council has a site suitable for affordable housing, there are concerns about ceding ownership of the land..

These issues must be resolved in consultation with councils if local government is to meet its full potential in contributing to resolving the housing crisis.

In consultation with Sydney councils, the Committee identified three key projects currently underway, including:

- Developing a package of materials to assist councils in the implementation of affordable housing contribution schemes (inclusionary zoning).
- A data platform to improve the availability of housing related data to assist councils in developing appropriate policy settings.
- Working with councils to encourage partnerships with CHPs for demonstration projects delivered via innovative delivery models.

Support for NSW regional councils has also been provided with an online workshop about how they could partner with local CHPs to deliver affordable housing in their area.

The Committee has proven to be a successful forum for the collaboration of state and local government to resolve barriers to the provision of affordable housing and offers an ongoing model to better include local government as part of the solution to the housing crisis. However, additional funding is required to continue the work of the Committee, that to date has relied on staffing and small monetary contributions from participating organisations.

Recommendation 30: Engage and work collaboratively with local government to deliver affordable housing, recognising the significant role it plays as community leaders, landowners, and planning authorities.

Recommendation 31: Provide direct funding opportunities to local government, where they partner with CHPs for the delivery of affordable housing projects, that addresses local need.

Recommendation 32: Provide funding to continue the work of the Resilience Sydney Affordable and Diverse Housing collaboration.

Leveraging affordable housing through the planning system.

Inclusionary zoning

Affordable housing contribution schemes (inclusionary zoning schemes) are the most efficient and successful approach local councils can apply to provide affordable housing in their local areas. An inclusionary zoning scheme provides a transparent and administratively efficient mechanism for delivery of affordable housing in conjunction with development. Where a scheme is introduced at the time of rezoning larger parcels of land, that is, the point in time at which the value of the land increases, it provides cost certainty for developers, with the cost of providing affordable housing known, and factored in, before the land is purchased.

In NSW, inclusionary zoning schemes are facilitated through the *Environmental Planning and Assessment Act 1979*. However, only a few councils have inclusionary zoning schemes, owing in large part to the complexity of implementing schemes and political appetite.

The above-mentioned Resilient Sydney Diverse and Affordable Housing Steering Committee made a submission, including a series of recommendations, to the NSW Department of Planning and Environment, making a series of recommendations for the improvement of the contributions scheme framework for affordable housing. The submission is available [here](#).

Bonus density schemes

Inclusionary zoning schemes are preferred to density bonus schemes that can result in unplanned for development that is not appropriately supported by infrastructure.

The City does not support the NSW government's density bonus scheme which, in addition to potentially encouraging poorer development outcomes, only results in affordable housing for 15 years, after which it reverts to market housing. While providing some affordable housing in the short term, it does build the stock of affordable housing.

Recommendation 33: Encourage state and territory governments to facilitate inclusionary zoning schemes in their planning frameworks where large areas of renewal land is rezoned to allow for development.

Recommendation 34: Ensure affordable housing that is leveraged through the planning system is provided in perpetuity, increasing the certainty of a long-term supply of affordable housing.

Growing the community housing sector.

A strong, resilient, and well-funded community housing sector is essential to grow the quality and quantum of affordable housing.

In inner city areas, CHPs have identified the biggest barrier to providing affordable housing is access to affordable land. Local CHPs have estimated the average cost to develop an apartment in the City is now about \$1m, with close to 40 per cent of that cost (about \$400K per apartment) being the cost of land. Even with financing from the National Housing Finance and Investment Corporation (NHFIC), the feasibility of development in inner city areas, where affordable housing is most in demand, is challenging. Some additional subsidy is almost always required to assist in making a development viable. The subsidy may take the form of planning incentives, subsidised land costs, reduced fees and charges, and taxes.

Government, as major land holders, can partner with CHPs to provide them with access to affordable, well serviced land.

Recommendation 35: Ensure that where the federal and state governments redevelop land, land is made available to CHPs, free of cost or at a substantially subsidised rate, to build affordable housing, noting that sustaining development by CHPs can have countercyclical benefits.

Housing costs, home ownership and the private rental market in Australia



Surry Hills terraces (image by Abril Felman)

Housing costs and home ownership.

The City promotes and supports an inclusive and equitable society, in line with our *Community Strategic Plan – Sustainable Sydney 2030 to 2050 Continuing the Vision* and our *City for All – Social Sustainability Policy and Action Plan 2018-2028*.

The high cost of housing is an important economic and social issue in Sydney, particularly within the city where housing prices are among the highest in Australia. The inability to access enough affordable housing and cheaper rental housing pushes lower income households to the city fringes or elsewhere across NSW. Most lower income households who remain in the

private housing market are increasingly in housing stress or crisis and will eventually be forced to move out of the city as housing costs continue to escalate ahead of wage growth.

The decline in housing affordability, and the inability of everyday people to access housing that is affordable, is having an increasingly detrimental impact on socio-economic diversity, which underpins the city's rich social fabric. The ongoing loss of key workers is also a concern. It is increasingly difficult for essential employment sectors to fill employment vacancies and staff shifts. This hampers business productivity and by extension the wider economic growth of Sydney.

Renters' rights and the private rental market.

The rental market across Australia and in particular Sydney is the toughest it has been in decades. The City has the highest number of households that rent (51 per cent) when compared to all other local government areas in NSW²³. Median rents for a unit in the City increased by over 25 per cent over the last financial year (2022-2023), that is an increase of \$182 per week, bringing the median rent in the City from \$728 per week to \$910 per week²⁴. In addition, the recently published *Brutal Reality – The Human Cost of Australia's Housing Crisis Report*²⁵ noted that four in five (82 per cent) renters surveyed across Australia are in rental stress.

The City takes direct action to increase the supply of affordable rental housing available for lower income households. We have set a target of 7.5 per cent of all private dwelling stock to be affordable rental housing. We have collected \$377.8 million in LEP levies, provided \$24.2 million in discount land and almost \$10 million in grants resulting in over 1,400 built affordable rental dwellings and an additional 1,300 affordable rental dwellings in the pipeline.

The City's *Housing for All: City of Sydney Local Housing Strategy 2020* aims to support housing diversity and choice in the local area, including advocating for and supporting renters. This includes the need to consider permitting longer leases for renters, reform of 'no-grounds' evictions, limiting rental increases and review, and better renter-owner mediation processes.

For people on lower incomes, affordable rental housing provides a critical alternative to private market housing, providing some opportunity to live in the city. It also acts as a release valve to social housing, easing the pressure on demand for an already massively undersupplied system. For some, affordable rental housing is simply a steppingstone to private rental or ownership, but for others it may be longer term.

Affordable rental housing is critical social and economic infrastructure necessary to support a diverse and well-functioning city. Increasing the amount of affordable rental housing available for lower income households is an urgent priority for the City. The City is committed to supporting renters by advocating and collaborating to deliver improved housing choices and conditions, including long term rental tenancy options.

It is equally important to ensure a strong supply of rental accommodation is maintained to cater for private rental demand. Global cities have faced the challenge of losing supply to short-term accommodation platforms, such as Airbnb. A more balanced approach is needed that distinguishes occasional short-term letting from commercial tourist accommodation and

²³ <https://profile.id.com.au/sydney/tenure>

²⁴ <https://homelessnessnsw.org.au/data/housing-and-homelessness-dashboard/>

²⁵ <https://everybodyshome.com.au/resources/brutal-reality/>

allows short-term letting under circumstances that do not impact detrimentally on the supply of rental accommodation.

Dwellings with common areas (known as non-private), such as student accommodation, traditional boarding as well as new self-contained (new generation boarding houses), provide additional diversity in the rental market. While often absorbing more than 30 per cent of lower incomes, and therefore not considered an 'affordable housing' product, these rentals continue to meet an important need in the inner city and ease pressure on the wider market. Further investigation and research are needed to understand how these housing types can be improved and promoted.

'No grounds' terminations.

Renters need homes that are stable and secure and deserve a valid reason for ending a tenancy. The City has recently supported the NSW Government's commitment to ending 'no grounds' terminations, including increasing notice to 90 days for fixed term leases and believes the requirement for a landlord to give a reason should apply to both periodic leases as well as fixed term leases.

In addition, the City supports the need for landlords to provide evidence to a renter when a landlord ends a tenancy for a particular reason. The City believes the types of evidence required in Queensland and Victoria could be considered in other jurisdictions or nationally, such as a contract with a tradesperson demonstrating that the dwelling will be undergoing repairs or renovation or ensuring that the property is not rented out for six months after the tenancy has ended.

Recommendation 36: Encourage and support state and territory governments to end 'no grounds' terminations, including increasing notice to 90 days for fixed term leases in NSW.

Making it easier to transfer rental bonds from one property to another.

The City has recently supported the NSW Government's proposed portable rental bond scheme to allow a renter to transfer their bond from an old property to a new property, before the bond from the old property has been repaid.

The transfer of rental bonds will provide a fairer and more accessible system that will reduce financial strain and cost of living pressures on renters when moving between properties. This is particularly important for renters on low incomes where additional costs cannot be easily absorbed for a period.

The City believes a consistent and compulsory approach to a portable bonds scheme is required for all renters. A compulsory scheme should be designed to be inclusive and accessible for everyone and not allow landlords to "pick and choose" renters based on those who use the scheme.

Recommendation 37: Encourage and support state and territory governments to introduce a portable rental bond scheme to allow a renter to transfer their bond from an old property to a new property, before the bond from the old property has been repaid.

Action by governments to reduce/limit rent increases.

The City supports prohibiting rent being increased twice in 12 months if a renter has changed their agreement type from a periodic to a fixed term agreement. This needs to occur alongside ending 'no grounds' evictions. These two changes combined could contribute to slowing down extreme increases in rent, as increases will be once every 12 months, and renters can't be evicted if the landlord plans to continue renting the property. As a result, this will provide renters more certainty and security for a 12-month period.

In the ACT, excessive rent rises are defined as more than 110 per cent of the consumer price index for rent in Canberra. A landlord or agent can request more; however, the onus is on them to argue the case that it is not excessive in the Tribunal²⁶. This is something that could be considered in NSW. However, further research is required to better understand whether rental caps would be appropriate in NSW and nationally.

The City supports providing timely and accurate information to renters so they can make informed decisions and be able to exercise their rights, particularly when faced with a rent rise that is excessive. Ensuring that renters have easily available data that is Government sourced and managed is important for transparency and fairness. The City believes a centralised and consistent data source that is publicly available and provides timely and accurate information to renters is an important consideration to ensure renters can dispute rent increases.

The City also supports another proposed change by the NSW Government to require landlords or their agents to report rent increases to the NSW Government using an online system (e.g., Rental Bonds Online). This would be a good starting point to allow renters to access data in rent increases and to provide Government with longitudinal rental increase data to inform required policy and system changes. This initiative could be something considered in other states and territories or nationally.

Recommendation 38: Encourage and support state and territory governments to prohibit rent being increased twice in 12 months if a renter has changed their agreement from periodic to a fixed term.

Recommendation 39: Encourage and support state and territory governments to ensure that renters have easily available data that is Government sourced and managed to exercise their rights' and inform decisions.

Recommendation 40: Encourage and support state and territory governments to require landlords and/or agents to report rent increases to state and territory governments using an online system.

²⁶ <https://www.acat.act.gov.au/case-types/rental-disputes/rent-increases>

The importance of planning, zoning, and development



Green Square Town Centre, Zetland (image by Abril Felman)

Housing supply continues to be an important issue in Australia. More well-located housing, appropriately supported by infrastructure, is needed for a growing population. All levels of government must work together to increase the supply of housing. This is undisputed.

However, the City is concerned about the current discourse that places the blame for housing supply shortages squarely on local planning systems, without giving adequate recognition to the more complex economic and market influences that have led to Australia's housing crisis.

Simply increasing capacity in the planning system will not result in more housing that is more affordable.

While sensible improvements to planning systems are supported, sweeping deregulation, that fails to coordinate land use and infrastructure, creates uncertainty, erodes minimum amenity and safety standards, undermines community participation, incentivises speculative land

purchases and introduces unsustainable climate and hazard risks, will have poor long-term outcomes for our communities.

Impediments to housing supply.

In NSW, councils are required to prepare a local housing strategy that establishes five-, 10- and 20- year targets for the delivery of housing. The purpose of a local housing strategy is to set out how housing targets can be achieved in conjunction with the delivery of the infrastructure needed to support it. They are based on detailed demographic and geographic analysis and have been the subject of extensive community consultation. The targets, and an implementation plan, are approved by the NSW Department of Planning and Environment (DPE).

In NSW, most council local housing strategies were finalised in 2020 and are due for review following the up-coming release of the NSW government's region and district plans, which will set new five, 10 and 20 year targets for each council.

Generally, five year targets are intended to facilitate existing zoned housing capacity that has a development approval or is likely to get an approval and complete construction in the period. The 10 year target can account for new zoned capacity resulting from rezonings carried out in the first five year period. This capacity then enters the development pipeline through development applications. The 20 year target is used to set the long-term vision responding to major infrastructure investment such as transport.

The DPE approved a dwelling target for the City of 56,000 additional dwellings between 2016 – 2036. This results in a total of 173,500 dwellings to 2036, which is 15 per cent more than the population and dwelling projections for 2036 published by DPE²⁷.

The City of Sydney Housing Monitor (to June 2022)²⁸, that tracks individual development applications as they move through assessment, determination and completion phases, shows the City is on track to meet its 0 – 10 year dwelling targets. Notable observations include:

- The 0-5 year local housing target for private market dwellings has been achieved.
- Pipeline data shows the development sector has the opportunity to build the housing our communities need, with development applications for almost 13,700 additional private dwellings either lodged, approved or under construction.
- Non-private dwellings (such as boarding houses, university housing and other housing with shared spaces) have significantly exceeded the City's targets by over 166 per cent.
- There has been an overall net loss of social housing dwellings in the local area with negative progress towards the City's local housing target for social housing dwellings.

The City has also demonstrated in its Capacity Study 2019²⁹ that there is sufficient zoned land and floor space capacity in its planning controls to achieve its 2036 housing targets.

²⁷ NSW Department of Planning and Environment, 2023: <https://www.planning.nsw.gov.au/research-and-demography/population-projections/explore-the-data>

²⁸ City of Sydney Housing Monitor, 2022: <https://www.cityofsydney.nsw.gov.au/surveys-case-studies-reports/city-monitor-reports>

²⁹ City of Sydney Capacity Study, 2019: <https://meetings.cityofsydney.nsw.gov.au/documents/s32404/Attachment%20D%20-%20City%20of%20Sydney%20Capacity%20Study.pdf>

Developers are not converting approvals to dwellings.

Despite the planning system facilitating the supply of zoned land and development approvals through local planning controls, the housing is not being built by developers and there are no local government levers to compel construction to proceed.

The Australian Bureau of Statistics buildings approval data³⁰ (latest release June 2023) demonstrates that, whilst record levels of housing approvals have been delivered by the nation's planning systems over the past decade, capacity in planning controls only translates to housing approvals when housing markets are strong, which means housing prices are high enough to meet investor return expectations.

There is a significant gap between development approvals and housing delivery. Professor Nicole Gurrans's recent article in the Sydney Morning Herald ('The real reason housing supply isn't keeping up with demand', August 2023) shows that between June 2020 and 2021, 221,000 dwellings were approved in NSW, but only 136,000 commenced building and only 133,000 had been completed a year later. Professor Gurrans cites similar gaps between dwelling approvals and completions over the past decade.

There are significant approved dwellings in the development pipeline and development applications continue to be approved. Shortages of zoned land, density restrictions, unwilling councils, and 'NIMBY' communities are not the major impediment to housing supply.

The principal barrier of short to medium term housing supply is current market conditions that work against approved development applications being converted into finished dwellings. A landowners / developer's willingness to invest, construct and release new housing is driven by financial returns, costs of labour, goods and materials, shaped by the economic outlook. Where there is uncertainty, risk of recession, slowing of the housing market or potential for great yields, supply will slow as developers sit on development opportunities for an improved financial outcome.

In recent years, the building industry has faced prolonged and unpredicted weather events, a perfect storm of labour shortages, supply chain issues, difficulties in accessing financing, rising cost of money and an even steeper rise in construction materials costs. This has resulted in project delays, extended construction times, reduced margins, and impacted feasibilities. Longer lead times and reduced risk taking within the development industry will continue to impact housing supply and affordability.

Many developers have stockpiled appropriately zoned land and/or sit on approvals until market conditions and rising house prices meet their investment expectations of the highest return for product cost. Financial year 2022 results show that Stockland, for example, currently holds a substantial landbank with an average age of 10 years, with "strong embedded margins"³¹, whilst Lendlease holds a \$4 billion residential landbank.³²

There is also a latent stock of vacant housing due to taxation systems that encourage speculative, negatively geared property investment and a lack of consistent regulation on short-term holiday rentals. Addressing landlords that are happy to let available property sit

³⁰ ABS, Building Approval Data, 2023: <https://www.abs.gov.au/statistics/industry/building-and-construction/building-approvals-australia/latest-release>

³¹ Stockland FY22: <https://www.stockland.com.au/media-centre/media-releases/stockland-announces-strong-fy22-result>

³² Murray, C. (2020) The Australian Housing Supply Myth

vacant and protecting a long-term rental housing supply over tourist accommodation are essential to tackling the current housing supply crisis.

Recommendation 41: Adopt a whole of system approach to address the housing crisis, recognising that increasing housing supply and addressing affordability are separate and complex issues that require holistic, sustainable, long-term reform, including introducing levers to encourage approvals to be converted to built housing stock.

Recommendation 42: Investigate reforms that will identify and return latent capacity in land supply and housing stock to the market to disincentivise vacant residential properties and land banking alongside more sustainable regulation of bank credit.

Housing supply that is affordable.

“Highlighting the alarming state of housing affordability at current interest rates, a household earning the median (or typical) income in Australia can now afford just 13 per cent of homes sold across the country. This is the lowest share since records begin in 1995.”³³

Housing affordability, being the cost of housing relative to incomes, is influenced by a much wider range of economic factors than supply, in particular cost of living pressures, interest rates, state, and federal taxation policies (including negative gearing policies) and wage growth.

Increasing private market housing supply is unlikely to have a significant impact on the affordability of housing while strong demand side policies are in place. And while much noise is made about the potential of increased housing supply to address affordability issues, the reality is that reducing housing values is not in the interests of 66 per cent of Australian households who are homeowners and/or investors³⁴.

It is important the National Housing Plan be realistic and clear with the Australian people about the ongoing high costs of both owning and renting housing. Reducing the cost of home ownership to a price point where it would be “affordable” for even moderate-income households is highly unlikely.

Low-and moderate-income households face significant housing cost pressures across Australia. They are particularly vulnerable having less capacity to meet other costs such as transport, health, and education after paying rent. Australian census data indicate that over half a million low-income households, around one in 15 households, were not in appropriate housing on census night, either experiencing homelessness, being in overcrowded housing or spending over 30 per cent of their income on housing³⁵.

A steady supply of non-market housing, including social and affordable housing, provided by the public or non-for-profit sectors would make an important contribution to housing for those households in most need and create capacity to provide countercyclical housing supply.

This is discussed in more detail in the affordable housing chapter of this submission.

³³ PropTrack Affordability Report, 2023: <https://www.proptrack.com.au/insights-hub/proptrack-housing-affordability-report-2023/>

³⁴ ABS, Housing, 2023:

<https://www.abs.gov.au/statistics/people/housing#:~:text=Housing%20Occupancy%20and%20Costs&text=66%25%20of%20Australian%20households%20owned,of%20households%20rented%20their%20home.>

³⁵ University of NSW, Quantifying Australia’s unmet housing need, 2022:

<https://cityfutures.ad.unsw.edu.au/documents/699/CHIA-housing-need-national-snapshot-v1.0.pdf>

Recommendation 43: Acknowledge in the National Housing Plan the limited contribution increased housing supply will make to the delivery of housing that is affordable for lower to moderate income households.

Inclusive housing supply.

The National Housing and Homelessness Plan's strategies to increase housing supply must ensure supply is delivered across the housing spectrum. Supply must be matched to need, which manifests differently in different locations. For example, in places with high land value, it is difficult to achieve aged care housing because the highest and best use tends to be residential development.

Recommendation 44: Ensure the inclusion of nuanced strategies in the National Housing Plan that respond to geographic variations to housing demand. Strategies must aim at delivering supply across the spectrum of housing need.

The role of planning.

The Issues Paper conflates a lack of flexibility in planning controls with slower planning decisions and resultant poor housing supply. Landowners and developers will seek both flexibility and certainty depending on their immediate interests and opportunities. For example, the purchaser of a development site will seek certainty through zoning, density and height limits that they can achieve, and approval that gives a return on investment. Once the purchaser becomes the developer, they may seek flexibility to maximise their return on investment by varying those same development standards.

The NSW planning systems offers a range of planning pathways that give proponents the opportunity to balance flexibility, certainty, and risk. The Complying Development Pathway provides streamlined approvals through building codes with no flexibility. The Development Application process provides some flexibility against merit tests, while a rezoning process is the pathway giving flexibility to create entirely different planning controls but takes longer and has more risk. A clear and consistently applied planning framework supports housing supply, providing an efficient pathway for development approvals.

Deregulating a planning system by introducing greater flexibility in fact has the potential to create delays, whilst unexpected development proposals are evaluated and assessed and options to mitigate unintended and undesirable impacts are explored. Greater levels of flexibility to deviate from planned outcomes may also lead to coordination failure between development and infrastructure, generate windfalls for landowners, further incentivise land speculation, engender community distrust and create space for corruption as concessions are bestowed without adequate explanation.

Zoning and density expectations are explored and established at the strategic planning stage. They are driven by strategic state priorities, available and planned infrastructure, and appropriate funding, and reflect the evolving underlying economic and social drivers which are to shape an area's development moving forward.

Detailed precinct planning looks to coordinate land use, transport, and infrastructure, whilst addressing the broader impacts of development on existing and new communities. This work will also consider development feasibility to ensure that development can be realised under the planning controls.

The community, landowners and prospective developers all have an opportunity to inform the development of such controls via public consultation processes.

It should not be necessary to introduce significant levels of 'flexibility' in planning controls given the strategic work underpinning them. When development proposals look to significantly vary established controls, detailed consideration is justly required to ensure that the resultant outcome does not undermine strategic or environmental objectives. In fact, strict compliance with planning controls gives rise to the quickest development approvals. Whether or not this sees a resultant increase in housing supply depends on the market.

The City is concerned that the Issues Paper dismisses the critical role of planning in building better cities, towns, and communities, and seeks to bypass it in the hopes of increasing housing supply in the short term. However, as demonstrated above, this cannot be achieved where other market impediments are not addressed.

The planning system has a greater value than just increasing housing supply. It takes a total social welfare perspective, aligning housing with transport, infrastructure and other land uses for positive long-term outcomes.

Recommendation 45: Work with local government to identify suitable opportunities to facilitate planning capacity for housing supply without undermining the benefits and purpose of clear and defined local planning frameworks.

Facilitating housing supply.

The City supports the Australian and NSW Government efforts to densify Sydney's inner and middle ring, away from urban sprawl at the City's edges. However, the City is concerned with that proposals for sweeping zoning changes and height and FSR increases that remove planning decisions from local decision makers. Changes to planning controls must recognise:

- Local environmental limitations, for example, flood risk and contamination.
- The availability, funding, and timing of infrastructure.
- Existing densities, noting that increased density is more difficult to achieve in areas already of a higher density without compromising minimum amenity standards.
- Existing capacity and opportunity in the planning controls.
- Recent strategic planning processes that have delivered planning uplift, such as master-planned precincts where densities may already be at their environmental limits.
- Potential loss of economically important employment land.
- Local housing-market considerations and drivers, including feasibility considerations.

Ill-considered planning uplift, particularly where there is no clear intent to capture any of the significant windfall gains falling to landowners for the delivery of affordable housing and/or essential local infrastructure, will not only not increase housing supply, but will likely have the unintended consequence of increasing land speculation and land banking, the very opposite of what government is trying to achieve in its National Housing Plan.

Recommendation 46: Noting the City does not support the removal of local planning decisions from local decisions makers, any top-down changes to planning controls to facilitate housing supply must:

- be cognisant of exiting planning controls and local environmental and market conditions.

- be specifically targeted to ensure they avoid encouraging speculation and land banking and genuinely deliver housing in the short to medium term. This may include consideration of time-limited planning concessions.
- capture a proportion of windfall gains for the delivery of affordable and social housing as part of the development, and other infrastructure needed to support a growing community.

Recommendation 47: Improve monitoring of available development capacity at the local level to inform long term strategic planning for housing supply, as opposed to relying on dwelling delivery data, which is not a reliable indicator of planning barriers to housing supply.

Development applications

Diversity and speed of housing supply may improve through a well-functioning and broadly accepted “as of right” development code for medium density housing. The NSW Low Rise Housing Diversity Code, for example, was intended to increase the delivery of medium density housing types in established inner ring Sydney neighbourhoods. However, it delivered very little of the new medium housing intended, outside of granny flats. Other development under the Housing Code offers alternatives. Homeowners could take the opportunity to build a much larger single dwelling under the Housing Code rather than choosing to become a ‘developer’ and downsizing into a terrace house. Moreover, local councils were able to change land use planning policies that further curtailed its application. The failures need to be addressed through more meaningful engagement with architects, the construction industry, and communities, and with their local councils.

Shorter time frames placed on future development approvals for commencement and occupation of development following consent may also reduce the delay between approvals and completions.

Recommendation 48: Investigate targeted housing codes to fast-track diverse housing in consultation with designers, the construction industry, communities, and local councils.

Recommendation 49: Consider condition(s) of consent which deliver a faster turnaround between approval and delivery of housing.

Infrastructure delivery

The provision of infrastructure is critical to encourage the timely delivery of housing supply. This includes state provided infrastructure, such as transport, schools, and social and affordable housing, but also local infrastructure, such as high-quality open space (necessary to support high density living), libraries, bike paths and community facilities.

An often-cited community concern, when faced with the prospect of rezoning in their local area, is the lack of infrastructure available to support new growth. However, where there is sufficient infrastructure available and/or where there is funded commitment by government to deliver infrastructure within given timeframes, councils can confidently review planning controls to increase densities.

Developers are also more willing to deliver housing in areas where good access to infrastructure and services drives consistently high demand for housing and reduces planning risk.

Recommendation 50: Increase targeted investment in state and local infrastructure that facilitates the delivery of housing supply.

Direct investment in housing supply

Government has historically been an important contributor to housing supply in Australia. However, housing delivery and supply is now almost entirely dependent on private developers, with the proportion of homes delivered by the public sector falling from more than 10 per cent in the mid-1980s to about 2 per cent today. This means that when developers down tools on supplying housing, there is no countercyclical provision by government³⁶.

Restoring government investment in building social and affordable housing will make significant inroads into housing supply shortages. In addition, this will mitigate the significant market failure to deliver housing to all Australians, including lower income households that can no longer afford to rent or buy in the private housing market.

Recommendation 51: Restore direct government investment in building social and affordable housing to address housing supply shortages and facilitate countercyclical housing supply.

³⁶ Sydney Morning Herald, "The real reason housing supply isn't keeping up with housing demand", Nicole Gurrán, 2023: <https://www.smh.com.au/national/nsw/the-real-reason-housing-supply-isn-t-keeping-up-with-demand-20230821-p5dy40.html>

The impact of climate change and disasters on housing security, sustainability, and health



Stucco, Newtown (image by Katherine Griffiths)

The impact of climate change and disasters on the City and our priority communities.

Heatwaves and heat stress in general is Australia's leading cause of death by natural disaster. This is likely to become more severe with climate change with modelling predicting that NSW will experience two to three times more days over 35 degrees Celsius over the next 50 years. The high-density built environment of the City exacerbates the urban heat island effect by 1–3

degrees in air temperature (both day and night) compared with other lower density areas. This has a significant effect on housing, particularly those who are most vulnerable within our community.

Incidents of heat-related injury will rise putting pressure on hospitals and the cost of healthcare provision. City staff who work outdoors to support residents and people experiencing homelessness will not be able to work or will work amended hours. This may impact service provision and associated costs to provide those services.

The City has identified key communities it considers most vulnerable to climate change impacts including renters (both private and social housing), non-English speakers and those new to Australia (migrants and refugees). These communities are particularly susceptible to climate change impacts due to other vulnerabilities such as chronic health conditions and are more likely to live in low quality housing that is not equipped to protect against the effects of climate change. They have fewer resources and less ability to adapt their housing and circumstances to these impacts. The impact of climate change on the intersection of priority communities compounds the stress and disadvantage many already experience. Even a minor climate shock can result in long-term challenges.

The City considers renters a group of residents that are and will continue to be disproportionality affected by climate change. Individuals who rent are less likely to have well-built and well-maintained homes, are largely unable to make climate-resilience upgrades to their dwelling and be able to protect themselves from the health impacts associated with longer runs of hotter days and the impacts of extreme rainfall. This risk and disadvantage are compounded further when renters are in high-rise, high-density apartment buildings.

In compounding intersection of vulnerabilities, these communities also have a greater risk of heat injury, exposure to mould and decreased wellbeing. For example, a person living in social housing is likely to live in lesser quality housing with no mechanical cooling or ventilation such as air conditioning or ceiling fans, even if they can afford the additional expense of running it. They are likely to be older and experience mental and physical health conditions that will be exacerbated by heat exposure and be unable to afford or unable to travel to cooler locations such as shopping centres and movie theatres.

There is an urgent need to plan and adapt to the changing nature of climate risk now and in the decades ahead. Greater investment in resilience, adaptation, and mitigation planning – from government, business, community organisations and individuals are required to protect vulnerable communities. This will reduce the physical, economic, and social recovery costs that follow a disaster and the impact on our communities. Interventions, programs, activities, and actions to adapt to climate change need to prioritise people and communities most impacted.

Addressing climate change and disasters.

The City has focused on climate change mitigation through reduction of carbon emissions, seeing a 77 per cent reduction across our operations since 2006 and becoming the first carbon neutral council in Australia in 2007. Our environmental strategy outlines our sustainability initiatives and current program of activities to take strong and effective action in response to climate change, and we report on progress in our annual green report.

The City has specific programs that support renters and owners living in high-density apartments to be more energy efficient and to build resilience to the impacts of climate change:

- With a membership of 232 buildings and over 18,000 apartments, our Smart Green Apartments works with owners, and strata and building managers to improve environmental performance in apartment buildings in our local area. The City works with members to develop energy action plans and apply for NABERS ratings to support further energy efficiency upgrades.
- The Resilient Strata Communities program includes a Strata Leadership Network brings together strata management, building managers and owner corporations to develop best practice and connections that build resilience including emergency planning awareness for events including climate emergencies and improving community cohesion in apartment buildings.
- Through the Resilient Strata Communities, the Residential Apartments Sustainability Reference group continues to advocate for mandatory disclosure of energy efficiency and use through expanding NABERS ratings to apartment buildings.
- In June 2022, the City launched GetGreenPower. Sydney as part of a mass awareness campaign to accelerate the take-up of 100 per cent accredited GreenPower electricity plans. The campaign primarily targets residents such as renters and small businesses, providing information and facilitating the sign up to true 100 renewable electricity plans. It also provides information on how and where to shop around for more cost-effective suppliers and plans.

There are several mechanisms that can be deployed to make housing and communities more resilient to the impacts of climate change. Coordinated and proactive action across all fronts instead of individually has been proven to bring the best, more efficient and complete results in supporting the community before, during and after climate-related stresses.

To respond to the impacts of climate change a coordinated approach between all levels of government, business and community is required. A holistic approach to planning and coordinating before, during and after events is essential. In NSW, the State Emergency Management Plan (EMPLAN) include the Heatwave Emergency Plan and State Flood Plan. These plans detail actions and requirements during an event but, planning and coordination before and after an event needs strategic planning and is just as crucial. There are also toolkits and recommendations on what local governments can do but a state-inclusive effort is lacking. A before, during and after strategic response has been started by Western Sydney Regional Organisation of Councils (WSROC) through its Heat Smart Resilience Framework and the heat resilience framework can be deployed throughout the state and proves a good model to develop frameworks for different climate impacts.

Improving support to individuals affected by climate hazards.

Improving support to individuals affected by climate hazards starts with building resilience in the community before, during and after climate related impacts and events. As previous events have shown, if individuals and communities are prepared, there is less need for housing and accommodation coordination during and after the event.

There is a need to realign funding opportunities and availability to be less responsive to be directed more to proactive means like prevention and adaptation/mitigation. Reactive responses result in growing and massive costs for response yet making smaller funding available for up-front investments for preparedness and adaptation to climate hazards would reduce future response costs. Funding and investment should be available to local government, community groups and individuals. We need an 'invest to prevent' funding model.

Research funding also has a part to play in supporting individuals, so the effects of climate hazards are reduced. Research finding should be supported by mechanisms for local government to share learnings and contribute to national and state-level policy responses. Research should centre around understand how a newly build or retrofitted home will respond to future predicted climate changes will ensure a more prepared community and provide potential reductions in insurance levels.

Recommendation 52: Prioritise investment in preparedness and adaptation to support climate-resilient housing and accommodation.

Recommendation 53: Direct research funding streams to incentivise university and government researchers to work with local governments, their communities and industry to improve disaster and hazard risk reduction in place.

Government support for climate hazard resilient housing.

The improvement of existing housing stock to make it more climate-resilient is equally as important as improvement to building standards required for new builds. Housing developed and retrofitted to be more resilient will result in better physical and mental health outcomes for individuals and households, meaning that people will be more prepared to 'weather' the impacts of climate change.

The current standards for both are too low and focus on energy efficiency - climate change mitigation. Improvements to the requirements of housing to be more climate-resilient should focus on considerations of health impacts from hazards, particularly heat and extreme rainfall and the economic long-term viability of a house or apartment. Homes (especially high-density apartment buildings) will last longer, have a lower maintained cost and be more attractive to buyers and renters if they are more climate-resilient.

Health equity should also be a stronger consideration, especially for regional and rural areas where health outcomes are more reduced and health support is harder to access. By focusing on health, equity and buyer/renter economics, the incentives for builders, developers and retrofitting are stronger.

Information provision to support buyers and renters to make more climate resilient housing decisions should also be considered. Rating tools such as Green Star and NABERS have proven successful in incentivising developers to becomes more sustainable and energy efficient. Use of rating tools and assessments for residential dwellings should be required, with mandatory performance disclosure at point of sale or lease.

This already exists in other parts of the world, for example the Energy Performance Certificate in Scotland which has a minimum requirement, and the rating is currently disclosed at point of sale. It will be required for rental properties by 2028. For existing homes, the rating tool should also contain a design tool that provides information to developers, builders, homeowners, and trades people and provide greater clarity on the impacts of climate-resilience building performance upgrades to existing homes.

Less focus on pay-off values to a more wholistic view of climate-resilience upgrading of residential property. This tool should align with design tools already in use for new homes and increase in scope beyond energy.

A standardised and consistent resilience rating tool for use in residential property should be developed. The rating tool should go beyond energy efficiency and contain guidance on heat mitigation, cooling methods, building recommendations for flood-prone areas.

Recommendation 54: Develop a nationally consistent home resilience rating tool, suitable for both new builds and retrofits, and mandate disclosure of performance rating at point of sale or lease.

Energy efficient housing.

The housing stock in Australia remains largely energy inefficient. Previous incentives such as solar panel rebates, have definitely helped, but core measures to improve energy efficiency and to assist in maintaining internal heat and cooling levels are missing from the States planning controls and incentives.

The environmental and economic benefits of improving energy efficiency in buildings, especially for renters, is clear. Improving energy efficiency and climate resilience in strata or owner corporation managed building through improvements such as solar panels, heat pumps, energy-efficient lighting in residential and common spaces, and HVAC upgrades. will benefit both renters and property investors. The City of Sydney has previously funded work to give proof of concept that electrification and improving energy efficiency can work in strata complexes.

Incentives do not have to be monetary value. As previously outlined, mandatory energy efficiency and climate resilience ratings and performance measurements have proven very good incentives to build investment in improvements. Performance ratings should be required for all properties available for rent and disclosed as part of properties descriptions made available to potential renters. This can include a minimum standard for what certain buildings/ages of property. and with proper funding support, this will lift the energy efficiency of rental properties benefiting resilience against climate change and cost savings for landlords and tenants. Local governments can assist with the rollout and promotion of this work.

Recommendation 55: Introduce mandatory disclosure of energy efficiency performance at point of sale or lease for all Australian homes (houses and apartments).

Recommendation 56: Provide dedicated funding streams for individuals and strata and owner corporations operated buildings to include or retrofit electric upgrades.

