



# NSW State 2024-25 Budget

## Shelter NSW Submission to the NSW Treasurer

*A secure home for all*

8 March 2024



## Introduction

A Government's budget priorities are one of the greatest indicators of what it really cares about. This upcoming budget cycle provides an opportunity for the NSW Government to demonstrate its commitment to addressing the housing crisis and improving the lives of low income people in NSW.

**At Shelter NSW we believe that growth should be fair and inclusive – improving the life of all people; built on the foundation of a secure home for all.** The private housing market, even in times of sufficient supply has not delivered truly affordable, secure housing when and where it was needed for low-income people, especially from vulnerable cohorts. NSW is not well-placed to respond to the longer-term trends of an aging population and income/wealth inequity. Community cohesion and the general progress of the state is compromised.

While changing governments at the state and commonwealth has brought much needed leadership, co-ordination and funding, such as the [Housing Australia Future Fund \(HAFF\) and the National Housing Accord](#), overall objectives remain modest. The Commonwealth-State commitment under these programs for example, to deliver 20,000 new social and 20,000 new affordable homes across Australia over five years represents a good start but is clearly insufficient. Housing Australia estimates that 132,600 NSW households currently need social and affordable housing.

**Responding to acute housing stress and homelessness in a crisis mode is expensive and inefficient for Government and the community sector.** Costs are borne across multiple public arenas such as health, justice and education.

**Preventing homelessness and chronic housing stress is smarter and fairer.** But this requires a stock of well-designed, secure and affordable social, specialist and transitional housing where and when it is required. **Only Government has the power, resources and policy mechanisms to address this and in many cases, deliver it directly.**

**A substantial expansion of the social housing (public and community) dwellings in NSW over the next decade will build a solid asset base for the state; restore the social housing safety net of 5% of all housing stock and work towards 10% of all stock by 2040 (2050 at the latest).** Stock of this size would create a meaningful alternative to the private rental sector, in terms of affordability, accessibility, amenity and tenancy security.

**NSW requires a variety of housing and homelessness measures and commitments.** These measures will prevent homelessness; build community cohesion and support economic development and employment across the state including in regional towns.

**Shelter NSW appreciates commitments made by the NSW Government to respond to the housing crisis** – from its efforts to reform tenancy law in the private rental market; to its plans to create additional social and affordable housing on government land and more generally to set up requirements for affordable housing under its Transport Oriented Development Program. Close to one year on though, with the benefit of time to review, conduct audits and assess the true state of NSW's housing stock it is now time to see commitments acted on.

We acknowledge the fiscal challenges facing the NSW Government but call on it, in conjunction with the Commonwealth, to make a series of targeted investment in the broader housing and homelessness system to address the most acute current needs and prevent the further worsening of homelessness and serious financial housing stress currently being experienced by low-income people.

# The people we represent

- Lower income people but especially renters – in metro and regional areas
- Cohorts that are particularly vulnerable: the very young and older people (especially women); people with disabilities, women and children fleeing domestic family violence; disadvantaged groups amongst First Nations communities
- Low paid essential workers who otherwise don't qualify for social housing

# Our key campaign alliances



# Shelter NSW policy priorities

Shelter NSW took a comprehensive [policy platform to the NSW State Election](#) (summary below). In this submission we will focus on items requiring specific investment by the NSW Government, but note that our calls for reform across the housing system remain firm

Shelter NSW

2023 - 2027  
Priorities for NSW

A secure home for all

- 1

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

Includes maintenance, upgrades + 3 youth foyers
- 2

Increase Specialist Homelessness annual funding by 20%

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

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

Rezoning targets: 10 – 30/45%
- 4

Build more accessible & climate ready dwellings

Minimum standards set & met for rental dwellings
- 5

Support Renters and Renting

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

# Key Shelter NSW Budget Asks for NSW in 2023-24

## 1. Major social housing stock expansion program (build, buy or restore).

### **Restore the social housing safety net to 5% of total housing stock by 2027, 10% by 2040.**

This investment will: prevent homelessness across all age groups; provide a genuine alternative to the private rental market for low-income and vulnerable people and provide a means for the NSW Government to directly invest in its large urban infill housing planning reforms. This ask requires:

- **\$2 billion annual investment** applied as direct investment in public housing build, purchase or upgrade; capital grants and subsidies including discounted (leased) public land. This investment will enable at least 5,000 additional social housing dwellings to be added each year.

- **\$500 million invested in an expanded repairs, maintenance and disability access retrofit program** for existing social housing stock (public and community housing).

## 2. Invest in 10 new forty-unit *Youth Foyers* in NSW (metro and regional) to support 3,000 vulnerable young people over 10 years to access

an integrated program of housing, education and employment support. Requires \$200 million in capital funding and \$20 million annually to cover operational costs.

## 3. 20% increased funding to Specialist Homelessness Services (SHS) - \$64 million per year

so that services can meet current demand.

## 4. Invest \$62 million into the successful *Together Home* program to reduce homelessness

## 5. Support lower income households to cope with rising energy costs and adapt to climate change. Commit \$200 million over 3 years for energy efficiency upgrades and electrification of low performing social housing properties,

to supplement and attract Federal funding through the *Household Energy Upgrades Fund*. Includes upgrades to inefficient fixtures (water, heating and cooling) and improving the thermal performance of existing social housing stock.

## 6. Invest in services to support vulnerable renters to successfully navigate and compete in the private rental system:

- **\$1.8 million + \$290,000 (set up costs)** to establish and run an early intervention and crisis response **specialist older person's housing information and support service** (similar to the Victorian *Home at Last* model)

- **provide an additional \$4.62 million p.a to the Tenancy Advice & Advocacy Program** (general and specialist Aboriginal) to match the growth of the renting population and the challenges of the housing market.

- **\$10 million p.a to create a new Rent Choice private rental subsidy for older people**

## Shelter NSW 2024-25 Budget Priorities Contributing to State Outcomes & Election Commitments

<i>Shelter NSW Budget Priorities</i>	>	<i>NSW Labor Election Commitments<sup>1</sup></i>
<p><b>Restore the social housing safety net to 5% of total housing stock by 2027, 10% by 2040.</b></p> <p><b>-Invest in an annual \$2billion public housing build, buy, restore &amp; retrofit program</b></p> <p><b>-program of capital grants, discounted land and other subsidies to expand social housing</b></p> <p><b>Invest \$200 million to create 10 x new 40 room <i>Youth Foyers</i> in NSW + \$20m annually for operational costs</b></p> <p><b>20% increased funding to Specialist Homelessness Services (SHS) – annual increase of \$64m</b></p> <p><b>Invest \$62m into the successful <i>Together Home</i> program</b></p> <p><b>Invest in the support of renters:</b></p> <p>- \$2.09m to set up &amp; fund a specialist older person’s housing information</p> <p>- \$4.62 m annual increase to tenancy advisory &amp; advocacy services</p> <p>- \$10 m annual increase to create new Rent Choice product for older people</p> <p><b>Commit \$200 million over 3 years for energy efficiency upgrades &amp; electrification of low performing social housing properties</b></p>	<p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p> <p>&gt;</p>	<p><b>Address Housing Supply (empowering the Planning Minister)</b></p> <p><i>- 30% of housing on surplus government land to be social, affordable or universal</i></p> <p><i>-New housing targets along Metro lines*</i></p> <p><i>-Boost regional housing supply*</i></p> <p><i>-\$30 m Build-to-Rent Pilot in South Coast*</i></p> <p><i>-No new development on dangerous floodplains#</i></p> <p><i>* surely both must include social/affordable to reduce the waiting list ?</i></p> <p><i># surely requires NSW Government to potentially reassess the risk of its own social housing stock &amp; plans for the future</i></p> <p><b>Longer term financial security for SHS and tenancy advocates</b></p> <p><b>Create Homes NSW to offer better service to tenants and reduce bureaucracy*</b></p> <p><i>*better management of maintenance</i></p> <hr/> <p><b>A Better Deal for Renters</b></p> <p><i>Appoint a Rental Commissioner</i></p> <hr/> <p><b>Other NSW Labor commitments requiring a resolution of the housing crisis:</b></p> <ul style="list-style-type: none"> <li>- Transport</li> <li>- Health &amp; Education – workforce participation and retention</li> <li>- Address the Climate Crisis</li> <li>- Women and Domestic Violence</li> <li>- Cost of Living programs</li> </ul>

<sup>1</sup> Sourced from the NSW Labor document Chris Minns & *Labor’s Fresh Ideas for Housing in NSW* and generally from the ABC news article: [NSW election-2023-promises-liberal-labor](#) (accessed 8/8/23)

# The Cost of Living in NSW in a low-income household

In 2024-25, NSW faces an uncertain economic future with rising housing costs contributing to cost-of-living concerns for many, but especially for lower incomes households. Prospects of increased housing supply offer little hope of relief in the short-medium term<sup>2</sup>. With concern we generally observe:

- **Deepening and damaging housing unaffordability impacting worker mobility across the state.** In Greater Sydney, there is a spatial mismatch between the homes and workplaces of essential workers like nurses, teachers and police, driven to the outreaches of Sydney and beyond, facing long commutes<sup>3</sup>. Regional centres, once the 'cheaper alternative' to Sydney have seen widely reported<sup>4</sup> soaring house prices.
- **Access to home ownership (direct or inherited) is entrenching disadvantage and generational inequity.** In 2009-10, 41.8% of homes built or sold were affordable to low-moderate income households. By 2017, this had deteriorated to just 17.4%<sup>5</sup>. The NSW Treasury's own assessment<sup>6</sup> of the relative differences in the wealth of households approaching retirement (aged 50-64) who do not own their own home as typically having just \$78,000 net household wealth provides a stark contrast to the estimated \$1.4 million for homeowners of the same age.
- **Significant unmet need for affordable housing<sup>7</sup>.** Across Australia, close to 50% of lower income households are in housing stress paying more than 30% of income in housing costs. In NSW, 53.5% of private renters in Greater Capital city areas (and 35.5% in regional areas) are in rental stress. Whether homeowners, mortgage-holders or renters – large numbers of lower-income people are experienced housing stress, and have done so for over a decade<sup>8</sup>. Beyond affordability pressures of course, private renters face actual or threatened eviction.
- **Rising temperatures and energy-inefficient homes and appliances are driving up costs - disproportionately felt by lower income households** (with the least ability to adapt and respond)<sup>9</sup>. And a **lack of accessible housing is leaving many people unable to access housing appropriate for their needs, especially as they age<sup>10</sup>**

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<sup>2</sup> Pawson, H (2023) *Housing policy challenges for Australia: how does the Albanese Government's investment and reform package measure up?* Presentation to ACTU Vice Presidents Group, 4 July 2023. Available from UNSW [CityFutures website](#) slide 8/20 Growing deficit of private rentals affordable to low income renters (1996-2016)

<sup>3</sup> Gilbert, C., Nasreen, Z., and Gurran, N. (2023) Tracking the housing situation, commuting patterns and affordability challenges of essential workers: a report prepared for HOPE Housing, Sydney: The University of Sydney and HOPE Housing [accessed](#) 1/3/24

<sup>4</sup> **Burke Kate (2022), *Sydney's sea and tree changers push regional house prices to record highs*, [link to SMH accessed Jan 28, 2022](#).**

<sup>5</sup> Productivity Commission (2022) *Report on Government Services - Housing & Homelessness sector* overview table GA-4

<sup>6</sup> [2021-22 NSW Intergenerational Report - Overview](#)

<sup>7</sup> UNSW City Futures, van den Nouweld, R. Troy, L. & Soundararaj,S (November 2022) *Quantifying Australia's Unmet housing need*, prepared for CHIA NSW accessed from [CHIA website](#)

<sup>8</sup> Australian Government, AIHW (2021) accessed [AIHW Housing Data Dashboard | Housing data](#) 1/3/24

<sup>9</sup> Deloitte (2021), *The economic impacts of the National Low-Income Energy Productivity Program*, report prepared for the Australian Council of Social Service [Link to report accessed 27 Jan 2022](#)

<sup>10</sup> Building better homes - <https://www.buildingbetterhomes.org.au/mission.html> accessed 7/3/24

# The stock of social housing (public & community) is not keeping up with population growth or demand

NSW has seen a gradual but persistent decline in social housing stock – falling to just 4.7% of total housing in NSW, down from 5% in 2014.<sup>11</sup>



Source: Housing assistance in Australia (<https://www.aihw.gov.au/haa>)  
Published 29 June 2022

**Close to 58,000 households are waiting as long as 10 years for social housing<sup>12</sup>.** In January 2024 there were 57,602 approved households on the list – the biggest pool of waitlist applicants since 2016. The Priority List for those most in need is reported to have doubled over the last decade; and increased by 1,000 in just the last year to 8,515 approved applications<sup>13</sup>. In the six years to 2020-21 the proportion of total new tenancy allocations to high priority applicants increased from 41% to 60%; substantially lengthening wait times for eligible, but non-priority, waiting list applicants<sup>14</sup>

**There is significant strain on the NSW Government and Social Sector supporting vulnerable people in terms of housing and homelessness.** Close to 50% of the over 47,000 people seeking accommodation assistance from the Specialist Homelessness Sector (SHS) in 2020-21 were turned away<sup>15</sup> This has steadily worsened since 2015-16 where 15,471 or 34.2% had the same experience (with Aboriginal & Torres Strait Islander people consistently overrepresented at nearly a third of all SHS clients)<sup>16</sup>. The NSW Auditor-General also found<sup>17</sup> that the reach of SHS services into regional areas was limited, with just 34 of 128 local

<sup>11</sup> Australian Government (June 2022) – Australian Institute of Health & Welfare – sourced from [Housing-assistance-in-Australia-summary-NSW.pdf.aspx](https://www.aihw.gov.au/haa)

<sup>12</sup> NSW Government (January 2024) – Social Housing Waiting list accessed [FAC website](https://www.fac.nsw.gov.au) 1/3/2024

<sup>13</sup> Rose, Tamsin (2023), *NSW Minister concedes social housing waiting list is “desperate” as waitlist for most in need doubles in a decade* Accessed from the [Guardian, 11 August 2023 website](https://www.theguardian.com/australia-news/2023/aug/11/nsw-minister-concedes-social-housing-waiting-list-is-desperate)

<sup>14</sup> Pawson, H. and Lilley, D. (2022) *Managing Access to Social Housing in Australia: Unpacking policy frameworks and service provision outcomes*; CFRC Working Paper; Sydney: UNSW City Futures Research Centre (executive summary)

<sup>15</sup> Productivity Commission (2021) *Annual Report on Housing and Homelessness – refer Appendix A Table 3 for more detail*

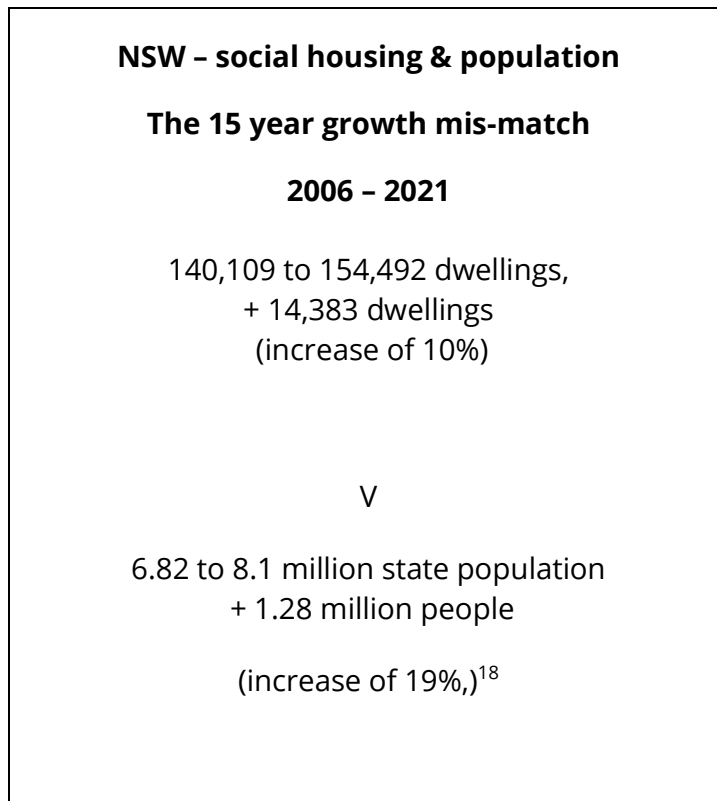
<sup>16</sup> Productivity Commission (2022) *op.cit.* Table 19A.4

<sup>17</sup> Office of the Auditor-General (2021) *Responses to Homelessness* at PPs 9 and 15

government areas receiving direct support (and noting a 75% increase in regional clients between 2013-2017)

**Are new social dwellings being built (and occasionally bought) in NSW?**

Yes, but many are replacement dwellings and in aggregate, not keeping up with what is required.



**So how much more social housing is needed?** Research in 2018 forecast that NSW would need an additional 141,000 social housing dwellings by 2036 <sup>19</sup>. Recent research, using 2021 census data, <sup>20</sup> reveals 640,000 Australian low-income households are currently in housing stress, with the figure projected to rise to 940,000 by 2041. Of the 940,00 households, NSW represents 320,000 (225,300 Greater Sydney, 95,300 Regional NSW). Households with unmet need are either experiencing homelessness, in overcrowded homes or spending over 30% of their income on rent.

The NSW Government’s own intergenerational report has highlighted that if the current (declining) trends in home ownership continue, an additional 68,000 social housing properties will be required by 2061 just for older renters (costing an additional \$12.1 Billion in

<sup>18</sup> Productivity Commission, *Report on Government Services* (2021)

<sup>19</sup> Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) *Social housing as infrastructure: an investment pathway*, AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, Melbourne, [AHURI website](#) at p4 executive summary

<sup>20</sup> UNSW City Futures, van den Nouweld, R. Troy, L. & Soundararaj, S (November 2022) *Quantifying Australia’s Unmet housing need*, prepared for CHIA NSW accessed from [CHIA website](#)



2019 dollars between 2020-21 and 2060-61).<sup>21</sup>

**The demand for social housing cannot be met without significant government intervention.** The previous Government's plans projected net annual increases of as few as 400 - 800 additional dwellings over the coming years<sup>22</sup> (and social housing stock falling to 4% of total housing in NSW compared to the OECD of 7%<sup>23</sup> and down from 5% in 2014<sup>24</sup>).

## As NSW grows and densifies, critical infrastructure like the stock of social and affordable housing needs to grow with it

In 2021, NSW Treasury forecast that NSW needs an average of 42,000 additional homes every year over the next 40 years<sup>25</sup>. Since then, the NSW State Government, along with other states and territories under the terms of the Commonwealth-State Housing Accord has committed to a very large home building program.

**NSW has committed to delivering 314,000 new homes by 2029, amounting to 75,000 each year.** The NSW Government has already acknowledged how challenging this will be, with just 48,000 completions in 2022<sup>26</sup> and many of its reforms yet to take effect and highly reliant on unpredictable private sector delivery.<sup>27</sup>

Under the Housing Accord the NSW Government is also committed to delivering 3,100 affordable homes over 5 years.<sup>28</sup> This is a very modest commitment.

**At the time of writing Shelter NSW is unaware of any targets the NSW Government is applying to itself for the increase of social housing (including increased public and community housing) or affordable housing (whether rental or for-sale) for lower-income people.**

Shelter NSW welcomed the (then Opposition NSW Labor) commitment to provide (but retain) surplus government land for the purposes of a growing the stock of social and affordable

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<sup>21</sup> NSW Department of Treasury (2021), *Toward 2061 – planning for the future*: <https://www.treasury.nsw.gov.au/nsw-economy/2021-22-nsw-intergenerational-report>

<sup>22</sup> Pawson et al (2021) op.cit. Table 6.3 Social Housing Pipeline 2012-22 to 2023-24

<sup>23</sup> Pawson, H (2021), *Social Housing production continues to languish, while demand has soared*, [UNSW City Futures blog](#)

<sup>24</sup> Australian Government (2021), Australian Institute of Health and Welfare, Housing Assistance in Australia [AIHW link - NSW Summary](#)

<sup>25</sup> NSW Treasury (2021), op. cit at p57

<sup>26</sup> NSW Government Media Release – Minister for Planning (18 January 2024) accessed 29/2/24 <https://www.nsw.gov.au/media-releases/biggest-planning-reforms-a-generation-to-deliver-a-pipeline-of-housing-supply>

<sup>27</sup> McGowan, M. (Feb 7, 2024) Sydney Morning Herald [Only-10-per-cent-of-one-of-labor-s-signature-housing-policies-to-be-delivered-by-end-of-housing-accord-20240206-p5f2t5.html](#) accessed 29/2/24

<sup>28</sup> NSW Treasury (2023) Housing Accord: Commonwealth – State Agreement: NSW Commitments accessed 29/2/24 <https://treasury.gov.au/sites/default/files/2023-11/has-nsw.pdf>

housing in NSW. A target of 30% social and affordable housing carried through into government.<sup>29</sup>

Shelter understands that an audit of government land is currently being finalised and that it will be an important consideration by NSW Treasury in this budget round. We commend the NSW Government for ensuring that the expansion of social and affordable housing using government (public) land is being actively considered.

In the last few months, the NSW Government has also announced its plan to implement the Transport Oriented Development program<sup>30</sup>, a very substantial rezoning program **designed to create capacity for close to 185,000 new homes close to key transport nodes over the next 15 years.**<sup>31</sup>

Shelter NSW has especially welcomed<sup>32</sup> the Government's requirements for affordable rental housing contributions in these close-to-40 rezoned and denser transport areas across Sydney, Newcastle and the Illawarra. With some changes and care, this could be the beginning of the large scale affordable housing mandatory inclusionary zoning we have long called for.

We note however, **that without an explicit requirement or Government subsidy this affordable rental housing within the TOD zones will not be appropriate for very-low, low income people who would normally qualify for social housing.** Without direct intervention NSW could see further dilution of social housing in these denser, well-located transport corridors.

Notwithstanding the likelihood that the Government may identify land lots within these rezoned transport, (which it may develop to provide more social and affordable housing) the NSW Government's ambition for an additional 185,000 new homes over 15 years (and its much bigger 314,000 Housing Accord commitment) remains almost entirely dependent on the private sector delivery.

Beyond issues of supply and labour constraints; property sector land banking and supply drip-feeding, recent research released by Shelter NSW explains how limited incentive approaches may be in practice<sup>33</sup>. Other research sets out the types of requirements the NSW Government ought to establish if the desired impact of a much larger stock of affordable rental stock is to result<sup>34</sup>

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<sup>29</sup> Shelter NSW understands that the NSW Government is currently completing an audit of all government land for the purpose of identifying sites that will be appropriate for residential housing. We also understand that the mechanics of how the 30% commitment will be applied, for example, site-by-site or in 'bundled lots'.

<sup>30</sup> NSW Government, Department of Planning (2023) [Transport-oriented-development-sepp](#) accessed 29/2/24 and [Accelerated-precincts](#)

<sup>31</sup> The TOD SEPP applying to 31 identified train stations to create capacity for 138,000 new homes while the 8 x Accelerated higher-density precincts would have a capacity for up to 47,800 new homes over 15 years.

<sup>32</sup> Shelter NSW (December 2023) [Big-planning-changes-in-nsw-potential-to-create-thousands-of-affordable-rental-dwellings-in-sydney-newcastle-and-the-illawarra/](#)

<sup>33</sup> Phibbs, P (November 2023 ) Shelter NSW, [The Affordable Housing Density Bonus Scheme](#)

<sup>34</sup> Gilbert, C. and Zanardo, M. (2024) What an Inclusionary Housing Policy Should be: Considerations for Designing Inclusionary Housing Approaches for NSW. A Research Report for Shelter NSW, Sydney: The University of Sydney and Shelter NSW: [Shelter report](#)

Access to affordable, well-located land is one of the greatest barriers to developing more social and affordable housing<sup>35</sup> The good news though, as noted by a senior Department of Planning bureaucrat in a recent budget estimates hearing is that *“The NSW Government is Australia’s biggest land owner”*<sup>36</sup>. Shelter NSW understands that the Government’s land audit is nearing completion<sup>37</sup> and that there are sites being considered for residential housing.

Shelter NSW commends the NSW Government commitment to invest \$520 million for community infrastructure around the eight accelerate TOD precincts. These include funding for required road upgrades, active transport links and open spaces. In this submission we will call on the Government to replicate this fund, with a dedicated commitment to directly fund additional social and affordable housing within the rezoned TOD areas whether it be on government land; private land in partnership with the Community Housing sector, Councils or via direct acquisition. In many cases that could and should be directly into Government owned and managed public housing.

**Significant and co-ordinated investment, in conjunction with the Commonwealth into an expanded public asset like public and community housing (social housing), will allow NSW to restore the social housing safety net of 5% of all housing stock and work towards 10% of all stock by 2040 (2050 at the latest). This seems a reasonable and necessary ask and wise investment by government in essential infrastructure as the state grows and densifies.**

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<sup>35</sup> Palm, R et al (2018) (University of Melbourne) [Project 300 Producing-Social-and-Affordable-Housing-on-Government-Land](#)

<sup>36</sup> Budget Estimates quote

<sup>37</sup> Koziol, M. (20 February 2024), Sydney Morning Herad, *Land audit yet to unearth any housing sites*, [accessed 1 March 2024](#)

## Key Ask 1 – Major social housing stock expansion – build, buy, restore or retrofit.

Develop a genuine alternative to the private rental market for low-income people by restoring the social housing safety net to 5% by 2027, 10% by 2040.

### This investment will:

- **activate NSW Labor’s commitment to dedicate 30% of residential dwellings on surplus public land to social, affordable and universal housing.**
- **provide a means for the NSW Government to directly invest in its large urban infill housing planning reforms and in general, meet its Housing Accord commitments** (compensating for the expected slow delivery by the private housing market).
- **prevent homelessness across all age groups including older people in precarious housing, reducing the need for costly government direct intervention**
- **support women and children escaping domestic violence**
- **reduce costs in adjacent portfolios (health, disability, aged care, education, justice and corrective services)**
- **provide a genuine alternative to the private rental market for low-income and vulnerable people.**

### This investment requires:

- **\$2 billion annual investment** applied as direct investment in public housing build, purchase of upgrade; capital grants and subsidies including discounted (leased) public land.
- will enable at least 5,000 additional social housing dwellings to be added each year.
- **\$500 million invested in an expanded repairs, maintenance and disability access retrofit program** for existing social housing stock (public and community housing).

### The case for this approach:

- **A social housing construction, repair and maintenance program can be directed by Government to specific areas of need across the state when and where it is required. Governments can act countercyclically** to support employment (avoiding

inflaming material and construction labour market constraints) and optimise state and commonwealth sponsored affirmative action employment programs directed to young people, long-term unemployed and vulnerable groups such as First Nations people.

- **Efficiency and Effectiveness: incorporation of an energy-efficiency and disability access audits and subsequent upgrades within the social housing general maintenance and upgrade program** would be an efficient way for this work to be done and offer other program efficiencies (refer Budget Ask 5).
- **Speed: an acquisition program (of already or nearly- built properties) represents an efficient way to quickly add to the social housing stock** and may provide support to an emerging pool of ‘distressed sellers’, especially in the unit market.<sup>3839</sup>. We commend the NSW Government for its very recent \$22 million off-the-plan purchase of a building in Campbelltown. This will become home to 94 people off the social housing waiting list.<sup>40</sup>The Queensland Government has also recently made a number of acquisitions including a hotels, motels and retirement villages to be quickly converted into social housing<sup>41</sup>
- **The development of social housing infrastructure builds the stock of broader infrastructure to support communities, employment and economic development – in the same way that schools and roads do.** It can also create encourage greater mobility of labour especially into regional towns and cities seeking to grow industries and job opportunities. Most immediately the NSW Government could/should position itself as a developer of new social housing within precincts identified in its Transport Oriented Development Program.
- **The NSW Government can reduce budgetary costs by owning housing assets for capital gains. Public housing is an asset, not a liability.** According to land and property economist, Dr Cameron Murray, the (then) NSW Land and Housing Corporation, for example, gained \$22 billion in value from 2012-17 by owning public housing and funds new builds with these gains.<sup>42</sup>

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<sup>38</sup> The Victorian State Government uses ‘rapid acquisition’ as a way to quickly add to its social housing portfolio within the Big Build Initiative. See here for [an example](#)

<sup>39</sup> Bridge Housing Media Release (10 march 2023) access from [Inner City Affordable Housing - Bridge Housing](#) 11 August 2023

<sup>40</sup> NSW Government, Minister for Housing (1 March 2024) accessed from [Ministerial Media Releases 6 3 24](#)

<sup>41</sup> Queensland Government Ministerial Statement (January 2024): [accessed from QLD Government](#) 1/3/24

<sup>42</sup> Murray, Cameron (2022) [Public housing is way cheaper than rental subsidies \(fresheconomicthinking.com\)](#), accessed 11 August 2023. Dr Murray and professor Peter Phibbs explored this type of argument for Shelter NSW in their analysis of the Waterloo South Public Housing Estate Renewal proposal, *Reimagining the Economics of Public Housing at Waterloo South* [Available on the Shelter NSW website](#)

- **Social housing investment is the most effective way to prevent and reduce homelessness.** According to a 2019 study<sup>43</sup> a one percentage point increase in unemployment within a local area increased the probability of people already at risk of homelessness becoming homeless, by 0.9% to 8.9%. In a related sense, *financially vulnerable people in social housing are less than half as likely to become homeless as a similar group renting privately. Over one third of new tenants in social housing were previously homeless, ACOSS notes*<sup>44</sup>. In a general sense, social housing tenants speak of the difference it makes to their lives<sup>45</sup>
- **Avoiding the expensive costs of responding to acute homelessness** – Equity Economics<sup>46</sup> cites one study<sup>47</sup> which estimates the whole-of-government costs of homelessness to being between \$29,450 per year per homeless person (2013 dollars - \$35,000 in 2020 dollars). Another study estimates the savings from reducing homelessness at \$25,615 per year in 2017 dollars<sup>48</sup>. These savings are in the health and justice systems.
- **Investing in social and affordable housing avoids or reduces Whole of Government costs especially in responding to domestic violence.** According to Equity Economics<sup>49</sup> investing in 5,000 additional socially dwellings per year would allow Government to avoid \$38.5 million a year in costs from women returning to a violent partner; and \$68 million a year in costs due to women experiencing homelessness after leaving their homes due to family and domestic violence
- **Social housing is the only meaningful option for low-income people in towns where the private rental market is offering little to no supply of affordable dwellings** (where rental assistance products can offer little practical value). A recent study by the Regional Australia Institute for Shelter NSW identified local government areas (LGAs) in Regional NSW with significant 'housing issues'<sup>50</sup> largely due to combinations of high renting populations (in rental stress) and insufficient social housing stock. The LGAs of Central Coast, Bryon, Cessnock, Newcastle and Coffs Harbour were deemed to be the most impacted LGAs.

<sup>43</sup> Johnson, G, Scutella, R, Tseng, Y.P and Wood, G (2019), *How do housing and labour markets affect individual homelessness?*

<sup>44</sup> ACOSS (2019), How to reduce homelessness and boost incomes and jobs: social housing as infrastructure [ACOSS article on Social-Housing-Investment](#)

<sup>45</sup> Morris, A. (1 March 2024) The Conversation [It-was-bloody-amazing-how-getting-into-social-housing-transforms-peoples-lives](#)

<sup>46</sup> Equity Economics, (202) A Wave of Disadvantage across NSW: impact of the Covid-19 recession

<sup>47</sup> Zaretsky, K., et al. (2013) The cost of homelessness and the net benefit of homelessness programs: a national study, AHURI Final Report No.205. Melbourne: Australian Housing and Urban Research Institute. (2013)

<sup>48</sup> Witte, E (2017) The case for investing in last resort housing, MSSI Issues Paper No.10 Melbourne Sustainable Society Institute, The University of Melbourne

<sup>49</sup> Equity Economics 2021 [Rebuilding for Women's Economic Security — Equity Economics at p7](#)

<sup>50</sup> Regional Australia Institute (2021), *New South Wales Regional Housing Need Report*, report prepared for [Shelter NSW](#)

## Key Ask 2 – create 10 x new (40 room) Youth Foyers to break the cycle of homelessness

Create 10 new *Youth Foyers* in NSW providing integrated housing, education and employment support to vulnerable young people otherwise at risk of homelessness as advocated by the Foyer Foundation<sup>51</sup>.

### This investment will:

- **support young people to overcome homelessness; supporting them to improved education, health and employment outcomes and reduce contacts with justice system**
- **reduce costs to the NSW Government of supporting young people in an acute response associated with homelessness, health or justice**
- **support the NSW Government to deliver on any goals it has to reduce disadvantage, and improve health and education outcomes for young people, especially from disadvantaged cohorts**

### This investment requires:

- **\$200 million capital investment to construct 10 new youth foyers prioritising five 'shovel ready' projects in Wyong, Penrith, Orange, Dubbo and Tweed;** noting that Some sites already have land secured (or board approval for purchase) and a portion of the capital required raised. Five more sites could be identified and ready to build in the next 2+ years<sup>52</sup>
- **\$20 million annual operating cost funding**

### The case for this approach

NSW has the highest number of young people experiencing homelessness in any jurisdiction but just two of the 27 Youth Foyers in Australia.

In NSW a substantial number of young people present to Specialist Homelessness Services seeking help; with an estimated 40-50% of them exiting those same services into further homelessness. As they transition into adulthood, these young people are faced with a separation between housing services and education and employment.

Improving the outcomes experienced by vulnerable young people is a critical challenge for communities and governments. There is an urgent need to address the medium to long-term

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<sup>51</sup> Foyer Foundation website: <https://foyer.org.au/> accessed 6/3/24

<sup>52</sup> Foyer Foundation (2024) Prebudget Submission to the NSW Treasury

needs of young people at risk of or experiencing homelessness

While there are a number of approaches to responding to this phenomenon it is our position at Shelter NSW, having commissioned research in this area, that Youth Foyers offer a highly effective way to address the unique challenge faced by vulnerable young people <sup>53</sup>.

A report prepared by Accenture for the <sup>54</sup> Foyer Foundation describe Youth Foyers as a place-based, integrated 2 year program providing education, employment and accommodation for young people, typically aged 16 – 24 years, who are at risk of or experiencing homelessness. From this stable base, Foyers can prevent disadvantage in other areas of these young people's lives.

In NSW there are just 60 Foyer units (rooms) provided in the Illawarra by Southern Youth and Family Services, and 53 units provided through Foyer Central in Sydney. That is less than 120 units for all of NSW and clearly out of kilter with the potential cohort of 30,000 or more vulnerable young people <sup>55</sup> but especially the approximately 1,000 young people who leave out of home care each year.<sup>56</sup>

We note that the Queensland Government has recently announced its intention to fund 8 new Youth Foyers<sup>57</sup>.

Shelter NSW asserts that there is a compelling case (outlined in our report) for an investment offset by savings in other government programs such as health, education and justice<sup>58</sup>. Accenture found, in its report for the Foyer Foundation <sup>59</sup> that the lifetime cost to government of supporting a person that has accessed SHS is estimated at \$386,000 (borne 50:50 between the States and Commonwealth). These costs are attributed to *welfare costs net taxes (30 per cent), housing 30 per cent, health care costs (25 per cent) and justice costs (15 per cent)*

**Shelter NSW commends the work of the Foyer Foundation and has formally endorsed its 2024 prebudget submission to the NSW Government.**

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<sup>53</sup> Insight Consulting (2021), *Scaling Foyers for NSW*. Report prepared for Shelter NSW [link to site](#)

<sup>54</sup> Accenture report, *Under One Roof* (December 2022) prepared for the Foyer Foundation, accessed from <https://foyer.org.au/under-one-roof/> 11 August 2023

<sup>55</sup> [Foyer Central](#) supports a group of young people transitioning out of out-of-home care. This particular model and building is located in Sydney's inner-city suburb of Chippendale

<sup>56</sup> Noting that NSW and Queensland have not joined other states in extending care to young people past 18. Refer this [ABC news media article](#) for more information. Naturally NSW financially benefits from this current restriction

<sup>57</sup> Queensland Government, Premier & Ministerial announcement accessed 7/3/24 <https://statements.qld.gov.au/statements/99634>

<sup>58</sup> Insight Consulting (2021), *op. cit.* at p4-5

<sup>59</sup> Accenture (2022) *op. cit.*



## Key Ask 3 – 20% increased funding to Specialist Homelessness Services (SHS)

**20% increased funding to Specialist Homelessness Services (SHS) requiring an additional annual spend of \$64 m.**

**This investment will:**

- provide a one-off boost to prevent a further deterioration on the SHS's sector already strained ability to growing unmet need (close to 50% turned away)
- provide support to the SHS sector to re-evaluate its approach – especially within the context of a Commonwealth and State housing and homelessness strategy review.

**The case for this approach:**

- While preventing homelessness is clearly the most efficient and effective public policy and funding approach, the reality remains that an increasing number of people are seeking emergency accommodation assistance in NSW. Acute homelessness, especially associated with domestic violence cannot be ignored.
- **Close to 50% of the people seeking homelessness services are turned away every day.** Close to 50% of the over 47,000 people seeking accommodation assistance from the Specialist Homelessness Sector (SHS) in NSW during 2020-21 were turned away<sup>60</sup>. This has steadily worsened since 2015-16 where 15,471 or 34.2% had the same experience. In another review, the NSW Auditor-General also found<sup>61</sup> that the reach of SHS into regional areas was limited, with just 34 of 128 local government areas receiving direct support.

**Table 2 - Specialist Homelessness Services (SHS) – accommodation needs met in NSW**

<i>Accommodation Services in NSW (notes a, b and c)</i>				
<i>Financial Year</i>	<i>Clients with identified need for accommodation who were not provided with that service (No.)</i>	<i>Total Clients (No.)</i>	<i>% of total clients need <u>not</u> met</i>	<i>Total Support days ('000)</i>
2020-2021	22 709	47 121	48.2	7454
2019-2020	21 790	46 437	46.9	7122
2018-2019	21 552	47 652	45.2	7163
2017-2018	19 306	46 072	41.9	6806
2016-2017	17 354	46 643	37.2	6571
2015-2016	15 471	45 240	34.2	

<sup>60</sup> Productivity Commission (2021) *Annual Report on Housing and Homelessness*

<sup>61</sup> NSW Office of the Auditor-General (4 June 2021, p. 15). Performance Audit: Responses to homelessness. Retrieved from <https://www.audit.nsw.gov.au/our-work/reports/responses-to-homelessness>

Table 3 Notes (extract from Table 19A.7 and 19A.16 Productivity Commission 2021/22 Homelessness Services):

- a. *Need for accommodation includes need for 'Short-term or emergency accommodation', 'Medium-term / transitional housing' or 'Long-term housing'.*
- b. *Unmet need for accommodation and services other than accommodation is dealt with differently by different jurisdictions and data may not be comparable.*
- c. *For some central intake models, the role of intake agencies is to identify and link clients to an agency well suited to the individual client's needs, rather than to provide clients with particular services. This may have an inflationary effect on the proportion of clients with unmet need for services for jurisdictions which operate such central intake models.*
- d. *Recurrent cost to Government per day of support for clients, 2019-20 dollars (accommodation & other services)*

**Aboriginal & Torres Strait Islander people are consistently overrepresented in the demand for SHS** (at nearly a third of all SHS clients) and consistently exceed the capacity of culturally competent and experienced organisations. According to Homelessness NSW, just 4 of the 353 funded SHS organisations in NSW are Aboriginal-led and controlled. This diminishes the sector's overall ability to provide culturally-appropriate responses. A permanent increase in recurrent baseline funding would allow a more equitable spread of services across NSW and will strengthen Aboriginal Community-Controlled Organisations to provide culturally-appropriate local support to communities that continue to experience disproportionate levels of disadvantage.

In a similar sense, **advocates for action to end gendered violence have also highlighted the need for increased housing funding to support women and children escaping domestic violence.** Like many in the crisis response frontline, they have identified the need for *safe and appropriate housing for everybody experiencing and recovering from sexual, domestic, and family violence* as a necessary part of the state's response. This extends to longer-term secure and safe social housing<sup>62</sup>

**Intervention does make a difference.** According to Equity Economics research<sup>63</sup> the NSW Social Sector provides essential care and support to over 1 million people each year – *including those impacted by poverty, homelessness, domestic violence, mental health challenges, disability or other complex issues.* Its workforce is bolstered by 1.7 million hours of volunteer time each week. In terms of a sector, there is clear evidence of it making a difference for the clients it is able to support. In 2020/21 for example, 14.7% of clients were living in crisis accommodation before approaching SHS; reduced to 6.8% after support. The 5.1% of clients sleeping rough reduced to 2.6% after support.<sup>64</sup>

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<sup>62</sup> NSW Women's Alliance 2023 State Election Platform: [Action-to-End-Gendered-Violence-Media-Release - DVNSW](#)

<sup>63</sup> Equity Economics (2021), The Social Sector in NSW, report prepared for NCOSS [Link](#)

<sup>64</sup> Productivity Commission (2021) op. cit. Table 19A.31

## Key Ask 4 – Invest \$62 million into the successful Together Home program

**As recommended by Homelessness NSW and CHIA, extend this successful program as an effective way to support people who are experiencing homelessness. The NSW Government should embed the Together Home program as part of the homelessness service system and provide additional funding to transition people exiting from the program into longer-term social housing and support services.**

### **This investment will:**

- Enable more people to be transitioned away from street homelessness and into long-term stable housing; supported by services (disability; mental and physical health; drug and alcohol support services) including for some for very high needs/ complex cases). Together Home is a two-year program already provided to over 1,000 people since July 2020 <sup>65</sup>.
- With street homelessness increasing ( latest street count data showed a 32% increase in the number of people sleeping rough in NSW)<sup>66</sup> this investment will enable the SHS sector to apply an already tested program and approach based on the international best practice of Housing First.
- According to the Community Housing sector <sup>67</sup>, funding provided in the 2022-23 NSW Budget will allow Together Home leasing and support packages to continue until 2026 for some clients who may need to stay in the program for longer. By the end of 2023, however, it is estimated that the program will have ended for more than 850 people. The reality of the current private rental market poses a risk for the successful transition of the participants, potentially undermining the efforts and investments of participants and Government alike.

### **This investment requires:**

\$62 million to support approximately 400 new participants per year based on a per participant cost of \$150,000 (taking accounting of high and increasing rental costs incorporate in this program). <sup>68</sup>

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<sup>65</sup> Community Housing Association (CHIA), (March 2023) *Addressing Rough Sleeping and Changing Lives* accessed from the [CHIA website](#)

<sup>66</sup> NSW Government, Department of Communities & Justice (June 2023) *The NSW 2023 Street Count results* from the [Government website](#) accessed 11 August 2023

<sup>67</sup> CHIA (March 2023) op cit

<sup>68</sup> Approximate costing provided by Homelessness NSW

## The case for this approach

The NSW Government<sup>69</sup> describes the Together Home program as supporting people, street-sleeping into stable accommodation, linked to wraparound services.

In June 2021, the NSW Audit Office found<sup>70</sup> that the NSW Government *effectively implemented a crisis response to assist over 4,350 people sleeping rough into temporary accommodation during the pandemic*. This was the beginnings of the Together Home program.

Shelter NSW has commended the NSW Government for its quick and emphatic support of this program; assisting vulnerable people to access housing during the pandemic. This was and remains an important program

We note however, the remarkable by-product of the Together Home program – a breakthrough in how we think about homelessness and how to prevent it. The huge response by Government and the Community Sector has demonstrated the almost self-evident maxim – that the best way to help someone to not be homeless is to provide them with housing; first temporarily and then longer-term (and most certainly with the ‘wrap around services’ if they are required). Since the program was initiated, around 90% of participants have sustained their tenancies, despite many having complex and multiple need<sup>71</sup>

Shelter NSW supports the broader sector calls for funding to extend this program, with a view to incorporating it as an ongoing program via the future recommissioning process.

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<sup>69</sup> NSW Government, Department of Communities & Justice – accessed from website [government website](#) 11 August 2023

<sup>70</sup> NSW Audit Office (June 2021) [accessed from the Audit Office website](#)

<sup>71</sup> CHIA (March 2023) op.cit.

## Key Ask 5 – support lower income households to cope with rising energy costs and adapt to climate change

**Commit \$200 million over 3 years for energy efficiency upgrades and electrification of low performing social housing properties, to supplement and attract Federal funding through the *Household Energy Upgrades Fund (HEUF)*.**

Shelter NSW commends the NSW and Federal Government for its recent commitment of \$175 million joint funding for upgrades to 24,000 social housing properties. While welcomed this is insufficient. Shelter NSW is an active member of the [Healthy Homes for Renters](#) coalition, a civil society organisation with interests in energy affordability, health, climate justice, workers' rights, and housing. We were happy to be one of 65 organisations that recently wrote to Federal Ministers seeking additional funding from the Commonwealth under the HEUF program.

### **This investment will:**

- enable upgrades to inefficient fixtures (water, heating and cooling) and improve the thermal performance of existing social housing stock
- (according to the Commonwealth) cut the energy needed by social housing properties by one-third and give tenants savings on their energy bills.<sup>72</sup>
- Where energy bills are reduced, reduce the reliance of government sponsored energy bill rebate schemes<sup>73</sup> or at least maximise their value to the low-income social housing tenants
- Support and enable any broader 'electrification' agenda of the NSW Government
- Support greater amenity, health and well-being for social housing tenants
- showcase low-cost, high-impact energy efficiency approaches such as insulation; window and floor coverings and external landscaping build capacity within the retrofit industry

### **This investment requires:**

- **The NSW Government to make a further investment \$200 million over 3 years in the energy efficiency of its social housing stock, in order to attract another**

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<sup>72</sup> Commonwealth Government, Budget via [Cost-of-Living Relief webpage](#) accessed 11 August 2023

<sup>73</sup> NSW Government (2023) National Energy Bill Relief program (NSW) [website](#)

round of additional Commonwealth funding under the terms of the HEUF<sup>74</sup>.

### The case for this approach:

- Increases to the default market offer from 1 July 2023 will see energy bills in NSW increase by around 20%<sup>75</sup>. In combination with high winter energy bills, NSW households will be experiencing significant bill shock in coming months, further contributing to the cost-of-living crisis. It is more important than ever that the NSW Government provide opportunities for households and especially low income households to reduce energy bills through energy upgrades.
- For some time however, Shelter NSW, as part of the *Healthy Home for Renters Campaign*<sup>76</sup> has called on governments to recognise the particularly challenging circumstances of renters, and especially low-income renters when it comes to being impacted by rising energy prices.

### Our key concerns are:

- **People are getting sick because of their rental homes.** This is the grim summation of the *Healthy Home for Renters Campaign*<sup>77</sup>. According to this campaign Australian homes, on average, have low energy performance with rental homes especially affected<sup>78</sup>. This means that lower-income people and especially renters are more exposed to extremes in temperatures. People are forced to choose between large and rising energy costs and other life essentials. Households with children, older people and members with pre-existing health conditions are put at risk.
- **Renters in NSW have few choices to improve the energy-efficiency of their homes and landlords (including Government landlords) are reluctant to invest in energy-efficiency retrofits.** According to a recent article 30% of Australian households have solar power but only 5% of rental properties<sup>79</sup>. Shelter NSW joins other advocates in calling for NSW to implement mandatory minimum energy efficiency requirements for rental properties – in the social, community and private rental markets.
- **A program that dramatically improves the liveability and overall energy efficiency of social housing may extend the practical lives and amenity of what is otherwise aging and unfit-for-purpose stock.** Any program should extend beyond solar access programs and address sources of inefficiency such as inefficient fixtures especially water and space heat/cooling . As noted by NCOSS in its Prebudget

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<sup>74</sup> Commonwealth Government, Budget via [Cost-of-Living Relief webpage](#) accessed 11 August 2023

<sup>75</sup> IPART (2023) *1 July 2023 Electricity Price Increases*- [IPART Government website](#) accessed 11 August 2023

<sup>76</sup> Healthy Home for Renters Campaign: [website accessed 24 November 2022](#)

<sup>77</sup> Healthy Home for Renters Campaign: [website accessed 24 November 2022](#)

<sup>78</sup> Environment Victoria (2017), *Bringing rental homes up to scratch*

<sup>79</sup> The Guardian, 8 Nov 2022, <https://www.theguardian.com/commentisfree/2022/nov/08/australias-rental-housing-is-a-national-disgrace-and-improving-it-will-combat-the-energy-crisis>

Submission <sup>80</sup>, upgrades made to 1,230 existing homes by one NSW community housing provider – such as insulation, drought proofing and LED replacement, and installation of heat pumps for hot water systems, ceiling fans and solar – delivered an estimated energy saving of 2,270,000 kWh of energy per year and an average saving of \$400 per dwelling. <sup>81</sup> This overall proposal is well documented in the combined submission of the Tenants' Union of NSW and Public Interest Advocacy Group to a Parliamentary Committee assessing the overall NSW social housing maintenance program, contracts and approach. <sup>82</sup>

- **It is critically important that the NSW Government's co-investment in the Household Energy Upgrades Fund is confirmed and announced at the soonest moment.** A co-contribution to the is vital for securing Commonwealth funding for the benefit of NSW residents, and will generate multiplier effects for NSW Government investment in this area. Improving household energy efficiency to reduce energy consumption, and enabling households to obtain cheaper and cleaner renewable energy is a critical response to rising energy bills.

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<sup>80</sup> NCOSS Pre-Budget Submission 2022-23, [link](#)

<sup>81</sup> CEFC 2021, *Clean energy and affordable housing*, Clean Energy Finance Corporation, accessed 9 November 2021

<sup>82</sup> Tenants' Union of NSW and Public Interest Advocacy Group (2020) [submission-to-the-follow-up-review-of-the-management-of-nsw-public-housing-maintenance-contracts](#)

## Key Ask 6 – invest in services to support vulnerable renters to successfully navigate and compete in the private rental system

**Fund a specialist older person’s housing information support service** that comprises both an early intervention and crisis response. Shelter NSW is an active member of the *Ageing on the Edge NSW Forum*<sup>83</sup>, a network focused on improving housing security for older people at risk of homelessness. This core request of the forum is supported by a business case, research and the builds on the experience of Victoria’s *Home at Last Service*<sup>84</sup>

### **Increase funding to tenancy advisory services**

**Expand the NSW Government’s range of Rent Choice subsidies**<sup>85</sup>, made available to certain groups to support them to rent in the private rental market. Seek diversion of Commonwealth Funds.

### **This investment will:**

- Support the growing number of renters, especially those low income renters responding to the stress, uncertainty and precarity of the private rental market, exacerbated by record low vacancy rates<sup>86</sup> and high rental increases.
- Support renting as a viable, long-term option and prevent premature entry into the aged care system.
- Prevent homelessness especially in vulnerable cohorts such older renters and those without the means or capacity to assert their legal rights as tenants and/or subject to direct or indirect discrimination.

### **This investment requires:**

Direct funding to establish or sustain services, in recognition of the size of the growing renting population; the overrepresentation of low-income people amongst renters and commensurate with the extensive and expensive financial assistance provided to homebuyers. It includes specific request for:

- **\$1.8 million annual investment + \$290,000 (set up costs) to establish and run an**

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<sup>83</sup> Ageing on the Edge NSW Forum – website accessed [Ageing on the Edge New South Wales Forum Terms of Reference | Housing For The Aged Action Group \(oldertenants.org.au\)](#)

<sup>84</sup> Ageing on the Edge NSW Forum – election platform: [New Coalition calls for Housing Solutions for Everyone in NSW State Election | Housing For The Aged Action Group \(oldertenants.org.au\)](#)

<sup>85</sup> NSW Government, Department of Communities & Justice: *Access a private rental subsidy through Rent Choice*: accessed <https://www.facs.nsw.gov.au/housing/help/ways/renting-private-market/rent-choice> 6/3/24

<sup>86</sup> SGS Economics Report *Rental Affordability Index* (2022) prepared for National Shelter available [Shelter NSW website](#)



**early intervention and crisis response specialist older person's housing information and support service** (similar to the Victorian *Home at Last* model) and set out in a detailed business case<sup>87</sup>

- **Provide an additional \$4.62 million p.a increase to the Tenancy Advice & Advocacy Program** (general and specialist Aboriginal) to match the growth of the renting population and the challenges of the housing market.
- **Invest an additional \$10 million each year to expand the NSW Government's range of Rent Choice subsidies**<sup>88</sup>. The NSW Government should formally ask the Commonwealth formally to consider diverting funds otherwise set aside for Commonwealth Rental Assistance (very narrow eligibility requirements<sup>89</sup>) to the NSW Government to apply through its state program.

### The case for this approach

Shelter NSW has long called for greater support of renters and renting making this the key theme of our 2023 State Election Campaign<sup>90</sup> and commends the NSW Government for its commitment to reform the private rental market. The replacement of *No Grounds Evictions* provisions with *Reasonable Grounds* will for example, be a profoundly important reform for the state. Notwithstanding these proposed reforms however, renting is likely to continue to be experienced as a less-secure form of housing.

At the very least renters should be afforded equivalent levels of (often expensive) support that are provided to first home buyers<sup>91</sup> It is for these reason Shelter NSW is calling for additional investment.

In NSW:

- **many are renting and many will rent for life.** The 2021 Census data shows a significant increase in NSW renting households, with 2,363,324 people who rent their homes, close to 1 in 3 households (32.6%); a cohort growing g faster than general population growth. In the 15 years 2006-2021 the number of renters has increased by over 40%, while general population growth increased approximately 23%. Of all renters in NSW, 1,066,750 earn less than 80% of the median NSW income;
- **more renting households are renting long term (more than 10 years).** Many are raising children, with families the most common renting household type in NSW. There

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<sup>87</sup> Ageing on the Edge (NSW Forum) (2023) – *Specialist Housing Information & Support Service for people 55+ in NSW* available from [website](#) accessed 11 August 2023

<sup>88</sup> NSW Government, Department of Communities & Justice: *Access a private rental subsidy through Rent Choice*: accessed <https://www.facs.nsw.gov.au/housing/help/ways/renting-private-market/rent-choice> 6/3/24

<sup>89</sup> Coates, B & Moloney, J. Grattan Institute (2024) *The Year of the Renter* accessed 6/3/24: <https://grattan.edu.au/news/2024-year-of-the-renter/>

<sup>90</sup> Shelter NSW, 2023 State Election Campaign – I Rent and I Vote available [Shelter NSW website](#)

<sup>91</sup> NSW Government, First Homebuyers Assistance Scheme [website](#) [website](#) accessed 11 August 2023

are now more than 600,000 young people aged under 20 in rented homes. An increasing number of people over 60 find themselves retiring while still renting in the private rental market. The number of renters over 60 has increased by 82%, a significantly higher increase than the general population. There has also been a significant increase in the number of people renting while on a lower income. This is a leading indicator of the need for legal services.

- **High and rising rents mean that more than one-third (35%) of renters<sup>92</sup> and around half of all low-income renters<sup>93</sup> are in rental stress.**<sup>94</sup> High rental stress leaves people without sufficient money for essentials, such as food, energy bills, or fuel. Many are forced to move away from their communities, schools and jobs or settle for poor quality housing that does not meet their needs. Increasing numbers of renters are being pushed into homelessness.
- **Current private rental subsidies are limited in their eligibility and funding – leaving many vulnerable people to fall through the cracks.** The NSW Government currently provides a limited range of private rental subsidies, available to certain groups to support them to rent in the private rental market. These includes: veterans; people leaving violent households and young people living out of home<sup>95</sup>. The Commonwealth also funds the Commonwealth Rental Assistance (CRA)<sup>96</sup> subsidy for those in the main, receiving government income support which has. The Grattan Institute has noted its very narrow eligibility<sup>97</sup>

Other factors evident in the private rental market requiring Government intervention:

- **There is pervasive and long-term incidence of discrimination within the private rental sector.** According to this 2021 AHURI research<sup>98</sup>, this happens right across the rental system, from application through to eviction and is felt across *age, gender, race and indigeneity*.
- **Older people are at increased risk of homelessness and need specialised services to support them find and sustain housing.** According to the *Ageing on the Edge NSW*

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<sup>92</sup> National Housing Finance and Investment Corporation (2023) *State of the Nation's Housing 2022–23*, Australian Government, 85, <https://www.nhfc.gov.au/research/state-nations-housing-report-2022-23>

<sup>93</sup> Australian Bureau of Statistics. (2019-20). *Housing Occupancy and Costs, Table 13.1 Rental affordability, lower income renter households, national housing and homelessness agreement basis*. ABS. <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/2019-20>

<sup>94</sup> Rental stress is defined as those people in the lowest 40% of income brackets who are paying more than 30% of that income in rent.

<sup>95</sup> NSW Government, Department of Communities & Justice: *Access a private rental subsidy through Rent Choice*: accessed <https://www.facs.nsw.gov.au/housing/help/ways/renting-private-market/rent-choice> 6/3/24

<sup>96</sup> Commonwealth Department of Social Services, *Commonwealth Rental Assistance* accessed <https://www.dss.gov.au/housing-support/programmes-services/commonwealth-rent-assistance> accessed 6/3/24

<sup>97</sup> Coates, B & Moloney, J. Grattan Institute (2024) *The Year of the Renter* accessed 6/3/24: <https://grattan.edu.au/news/2024-year-of-the-renter/>

<sup>98</sup> Maalsen, S., Wolfson, P., Rogers, D., Nelson, J. and Buckle, C. (2021) *Understanding discrimination effects in private rental housing*, AHURI Final Report No. 363, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/finalreports/363>, doi: 10.18408/ahuri73245

*Forum*<sup>99</sup>, many people aged over 55, experiencing housing insecurity (sometime for the first time in their lives) are unaware or unable to access the services they need to avoid homelessness and remain in private housing system. While woman in particular avoid rough sleeping on the streets due to its inherent dangers, many experience other forms of homelessness such as couch surfing, living in cars or staying in other insecure or unsuitable housing. There are currently no services within NSW dedicated to supporting the growing cohort of older renters experiencing actual or threatened homelessness.

As of June 2022, there were 16,435 applicants over 55 in the social housing waiting list.<sup>100</sup> This is the highest number of applicants over 55 since 2012. The statistics also demonstrate that newly housed applicants over 55 is declining. The Government housed 1,310 applicants over 55 in 2021-22, which is a 7.4% decline compared to the previous financial year.<sup>101</sup> Older people are less likely to increase their sources of income as they age with some either caring for others and/or managing their own health or disability issues. They are less likely to find paid employment and transition out of rental properties. Unless and until older people living in housing stress and/or facing eviction are provided with public or community housing they need to be supported.

- **There are power differentials within the private rental market that leave many unable to compete.** Not often noted in the traditional Landlord V Tenant community debate is the extent of income disparity within the renting cohort itself. According to the Reserve Bank of Australia<sup>102</sup>, while the average and median incomes of renter households are generally lower than owner-occupiers across age groups, the share of private renters who are in the top half of the income distribution has risen over time. This has been driven by two forces: the rising share of private renters in higher paid jobs, such as professional services and delayed home ownership due to a number of financial barriers.
- **Tenancy services are not being funded to keep up with the demands of a growing renting population and pressure of the housing crisis.** According to the NSW Government, the Tenants Advice and Advocacy program (TAAP)<sup>103</sup> provides tenancy advice and advocacy services to tenants throughout NSW. According to the Tenants' Union of NSW there are 15 generalist Tenants Advice and Advocacy Services (TAASs), 4 specialist Aboriginal services and a specialist resourcing body for the Aboriginal TAASs. Each is run by a local non-government organisation. They are funded by NSW Fair Trading under the Tenants Advice and Advocacy Program (TAAP), which uses money from the Rental Bond Board Interest Account and the Property

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<sup>99</sup> Ageing on the Edge NSW Forum – website accessed [Ageing on the Edge New South Wales Forum Terms of Reference | Housing For The Aged Action Group \(oldertenants.org.au\)](#)

<sup>100</sup> Department of Communities and Justice, Statistical Data Report 2021-22, accessible at: <https://public.tableau.com/app/profile/dcj.statistics/viz/ASR2021-22Peoplehaveasafeandaffordableplacetolive-page1/Housing-AplicantsBar>

<sup>101</sup> Ibid

<sup>102</sup> Reserve Bank of Australia Bulletin (March 2023 by) Agarwal, N., Gao, R and Garner, M. accessed from <https://www.rba.gov.au/publications/bulletin/2023/mar/renters-rent-inflation-and-renter-stress.html> on 3 May 2023

<sup>103</sup> NSW Government Tenants, Advice and Advocacy Program [NSW government website](#) accessed 11 August 2023

Services Statutory Interest Account. The TAAS network responds to approximately 30,000 requests annually for tenancy advice and provides ongoing assistance to approximately 10,000 tenants annually<sup>104</sup>

A key part of the Tenants' Advice and Advocacy Services approach to homelessness avoidance is to prevent evictions both by ensuring the law is applied in an appropriate and just way, and by negotiating alternatives to evictions. In the 2021 and 2022 calendar years Tenants' Advice and Advocacy Services have prevented eviction in 5,845 cases<sup>105</sup>.

The NSW Productivity Commission identified evictions as having a significant direct cost to the NSW economy. They cite NSW Treasury's estimate that the over 23,000 renting households forced to move each year results in total direct costs of \$116 million per annum, primarily due to the relocation costs incurred by renter<sup>106</sup>, which lines up with our own research. This was a cost of \$5000 per forced move in 2019.

The Tenants Union forecasts that a funding boost to the Tenants Advice and Advocacy Services creates greater efficiency for government expenditure reducing costs on Fair Trading NSW complaints centre, the NSW Civil and Administrative Tribunal, Office of the Sheriff NSW, and across housing, homelessness and health services.

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<sup>104</sup> Tenants' Union of NSW website : <https://www.tenants.org.au/all/taas>

<sup>105</sup> Figure provided by the Tenants Union of NSW.

<sup>106</sup> NSW Productivity Commission (2019) Kickstarting the productivity conversation, October 2019, p120 Research undertaken in 2022 by the Tenants' Union using the same method of calculation with updated and comparable estimates on costs (\$5,220 per move), estimated direct costs of around \$122 million pa. Tenants' Union of NSW (2022) Eviction, Hardship and the Housing Crisis, February 2022