

2026-27 NSW State Budget Shelter NSW Pre-Budget Submission

If not now, then when?

*Investing towards a secure home
for all.*

December 2025



Introduction

Addressing the lack of ‘decent’ housing in New South Wales; housing that is ‘affordable, healthy, accessible, well-designed, secure, safe and appropriate for the household’ is one of the core objectives of NSW Government.¹

Secure, affordable, adequate housing is at the foundation of everything we do. As stated by the Hon. Daniel Mookhey MLC, Treasurer of NSW, on ‘Straight Talk’:

“If you don’t get access to a good home, you don’t get anything else. If you haven’t got housing security, your capacity to get a good education is diminished, your capacity to convert your hard work into wealth, [is] harder. Very hard.”²

As the NSW statewide peak body for housing policy, Shelter NSW could not agree more. Because they are the ones who have been most failed by the private market and housing policy making at all levels of government – over the last three decades - we focus on the housing needs and aspirations of people living on low incomes in advocating for our vision of a ‘secure home for all’.

We represent close to 200 organisational and individual members who care about housing justice; from community housing providers to neighbourhood centres and specialist homelessness services, social housing tenants to policy professionals, academics, and beyond to building and property industry representatives.

Shelter NSW strongly shares the commitment of NSW Government to improve the housing system so that everyone across the state can access a decent home and the support they need to keep it.

The upcoming 2026-27 NSW Budget provides an opportunity for NSW Government to demonstrate that it truly cares about addressing the housing crisis and improving housing outcomes for people living on lower incomes.

From our perspective, while the last two budgets have included some NSW Government investment to address the housing crisis – including the record investment of \$6.6 billion from the ‘Building Homes for NSW’ package – they have fallen short of what is truly needed to address decades of under-investment in social housing and failed (yet repeated again and again) over-reliance on an under-regulated private market to deliver decent homes for all.

In this 2026-27 NSW pre-budget submission (PBS), Shelter NSW focuses on the investment and associated measures needed to deliver housing that is ‘affordable, healthy, accessible, well-designed, secure, safe and appropriate for the household’ as per NSW Government’s goal.³

¹ Homes NSW, NSW Government, *Homes for NSW Strategy 2025-2035* (Government policy report, October 2025) 16.

² Daniel Mookhey on ‘Straight Talk with Mark Bouris’ (Podcast, 14 August 2025). Accessed via Instagram, URL: <https://www.instagram.com/reel/DNVHGJyzdy_/>

³ Homes NSW, *Homes for NSW Strategy 2025–2035* (Strategy, 22 October 2025)

<https://www.nsw.gov.au/sites/default/files/noindex/2025-10/homes-for-nsw-strategy-2025-2035.pdf> [accessed 5 December 2025]

We acknowledge the NSW Government's commitment to a 'measured and responsible approach to fiscal management'.⁴ And we agree that it is time, indeed, to reprioritise existing budget towards what we know works to address and prevent homelessness and ensure access to secure housing for all.

Decades of demand side measures (i.e. first home buyers subsidies and federal property investment subsidies) have done very little to improve overall access to housing while having an inflationary effect on prices.⁵ As we wrote in our PBS last year, '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'.

Shelter NSW proposes a total investment of approximately \$3bn in non-market housing. This is in line with NSW Government 2025/26 investment in other critical infrastructure and crisis response such as road safety (\$2.8bn), disaster relief and recovery (\$4.2bn); and modest compared to investment in schools (\$10.4bn) and health infrastructure (\$12.4bn).

Shelter NSW 2026/27 pre-budget submission is focused on four key areas for government investment:

1. Restoring the social housing safety net by investing \$2 billion p.a. in building and buying new social housing until stock reaches 10% of total housing stock in NSW.

2. Maintaining, upgrading and retrofitting existing social housing stock by investing \$600 million in energy efficiency and accessibility upgrades and major repairs of ageing properties.

3. Preventing and addressing homelessness through a \$410 million 'Ending Homelessness Action Plan' including \$160 million p.a. of operational funding for (a) specialist homelessness services and (b) a fully funded 'Housing First' program for people with high and complex needs as well as \$180 million of capital funding for ten 40-unit 'Youth Foyers'.

4. Monitoring and enforcing regulation of the private rental sector through a total investment of \$25.7 million p.a.

⁴ NSW Government, '2026-27 Budget: Pre-Budget Submission' (Web Page, Have Your Say) <https://www.haveyoursay.nsw.gov.au/2026-27-pre-budget-submission> [accessed 5 December 2025].

⁵ This is well established amongst housing policy experts and practitioners. See for example 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)

Key investment 1

\$2 billion p.a. to build or acquire at least 5,000 new social housing dwellings per year

Portfolio: Communities and Justice

Policy areas: Housing and Construction, Health and Wellbeing, Community Services, Energy

Wellbeing themes & NSW Outcomes

- **Housed: Quality housing solutions are sufficient and affordable. Vulnerable people have access to suitable housing.**
- **Healthy**
- **Prosperous: A vibrant and diverse economy that supports improving living standards. Everyone has access to productive and rewarding jobs.**
- **Secure: Communities are safe. Children and families are safe and supported.**
- **Community: Communities are diverse, engaged and cohesive.**

Why?

Stock is declining to woefully inadequate levels

As summarised by the National Housing Supply and Affordability Council (NHSAC):

Social and affordable housing is essential infrastructure that plays a vital role in reducing homelessness and the incidence of poverty. It boosts social and economic inclusion and fosters diverse and vibrant communities.⁶

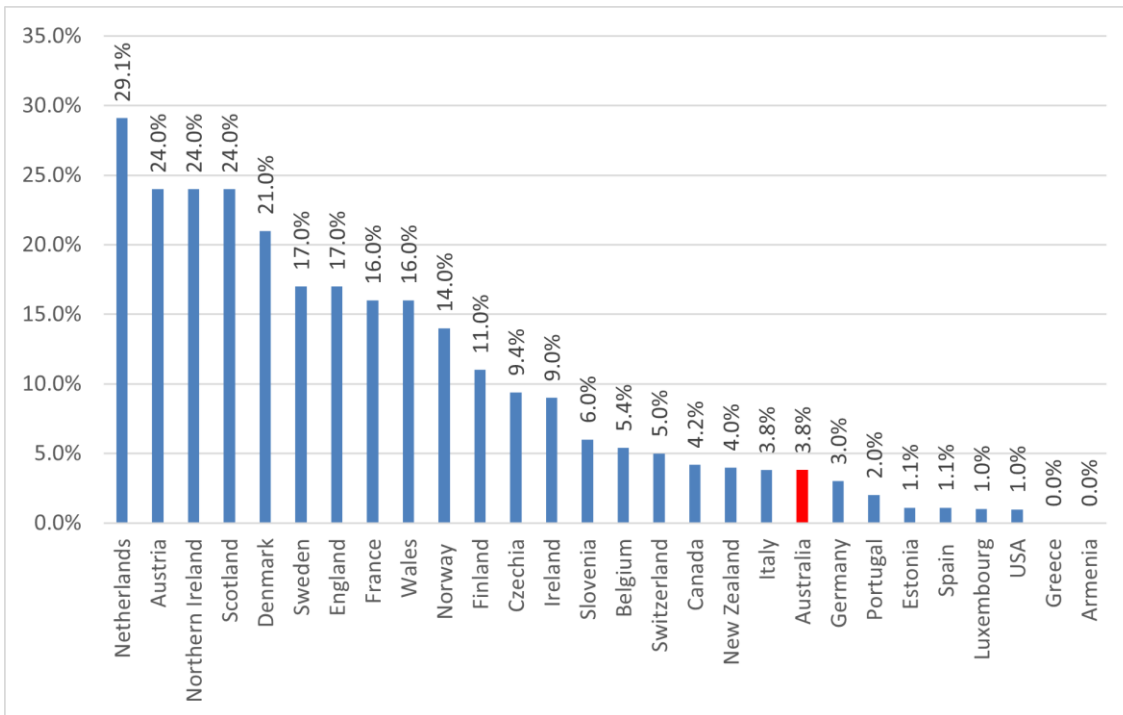
Yet, decades of under-investment from all levels of government have seen significant decline in stock of this essential infrastructure and safety net. Social housing households in New South Wales accounted for only 4.6% of all households in 2023, reflecting a long-term decline in the share of social housing relative to total household growth.⁷ While we cannot produce updated data before the next ABS census, we expect levels have continued to decline and/or failed to improve. As at 10 June 2025,

⁶ Australian Government, National Housing Supply and Affordability Council, *State of the Housing System 2025* (Final report, 17 April 2025) 11.

⁷ Audit Office of New South Wales, *Social Housing* (Report, May 2025) 12.

there were 159,082 social housing dwellings in NSW, inclusive of public housing, state owned and managed Indigenous housing, and community housing.⁸

Stock of social housing in Australia is extremely low compared to similar advanced economies, ranking 20th/28th at 3.8 % of total stock.



Ranking highest to lowest % of social housing in the European Union and three other European countries, the UK, Australia, New Zealand, Canada and United States (2016–2020) Source: AHURI.⁹

This woefully inadequate low level also represents a historical decrease; 4.9% of Australian households lived in social housing in 1981.¹⁰

The number of people on the waiting list is surging

As at 31 October 2025, there were 67,721 social housing applicant households on the NSW Social Housing Register ('The waiting list'). This represents a significant increase of 8.2% in a single year compared to 62,577 households waiting in October 2024,¹¹ and an increase of 22% compared to 2012.¹²

⁸ Australian Government, Productivity Commission, *Report on Government Services 2025* (Shelter NSW calculations based on Part G Housing and Homelessness dataset, accessed 21 November 2025)

⁹ Australian Housing and Urban Research Institute (AHURI), *What is the right level of social housing for Australia?* (AHURI Brief, 6 July 2022).

¹⁰ Ibid.

¹¹ NSW Government, Department of Communities and Justice, *Social Housing waiting list data* (Webpage data dashboard, accessed 21 November 2025).

¹² NSW Government, Department of Communities and Justice, *DCJ Annual Statistical Report 2020-2021* (Report, 20 May 2022) TableA2B1C2D0N68.



A sign reading 'We can't live in waiting lists' at a community event attended by Shelter NSW in the Hunter region, December 2025.

The inadequacy of available stock compared to levels of demand is such that expected waiting times provided by the Department of Communities and Justice (DCJ) have largely become meaningless, with expected waiting times in most allocation areas listed as 10 years + for most dwelling types.

As outlined by NSW Audit Office analysis of DCJ data, social housing availability has fallen so far behind demand that in 2023-24, only 3% of 'general' waiting list applicants were housed.¹³ The huge majority of social housing entrants now come from the 'priority' waiting list, meaning they have additional needs or urgent circumstances rather than 'simply' being unable to meet their housing needs through the private market due to their financial circumstances. Not only does this show the dramatic consequences of under-investment in social housing, but it also creates its own set of issues by concentrating people with high and complex needs in social housing, often with insufficient supports for them to successfully maintain their tenancy and build harmonious relationships with their neighbours and communities.

¹³ Audit Office of New South Wales, *NSW Social Housing Audit* (Report 410, 24 June 2025) 2.1, Figure 5.

Adding to this the likely high numbers of households who need social housing but do not bother applying because they know their chances of accessing a social housing property are close to zero, this data paints a stark picture of the level of unmet need.

People living on lower incomes are severely impacted by homelessness and housing stress

Due to lack of social housing and runaway private market rents, over half of lower income private renter households (58%) spent over 30% of their income on housing costs in 2019-2020, a 7 point increase from 2011-12.¹⁴ This is likely to have worsened since 2020 as rent prices continue to rise faster than incomes. June 2024 data indicates that 74.7% of Commonwealth Rent Assistance (CRA) recipients in NSW - a good proxy for lower income households - spent more than 30% of their income on housing costs pre-CRA. Concerningly, 44% were still in housing stress after CRA.¹⁵ It is also important to note that many households living in 'affordable housing' dwellings are also forced to pay rents that they cannot afford due to inadequate rent setting models for 'affordable housing' properties (i.e. based on a discount to market rent rather than occupants' income).

One striking statistic illustrating the plight of people who rent their home in 2025 is that 23.1% of renters are estimated to be living in poverty after housing costs.¹⁶

Based on 2021 Census data, there were 34,944 people experiencing homelessness in NSW. Concerningly, SHS report close to another 25,000 people accessing their services, for a total of 61.4k clients, meaning actual levels of homelessness are much higher than reported in the census.¹⁷ Children, young people and Aboriginal and Torres Strait Islander peoples are over-represented in people experiencing homelessness. 27.6% of people experiencing homelessness were employed, pointing to the systemic origins of homelessness rather than the debunked narrative of individual 'failure', though individual risk factors such as mental health conditions or substance use do exist, particularly amongst people experiencing chronic homelessness.

Deepening housing unaffordability is damaging labour mobility and affecting regional areas

Due to the spatial mismatch between employment centres and affordable housing, more and more essential workers, including nurses, teachers and police, face commutes so long they are affecting their health and wellbeing.¹⁸ The latest edition of National Shelter (our federal counterpart) Rental Affordability Index shows that affordability is deteriorating quickly, including in previously affordable

¹⁴ Australian Government, Productivity Commission, *Report on Government Services 2025* (Report, DATE) Based on data from ABS (unpublished) *Survey of Income and Housing, Australia, 2019-20* (and previous years).

¹⁵ Ibid.

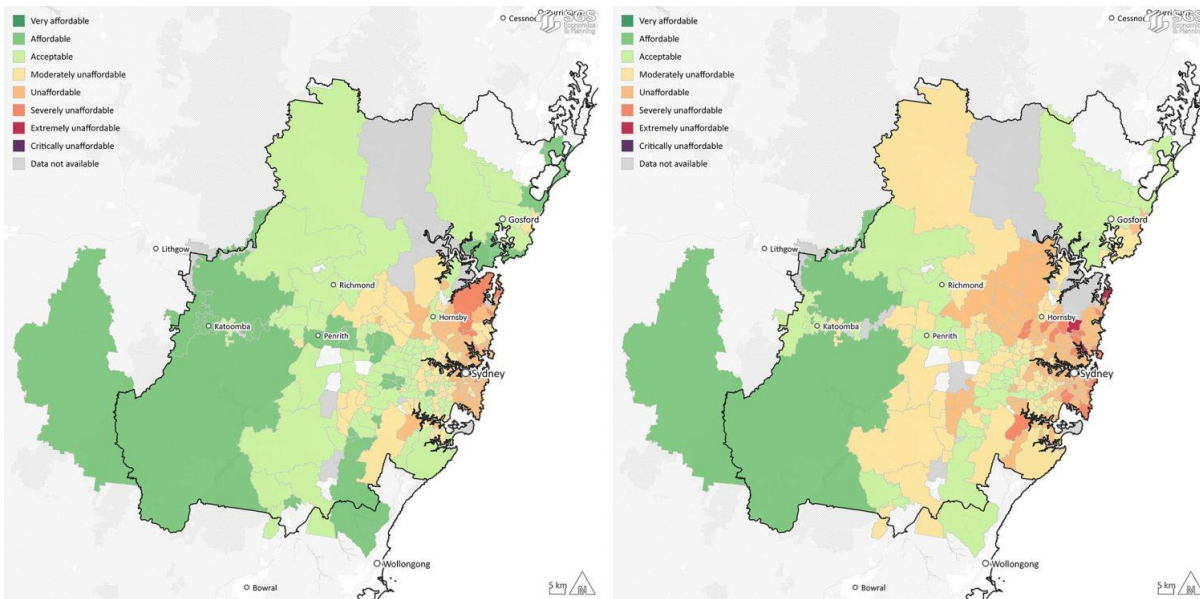
¹⁶ Ben Phillips, *A Fairer Tax and Welfare System for Australia* (Working Paper No 3/2025, POLIS: The Centre for Social Policy Research, Australian National University, 2025) 1.

¹⁷ Homelessness NSW, 'Housing and Homelessness Dashboard' (Web Page)

<https://homelessnessnsw.org.au/data/housing-and-homelessness-dashboard/> [accessed 5 December 2025]

¹⁸ Gilbert, C., Nasreen, Z., and Gurrán, 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.*

regional areas such as Orange, Bathurst, Wagga Wagga, and such, even for people who are employed.¹⁹



Affordability of rents compared to median income, Greater Sydney 2015 (left) vs Greater Sydney 2025 (right). Source: Rental Affordability Index 2025; SGS Economics & Planning, National Shelter.

This complements previous research by Shelter NSW, cited in our PBS last year, identifying Regional NSW LGAs experiencing significant housing challenges, largely due to a combination of large numbers of people experiencing housing stress and inadequate social housing stock. The LGAs most affected were Central Coast, Byron, Cessnock, Newcastle, and Coffs Harbour.²⁰ In those areas, social housing is the only meaningful option for people living on lower incomes; as the private rental market is offering little to no supply of affordable dwellings (hence capped rental assistance products can offer little practical value).

Responding to acute homelessness is more expensive and less efficient

Addressing acute housing stress and homelessness in crisis mode is both expensive and inefficient for government and the community sector. These costs are distributed across multiple portfolios, including health, justice, and education. As highlighted in Shelter NSW PBS for the 2025-26 NSW Budget:

¹⁹ National Shelter & SGS Economics & Planning, *Rental Affordability Index 2025* (Report, 25 November 2025) Interactive map accessed at <https://sgsep.com.au/projects/rental-affordability-index> on 4 December 2025.

²⁰ Shelter NSW, *New South Wales Regional Housing Need Report* (Report, February 2023) 12.

*Equity Economics*²¹ cites one study²² estimating 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 dollars²³. These savings are in the health and justice systems.²⁴

Investing in social and affordable housing avoids or reduces whole-of-government costs, especially in responding to domestic violence

Similarly,

*According to Equity Economics*²⁵, 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.

So how much more social housing do we need?

Given the lack of new data – except for the steady deterioration of housing affordability discussed above, we reproduce the assessment of need published in our PBS last year:

Research in 2018 forecast that NSW would need an additional 141,000 social housing dwellings by 2036.²⁶ Recent research, using 2021 census data,²⁷ 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 2019 dollars between 2020-21 and 2060-61).²⁸

Clear targets are missing in action

As Shelter NSW noted in its PBS last year,

²¹ Equity Economics, (202) A Wave of Disadvantage across NSW: impact of the Covid-19 recession

²² 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)

²³ Witte, E (2017) The case for investing in last resort housing, MSSl Issues Paper No.10 Melbourne Sustainable Society Institute, The University of Melbourne

²⁴ Shelter NSW, *NSW State 2025–26 Budget Submission: A Secure Home for All* (Pre-Budget Submission, 17 December 2024)

²⁵ Equity Economics 2021 [Rebuilding for Women's Economic Security — Equity Economics at p7](#)

²⁶ 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

²⁷ 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](#)

²⁸ NSW Department of Treasury (2021), *Toward 2061 – planning for the future:*

<https://www.treasury.nsw.gov.au/nsw-economy/2021-22-nsw-intergenerational-report>

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](#), but 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.

We also note the NSW Government commitment to build 8,400 new public homes as part of the Building Homes for NSW package, as well as 21,000 'affordable and market homes' - though clarity regarding the split and definition of 'affordable' is missing – and repair 30,000 public and 3,500 Aboriginal Housing Office (AHO) homes.

As of December 2025, however, Shelter NSW is unaware of any total, medium and/or long term targets committed to by NSW Government for the total increase of social housing (including increased public and community housing) or affordable housing (whether rental or for-sale) for people living on lower incomes.

In 2022, Shelter NSW welcomed the (then Opposition NSW Labor) commitment to provide (but retain) surplus government land for the purposes of growing social and affordable housing stock in NSW. A target of 30% social and affordable housing was carried through into government.²⁹ We note, however, that NSW Government is applying this target inconsistently and that we see significant numbers of projects being progressed without an adequate target of social housing dwellings (e.g. the Broadmeadows development in the Newcastle area).

Without a clear target, how can we plan to address housing stress, end homelessness, and fix NSW unfair, dysfunctional housing system?

Shelter NSW calls once again for significant and co-ordinated investment, in conjunction with the Commonwealth, from NSW Government to restore the social housing safety net to 5% of all housing stock as soon as practical and work towards 10% of all stock by 2040 at the latest.

If not now, when?

Behind those statistics are the lives of real people, struggling every day to survive, forced to live on the street, in the bush, in their vehicles, to stay in violent domestic and family violence and other abusive situations. Housing stress and homelessness impact both physical and mental health, preventing people to efficiently contribute to their community and the economy, and to pursue their aspirations.

New South Wales in 2025 is arguably one of the wealthiest societies in the history of humankind. While it is not of its own making, the current response of NSW Government to this moral failure is simply not good enough. Our unfair and cruel housing system is not only a breach of human rights. It is already having severe impacts on productivity, transport and congestion, the ability of lower income households to undertake education and participate in community and the economy – in other words that we do not condone, it is a 'waste of human capital'. If not taken seriously and addressed urgently, disparities in access to housing will undermine intergenerational equity so severely that it might start threatening social cohesion.

²⁹ NSW Government, 'New planning rules mean more affordable housing' (Web Page, 15 June 2023) <https://www.planning.nsw.gov.au/news/new-planning-rules-mean-more-affordable-housing> [accessed 5 December 2025].

Shelter NSW has urged the NSW Government to take decisive action on the housing crisis by investing at scale in new social housing for well over two decades. We are left without words beyond the above to once again ask NSW Government to invest in social housing at the level warranted by the severity of the housing crisis experienced by people living on lower incomes.

Not only it is the right thing to do, but it will deliver significant positive outcomes in addition to avoided costs in the community and social services sector and the health and criminal justice systems.

Investing in social housing until a 'housing safety net' of at least 10% of total stock is created will:

- Have a 'brake effect' on private rental market rents at the lower price points
- Set benchmarks and demonstrate best practice to private sector landlords, creating market signals for them to 'lift their game'³⁰
- Lead and contribute to urban renewal, increase supply of high-quality housing, and the creation of inclusive and productive communities
- Create local jobs in construction and act as a stabiliser and counter-cyclical macroeconomic investment

The 2026-27 NSW State Budget is once again an opportunity for real action that will take political courage. It's time for significant departure from failed policies that have over-relied on market supply, demand side subsidies, and tweaks to the planning system. A commitment to long term, at-scale investment in social housing is one of the policies to make the Minns Government remembered as the government who had the courage to leave behind failed policies and truly fix the housing system and its cruel, unjust impacts on people living on lower incomes.

Now that this is established, let's get on with the detail.

How much?

Shelter NSW proposal for a major social housing stock expansion program (build, buy or restore) to create a social housing safety net of 5% of total housing stock in the short to medium term and at least 10% by 2040 is estimated to require \$2bn of investment p.a. to deliver at least 5,000 additional social housing dwellings each year.

The annual investment is to be applied as direct investment in public housing build, purchase or renewal of existing properties; capital grants and subsidies including discounted (leased) public land.

We propose to finance this investment through a combination of increased revenue (including (a) a broad transition from transfer duty to land tax and a review of land tax exemptions and (b) a specific levy on non-hosted Short Term Rental Accommodation (STRA) – as well as Commonwealth contributions from housing taxation reforms – and general increase revenue from higher productivity, re-allocation of revenue (by flagging a percentage of transfer duty and land tax revenue for investment

³⁰ We note that Homes NSW is committed to this objective as part of its 2025-2035 strategy: 'Increasing social housing will also improve long-term market outcomes. Social housing plays an important role in stabilising market dynamics and brings potential to put positive pressure on market housing to do better by introducing real competition for higher standards at the lower end of the market.' See Homes NSW, *Homes for NSW Strategy 2025-2035* (Strategy, 22 October 2025) 16.

in social housing), and borrowing, to be compensated over the long term by (a) increased public housing revenue (rents) and (b) expected avoided costs in the health and criminal justice systems.

How?

Homes NSW, the agency responsible for the delivery and management of quality social and affordable housing as part of the Department of Communities and Justice, is the most appropriate lead agency.

We propose that most of the \$2bn p.a. is expended as capital expenditure. Some operational expenditure will be required, though we expect that Homes NSW will be able to absorb some OPEX through integration of new social housing delivery in existing delivery processes and reduced expenses from economies of scale.

When?

We propose for additional investment in new social housing to start immediately, using Homes NSW existing procurement and delivery processes. Additional investment should enable for immediate purchase of existing properties, to incrementally decrease compared to building of new properties as the social housing supply pipeline increases. There are also opportunities for NSW Government to maximise use of funding and find synergies with federal programs such as the Housing Australia Future Fund (HAFF) Round 3.

We reiterate Shelter NSW assertions from our 2025-26 PBS that there are significant opportunities for NSW Government to start delivering new social housing very quickly through

'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.³¹ We commend the NSW Government for its \$22 million off-the-plan purchase of a building in Campbelltown. This will become home to 94 people off the social housing waiting list.³² The Queensland Government has also recently made several acquisitions including hotels, motels and retirement villages to be quickly converted into social housing.³³

³¹ 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](#). See also Bridge Housing Media Release (10 March 2023) accessed from [Inner City Affordable Housing - Bridge Housing](#) (11 August 2023)

³² NSW Government, Minister for Housing (1 March 2024) accessed from [Ministerial Media Releases 6 3 24](#)

³³ Queensland Government Ministerial Statement (January 2024): [accessed from QLD Government](#) 1/3/24

Key Investment 2: Upgrade and retrofit existing social housing

Portfolios: Communities and Justice; Climate Change, Energy, and the Environment

Policy areas: Energy, Housing and Construction, Health and Wellbeing

Wellbeing themes & NSW Outcomes

- **Housed: Quality housing solutions are sufficient and affordable. Places are well designed and sustainable. Vulnerable people have access to suitable housing.**
- **Healthy**
- **Sustainable: A secure and sustainable transition to a circular economy and Net Zero. Communities and businesses reduce emissions and adapt to the impacts of climate change.**
- **Prosperous: A vibrant and diverse economy that supports improving living standards.**
- **Secure: Communities are safe. Children and families are safe and supported. Communities are prepared for and resilient to disasters and emergencies.**

Why?

Improving the energy efficiency and thermal performance of social housing properties is a win-win-win for households, businesses, and the environment. It will deliver health, economic, and environmental benefits by improving household health, creating local jobs, and reducing cost of living by lowering energy costs.

Upgrading and retrofitting existing social housing is the right place to start in the broader journey of making NSW housing stock 'zero-carbon ready' and adapted to a more extreme climate.

This is because:

- The property portfolios of NSW Government and CHPs are amongst the biggest single ownership portfolios in the state, allowing for market signalling, pilot projects, and economies of scale through well designed, delivered and streamlined upgrade programs.
- Social housing tenants are some of the most in need; they are often ageing, live with health conditions that are impacted by thermal comfort, and/or have other needs supported by a healthy, efficient, sustainable home.
- Social housing tenants are some of the least capable to address the poor thermal performance and energy efficiency of their home; because they have limited financial capacity to incur higher energy expenses to compensate, cannot move (by definition, they are unlikely to be able to afford adequate housing in the private market), and cannot legally and/or financially make major modifications to their home. Though Shelter NSW also notes that many people who rent their home privately are in a similar predicament.

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. (HH4R)

While this is out of scope for a PBS, we note that Shelter NSW has been advocating for the implementation of minimum energy efficiency standards for rental properties for many years, including through HH4R. We have developed a '[Community Sector Blueprint](#)' with over 100 community sector organisations outlining the principles and operating mechanisms that we would like to see underpinning the standards.³⁴

An energy efficiency upgrade program for social housing properties would allow Homes NSW and CHPs to bring a significant number of properties up to standard ahead of the introduction of minimum standards, create market signalling, local jobs, and build the capacity of sole traders and industry.

Targeting lower-income households also has the greatest economic benefit. National analysis conducted by Deloitte Economics found that investments in energy performance upgrades for 1.8m low-income households had potential to deliver \$4.9bn in GDP, a figure 17% greater than programs targeted at a broader household income base.³⁵

Accessibility

Significant numbers of social housing tenants live with disability (38% for public housing and 30% for community housing). Considering many of the tenants who do not live with disability are ageing (57% of public housing tenants are over 55 years old), many more tenants are likely to have a mobility need.

³⁴ Healthy Homes for Renters, *Final Community Sector Blueprint: Mandatory Minimum Rental Standards* (Report, July 2023) <https://static1.squarespace.com/static/602f0d14c4c0a77efc25e152/t/64b095418e792e5f538088fb/1689294161675/Final+Community+Sector+Blueprint+-+Mandatory+Minimum+Rental+Standards+++%28July+2023%29.pdf> [accessed 5 December 2025].

³⁵ ACOSS, *Funding and Financing Low-Income Retrofits* (Report, January 2024) <https://www.acoss.org.au/wp-content/uploads/2024/02/ACOSS-Report-Funding-and-Financing-Low-income-retrofits-January-2024-.pdf> [accessed 5 December 2025].

Shelter NSW notes that NSW has yet to implement the 2022 National Construction Code updates requiring for new builds to meet the Silver Level of the Liveable Housing Guidelines (LHD). We support this important update of building regulations and will continue to advocate for its implementation.

We also note that Homes NSW, through the Land and Housing Corporation, has a commitment for all new social housing to meet LHD Silver. This level, however, only allows for some level of accessibility (sometimes deemed 'visitability') and retrofitting. Because it only applies to new builds, it also means that significant proportions of Homes NSW social housing portfolio are not appropriate to the needs of people ageing and/or with disability, impacting their health and wellbeing, and for some, endangering their ability to 'age in place'.

Shelter NSW proposes that the social housing upgrade program include a comprehensive accessibility audit followed by investment in a comprehensive retrofitting of properties so that a significant proportion of stock meets LHD Gold or Platinum and/or can cater to people with disability or other mobility needs.

How much?

\$350 million to continue and expand the Social Housing Energy Performance Initiative (SHEPI) to support energy efficiency upgrades, as in the prior iteration of the program, including 'solar systems, reverse-cycle air conditioners, heat pump hot water systems, LED lighting, ceiling fans, window shading, insulation and draught proofing.'

This investment should allow to upgrade approximately 48,000 properties or to undertake more comprehensive upgrades on a smaller number of properties.

This will allow NSW Government to bring a total of 50% of NSW social housing stock to a good level of energy efficiency and thermal performance, given that the previous iteration of SHEPI allowed upgrades to 24,000 properties. The other half of the stock requires consideration of the best approach to upgrade stock, as it might be more cost effective to knock down and rebuild some of the stock, and other stock is already performing well (i.e. stock built recently).

\$250 million for accessibility upgrades of a significant proportion of suitable social housing stock, based on a comprehensive accessibility audit of social housing properties.

How and when?

Compared to Shelter NSW key ask #1 for new social housing supply, delivery of the upgrade and retrofitting program is more complex, because it requires working with and responding to the needs of existing tenants, prospective tenants, and CHPs. For public housing, it also interacts with the planned and responsive maintenance work of Homes NSW.

We envision that this investment be delivered over three years, with the precise timeline to be determined by Homes NSW in collaboration with tenant representatives and relevant peak bodies and community organisations.

We note that there might be opportunities for co-funding of this program with the Commonwealth, and coordination with existing funding streams such as the \$1bn Household Energy Upgrades Fund (HEUF) managed by the Clean Energy Finance Corporation.

Key Investment 3: Prevent and Address Homelessness

Portfolio: Communities and Justice

Policy areas: Housing and Construction, Community Services, Health and Wellbeing

Wellbeing themes & NSW Outcomes

- **Housed: Vulnerable people have access to suitable housing.**
- **Healthy: People are supported to make the best decisions for their health.**
- **Prosperous: A vibrant and diverse economy that supports improving living standards.**
- **Secure: Communities are safe. Children and families are safe and supported.**

Why?

In the face of increasing housing stress, tight rental vacancy rates and a broader cost-of-living crisis, finding suitable and affordable housing, particularly for those on lower incomes, is becoming a greater challenge. Since 2020, the number of people sleeping rough in NSW has increased by 50%, while median rents in Metropolitan Sydney increased by 45% from 2020 – 2024.³⁶

Increasing demand for homelessness support statewide

Increasing housing costs are one of two main factors contributing to increasing poverty in Australia, according to the *Poverty in Australia 2025 Overview*.³⁷ As affordability deteriorates around the state, attributable to a tight rental market and rents outpacing wage growth, as well as general cost-of-living expenses impacted by inflation, more people are seeking the support of Specialist Homelessness Services (SHS). This is true of Greater Sydney as well as regional NSW.

³⁶ Homelessness NSW, *Rough Realities* (Report, August 2025) <https://homelessnessnsw.org.au/wp-content/uploads/2025/08/Homelessness-NSW-Report-Rough-Realities.pdf>.

³⁷ Peter Davidson and Bruce Bradbury, *Poverty in Australia 2025: Overview* (Report, Australian Council of Social Service and UNSW Sydney, 2025) <http://povertyandinequality.acoss.org.au>.

According to data from Homelessness NSW, the Inner West LGA has faced the highest growth in SHS clients in recent years, increasing by 16.3% in the 2023/24 reporting period.³⁸ In the five years to June 2025, unit rents have increased by almost 30%, house rents have increased by 24% and the rental vacancy rate is purported to now sit at almost 1%.³⁹

The 2025 Rental Affordability Index demonstrates this decline in affordability, marking the historically working-class suburbs of the Inner West as either moderately unaffordable or unaffordable for the average rental household, with affordability deteriorating further for people on social security payments, minimum wage workers and single parents.⁴⁰

However, this is not an anomaly but is a trend that is representative of a state facing a housing crisis with a significantly limited safety net in the form of welfare and public housing. In the Shellharbour LGA, house and unit rents have increased by 31% while SHS client numbers have increased by 8.6% across the Illawarra.⁴¹ The Rental Affordability Index finds that the region is unaffordable to severely unaffordable for the average renting household. Meanwhile, the expected waiting time for social housing is 5 – 10 years.⁴²

This rising problem of affordability is placing the SHS system in further stress, as more clients try to access services already operating beyond capacity.

Increasing pressures on people already at risk of homelessness

People on lower incomes are typically renters and are at greater risk of entering poverty due to increases in rental prices. ACOSS and UNSW note that the recent spike in rents has placed additional stress on people on lower incomes, with now 57% of households in the lowest quintile of income earners experiencing rental stress.⁴³ As the median advertised rent for units in Sydney has increased by 40% from June 2021 to 2023, and the regions have become increasingly unaffordable, there is little reprieve for people on lower incomes who are priced out of their existing homes. As such, the proportion of working people who are accessing SHS has increased from 13% in 2018-19 to 17% in 2023-24. A third of these SHS clients are employed on a full-time basis.⁴⁴

³⁸ Homelessness NSW, *NSW Budget Discussion Paper 2025-26* (Discussion Paper, 18 March 2025)

<https://homelessnessnsw.org.au/wp-content/uploads/2025/03/20250318-AIHW-Budget-Discussion-Paper.pdf>.

³⁹ .id (Informed Decisions), *Housing Market — Inner West* (Web Page) <https://housing.id.com.au/inner-west/housing-market/>.

⁴⁰ SGS Economics and Planning, *Rental Affordability Index* (Interactive Tool) <https://sgsep.com.au/projects/rental-affordability-index>; SGS Economics and Planning, National Shelter and Housing All Australians, *Rental Affordability Index 2025* (Report, November 2025) [Rental Affordability Index | SGS Economics & Planning](https://sgsep.com.au/projects/rental-affordability-index)

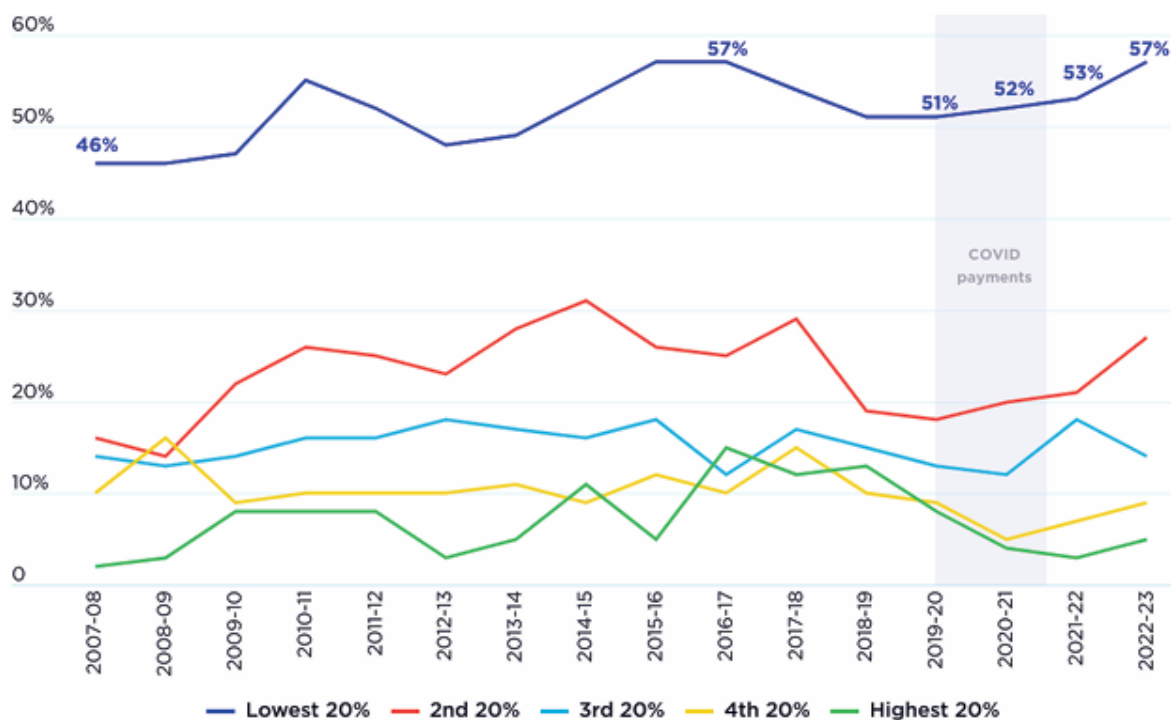
⁴¹ .id (Informed Decisions), *Housing Market — Shellharbour* (Web Page)

<https://housing.id.com.au/shellharbour/housing-market/#how-do-rental-costs-compare>; Homelessness NSW, *NSW Budget Discussion Paper 2025-26* (Discussion Paper, 18 March 2025) <https://homelessnessnsw.org.au/wp-content/uploads/2025/03/20250318-AIHW-Budget-Discussion-Paper.pdf>.

⁴² SGS Economics and Planning, *Rental Affordability Index* (Interactive Tool) <https://sgsep.com.au/projects/rental-affordability-index>; SGS Economics and Planning, National Shelter and Housing All Australians, *Rental Affordability Index 2025* (Report, November 2025) [Rental Affordability Index | SGS Economics & Planning](https://sgsep.com.au/projects/rental-affordability-index); New South Wales Department of Communities and Justice (DCJ Statistics), *FACS Social Housing Expected Waiting Times* (Dashboard) https://public.tableau.com/app/profile/dcj.statistics/viz/FACSSocialHousingExpectedWaitingTimes_17032189873020/EWT.

⁴³ Davidson and Bradbury, *Poverty in Australia 2025*, 23.

⁴⁴ Homelessness NSW, *NSW Budget Discussion Paper 2025-26*



Proportion of households in housing stress according to income quintile. Source: Poverty in Australia 2025 Overview, ACOSS & UNSW.

Family and Domestic Violence (DFV) continues to be a significant driver of homelessness and people seeking SHS support. Over 40% of SHS clients have experienced DFV, and women and children who have experienced DFV are more likely to be affected by persistent homelessness.⁴⁵ It is estimated that the total economic cost of DFV between 2020-25 is \$24.6bn.⁴⁶

To prevent homelessness, it is crucial that relevant specialised homelessness support services, early intervention programs as well as targeted domestic and family violence programs are adequately resourced. At present, however, both specialist homelessness services and domestic and family violence support services are under-resourced, operating at or beyond capacity, and require significant baseline funding increases to keep up with current demand.⁴⁷

Increasingly, children and young people are at risk of homelessness. According to the most recent data from the Australian Institute of Health and Welfare (AIHW), children under the age of 18 now make up 27% of people seeking support from SHS.⁴⁸ In NSW, approximately 27.4% of all SHS clients that are children present for support unaccompanied, with the most common reasons for seeking support being relationship/family breakdown (20.2%), family and domestic violence (12.9%) and housing crisis

⁴⁵ Australian Institute of Health and Welfare, *Specialist homelessness services annual report 2024-25: Clients, services and outcomes* (Report, December 2025) <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/clients-services-and-outcomes>; Australian Institute of Health and Welfare, *Specialist homelessness services annual report 2023-24: Clients, services and outcomes* (Report, March 2025), 15-23.

⁴⁶ Department of Communities and Justice, *Building Better Responses: NSW Strategy to respond to the use of Domestic and Family Violence 2026-2030* (Strategy Document, December 2025), 10.

⁴⁷ Domestic Violence NSW, *Fund a Safer Today: 2026-27 Pre-Budget Submission* (Submission) https://www.dvnsw.org.au/wp-content/uploads/2025/11/2026-27-NSW-Pre-Budget-Submission_DVNSW.pdf; Homelessness NSW, *NSW Budget Discussion Paper 2025-26* (Discussion Paper, 18 March 2025) <https://homelessnessnsw.org.au/wp-content/uploads/2025/03/20250318-AIHW-Budget-Discussion-Paper.pdf>.

⁴⁸ Australian Institute of Health and Welfare, *Specialist homelessness services annual report 2024-25*.

(12.9%). Young adults, aged 15-24, face similar levels of disadvantage, consisting of 19% of SHS clients, seeking support primary due to housing crisis and family and domestic violence.⁴⁹

Worryingly, the data shows that this is a cohort where homelessness is far more persistent, with 3 in 4 unaccompanied children who presented as homeless when first engaging with SHS support remaining homeless when support ended.⁵⁰ To address this growing cohort of SHS clients, effective interventions must be made to ensure that children and young people do not enter chronic homelessness and programs that can effectively address the needs of children and young people need to be resourced accordingly.

Shelter NSW proposes an investment in both increase baseline funding for SHS and capital and operational investment in fit for purpose Youth Foyers.

The state of SHS and broader economic impacts

As larger cohorts of people find themselves at risk of or experiencing homelessness and poverty, it is largely unsurprising that the AIHW SHS report 2024-25 documents a system under severe stress. During the reporting period, unassisted requests increased by 18%, with 1 in 3 people seeking short-term or emergency accommodation unable to have their needs met.⁵¹ This has been exacerbated by the noted affordability pressures, with 9.1% of SHS clients citing affordability stress as their main reason for accessing SHS, an approximate 100% increase over ten years. These clients are also more likely to present as homeless when accessing support.⁵²

This reflects a sector that is not resourced to address demand. For more than a decade, SHS providers have been assisting more clients than their funding allows with some services operating at crisis levels.⁵³ This recent increase in demand is adding additional pressure, reflected in clients not having their needs met as well as increased numbers of people sleeping rough. Year after year, the NSW Government's Street Count identifies more people sleeping rough, with the 2025 count noting an 8% increase compared to 2024.⁵⁴

A system that is not able to effectively prevent homelessness or respond to it in a way to ensure that it is brief and non-recurring incurs a significant cost to the New South Wales economy. In considering the

⁴⁹ Australian Institute of Health and Welfare, *Specialist Homelessness Services: feature analysis: Specialist homelessness services and income support among young people* (Web article, March 2024), <https://www.aihw.gov.au/reports/homelessness-services/shs-income-support-among-young-people>.

⁵⁰ Australian Institute of Health and Welfare, *Specialist Homelessness Services: feature analysis: Unaccompanied children receiving specialist homelessness services* (Web article, August 2025)

⁵¹ Australian Institute of Health and Welfare, *Specialist homelessness services annual report 2024-25: Unassisted requests for services* (Report, December 2025), <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/unassisted-requests-for-services>; Australian Institute of Health and Welfare, *Specialist homelessness services annual report 2024-25: Services provided and unmet need* (Report, December 2025), <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/services-provided-and-unmet-need>.

⁵² Australian Institute of Health and Welfare, *Specialist homelessness services annual report 2024-25: Feature topic: Clients experiencing housing affordability stress* (Report, December 2025), <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/feature-topic-clients-working-receiving-shs>.

⁵³ Homelessness NSW, *NSW Budget Discussion Paper 2025-26*.

⁵⁴ Homes NSW, *2025 NSW Statewide Street Count* (Technical Paper)

<https://www.nsw.gov.au/sites/default/files/noindex/2025-04/2025-nsw-street-count-technical-paper.pdf>

current under-investment in social and affordable housing alone, the current economic cost is believed to be greater than \$256.4m p.a., set to increase to \$445.3m p.a. by 2036.⁵⁵

Similarly, Homes NSW has calculated that the median cost-to-government of a person presenting to an SHS provider is 11 times greater than the median costs for the broader NSW population. Of the cost-to-government incurred, only 9.2% is attributable to housing, with the welfare, justice and health systems accounting for a large share of the costs.⁵⁶ According to another DCJ report, successful interventions in homelessness can potentially save \$70,000 in court appearances, \$55,000 in Legal Aid, and \$58,000 in Walk-in mental health services, per person.⁵⁷

The 2025-26 NSW Budget needs to address homelessness through both broad and targeted measures, to increase the capacity of the sector and to address the needs of the specific client cohorts that require tailored supports to break through the cycle of homelessness.

As we affirmed in our previous pre-budget submission:

Intervention does make a difference. According to Equity Economics research 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. 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.⁵⁸

Targeted interventions must become a budget priority to address immediate needs as well as to ensure public funds are spent efficiently and proactively to avoid larger costs in the future.

How much?

Shelter NSW supports the ask from the state's homelessness peak body, Homelessness NSW, for an **additional \$160 million for SHS, representing a 50% increase in baseline funding**. This additional funding is required so that services can address resourcing gaps and continue to assist people at risk of or experiencing homelessness in the face of rapidly increasing need. To adequately address youth homelessness the NSW Government must also invest in targeted services that can provide the appropriate support required to ensure that homelessness for young people in NSW is brief and non-recurring. Shelter NSW calls on the state government to **invest \$180 million in 10 Youth Foyers across the state** as part of its youth homelessness response. Nationally, Youth Foyers provide transitional accommodation and targeted support to young people aged 16 –24 with no stable housing. This program has been successful in addressing youth homelessness across Australia, with

⁵⁵ Christian A Nygaard, *Cost of Inaction: Social and Economic Losses Due to the Social and Affordable Housing Shortage* (Report, Centre for Urban Transitions, Swinburne University of Technology, 31 March 2022) <https://www.communityhousing.com.au/wp-content/uploads/2022/04/CHIA-Everyones-Home-Wider-Benefits-Analysis-31.3.2022.pdf?x17686>.

⁵⁶ NSW Department of Communities and Justice and Taylor Fry, *Pathways to Homelessness: Final Report, December 2021* (Report, December 2021) <https://www.nsw.gov.au/sites/default/files/noindex/2025-01/pathways-to-homelessness-final-report-december-2021.pdf>, 67-68.

⁵⁷ DCJ and Taylor Fry, *Pathways to Homelessness: Final Report*, xxiii.

⁵⁸ Shelter NSW, *Shelter NSW 2025-26 Pre-Budget Submission* (Submission, 17 December 2024) <https://sheltersnsw.org.au/wp-content/uploads/2024/12/17124-Shelter-NSW-2025-26-Pre-Budget-Submission.pdf>, 8.

80% of participants exiting into stable accommodation and 65% gaining employment.⁵⁹ According to analysis by Accenture, this program is estimated to save the state government \$89,000 per participant in avoided housing, health and justice costs.⁶⁰

The *NSW Homelessness Strategy 2025 – 2035* lists 'Housing First' as a guiding principle for the state government's approach to homelessness; that is, providing stable accommodation to people sleeping rough first, and without conditions, while providing them with other support services to address the other issues that might be present in their lives. In continuing to support an effective and proven approach in NSW, the government should **commit an additional \$70 million in funding for the Together Home Program**. While the program is awaiting final evaluation, existing AHURI reports recommend the continuation of the program under a business-as-usual model, with funding allocated for capital expenditure to acquire dwellings to support the program, to be complemented by funding from the Community Housing Innovation Fund.⁶¹ This capital expenditure will increase the state's social housing stock as program participants exit the program into long-term stable accommodation.

How and when?

Given the severity of the situation and the scale of need, the NSW Government should increase baseline funding for specialist homelessness services by 50% as a matter of urgency distributed via the Department of Communities and Justice. This will allow the sector to address capacity shortfalls and begin to adjust to the increased demand of recent years.

In line with requests from the Foyer Foundation, Shelter NSW asks that the NSW Government commits to supporting ten additional Youth Foyers over 10 years. The direct cost of this investment is estimated at \$180 million. However, with projects qualifying for National Housing Infrastructure Facility Crisis and Transitional funding, an initial outlay of \$4 million p.a. for operational support will assist in the acquisition of federal funding for the initial two projects.⁶²

Shelter NSW ask for further *Together Home* funding is equivalent to the second tranche of funding allocated in 2021 that provided 250 packages as well funding for a 100 new homes, adjusted approximately for inflation.⁶³ This will allow the program to re-commence in earnest, awaiting the outcomes of the final evaluation of the program and the implementation of the resulting recommendations. As has been practice previously, Shelter NSW encourages the state government to augment this funding with the Community Housing Innovation Fund to assist community housing providers in acquiring new housing stock to meet the needs of the program.

⁵⁹ The Foyer Foundation, *Under One Roof: The Social and Economic Impact of Youth Foyers* (Report, April 2023) https://www.foyer.org.au/wp-content/uploads/2023/04/FoyerFoundation_UnderOneRoof_FULLReport2023.pdf.

⁶⁰ The Foyer Foundation, *Under One Roof: The Social and Economic Impact of Youth Foyers*.

⁶¹ Nicola Brackertz et al, *Together Home Program: Interim Implementation Report* (Report, AHURI Professional Services and UNSW for NSW Department of Communities and Justice, Australian Housing and Urban Research Institute Limited, 15 August 2023) <https://www.ahuri.edu.au/sites/default/files/documents/05228-AHURI-Prof-Services-Together-Home-Program-Interim-Implementation-Report.pdf>; Nicola Brackertz, *Together Home Program Evaluation: System Impacts Paper* (Report, AHURI Professional Services for NSW Department of Communities and Justice, Australian Housing and Urban Research Institute Limited, February 2024) <https://www.nsw.gov.au/sites/default/files/noindex/2024-12/together-home-program-evaluation-system-impacts-paper.pdf>.

⁶² Foyer Invest, *Youth Foyers: Unlocking the potential of 3,000 young people in NSW* (Submission, Foyer Foundation For Foyer Invest, November 2025).

⁶³ Brackertz et al, *Together Home Program: Interim Implementation Report*, 40.

Key investment 4

Monitor and enforce regulation of the private rental sector

Portfolio: Customer service

Policy area: Legal and Justice

Wellbeing themes & NSW Outcomes

- **Housed**
- **Secure: People have access to justice and protection under the law.**
- **Community: Government is coordinated, transparent and trusted.**

Why?

Shelter NSW has long advocated for a simple proposition; providing housing security to all people, regardless of their ownership status. If renting your home was secure and flexible, people living in Australia would be less preoccupied with owning.

We have been strong supporters of the tenancy legislation reform passed by the NSW Government, and of the work undertaken by the NSW Rental Commissioner and Fair Trading to ensure clear and transparent implementation of the new 'eviction transparency' regime.

But rights at law require pro-active enforcement to ensure that there are more than words on paper. This is particularly true in contexts where there is a significant power imbalance between contractual parties, as is the case between landlords and people who rent their home. Many people are renting, and renting for longer. 2021 Census data show a substantial rise in renting households across NSW, with 2,363,324 residents living in rented homes—nearly one in three households (32.6%). This group is growing significantly faster than the overall population. Between 2006 and 2021, the number of renters increased by more than 40%, compared with a general population growth of about 23%. Of all renters in NSW, 1,066,750 earn below 80% of the state's median income. Many renters are young (there are over 600,000 people under 20 living in rented homes) and the number of older renters is increasing rapidly (+82% of renters over 60 since 2006); another indicator of vulnerability. Vulnerability to power imbalance is even more true for the people represented by Shelter NSW; people who live on low incomes or who face other barriers to access to justice (e.g. people with limited English or literacy, people who live with psycho-social disability).

Currently, compliance and enforcement activity from the Department of Customer Service through Fair Trading is limited by lack of available funding. Further, ensuring compliance of landlords with the recent reforms of the *Residential Tenancies Act 2010* (i.e. the need to provide a valid reason to evict a tenant) requires additional monitoring and enforcement resources.

Increased investment in tenants' advice and advocacy services, including services for cohorts with specific needs, would also recognise that levels of funding have not kept pace with growing demand as more and more people rent their home, and rent for longer. Even with the funding 'boost' announced in 2024 for the Tenants Advice and Advocacy Service (TAAS), services are funded to provide the same level of service as they were in 2008.⁶⁴

Some older people need a specialised support service

Some older people face a heightened risk of homelessness due to vulnerability and require specialised support to secure and maintain stable housing. According to the Ageing on the Edge NSW Forum, many people aged over 55 who are experiencing housing insecurity are either unaware of, or unable to access the services that could help them remain in the private rental market and avoid traumatising experiences of homelessness.⁶⁵

Based on Shelter NSW's experience with frontline services, women tend to avoid sleeping rough due to safety risks, meaning their homelessness tends to be more 'hidden'; i.e. couch surfing, living in cars, or staying in unsafe, insecure, or otherwise unsuitable accommodation. Despite this growing cohort of older renters facing actual or impending homelessness, NSW currently has no dedicated services tailored to their needs.

Homelessness prevention saves lives and money

A core element of the Tenants Advice and Advocacy Services' (TAAS) work is preventing homelessness by intervening early to stop evictions; both by ensuring tenancy laws are applied fairly and by negotiating alternatives to forced moves. Compared to crisis intervention (where people have ended up homeless), this avoids significant cost to not for profit and government services. It also saves money to tenants.

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, which lines up with our own research. This was a cost of \$5000 per forced move in 2019.⁶⁶

In 2021 and 2022, TAAS services prevented eviction in 5,845 cases.⁶⁷ Investing in TAAS is a 'no-brainer' that prevents significant hardship to people at risk of homelessness and saves money overall for government services and the economy.

Peak body funding

Peak body funding has not increased in real terms and/or per capita in over 10 years, whereas the complexity of the policy and regulatory landscape has increased (e.g. multiplication of planning

⁶⁴ Tenants Union of NSW, 'NSW Government announces \$4 million over 4 years extra funding for improved access to advice and advocacy for tenants' (Media release, 29 October 2024)

⁶⁵ NSW Ageing on the Edge Coalition, 'Submission No 28 to the Legislative Council Standing Committee on Social Issues, Inquiry into Homelessness amongst older people aged over 55 in New South Wales' (Submission, 27 May 2022).

⁶⁶ NSW Productivity Commission, Kickstarting the Productivity Conversation (Report, October 2019) 45.

⁶⁷ Tenants' Union of NSW, *Tenants' Advice and Advocacy Program: Funding Request* (December 2024) 4.

pathways for housing delivery, increased law reform and regulatory activity, complex monitoring, etc.). At constant levels of funding and increased complexity, our capacity to provide policy analysis, development and advice to government is decreasing as research and analysis becomes more complex and time consuming. Specialist peak bodies such as Shelter NSW provide high quality policy advice and contribute to policy development for NSW Government extensively, arguably at much higher value for money levels than consultants. Investing in peak bodies has great returns for government, leading to better policy outcomes and more support from sectors, communities and individuals affected.

How much?

Direct funding to establish or sustain services, in recognition of the size of the growing renting population; and the overrepresentation of low-income people and people with barriers to access to justice amongst renters, for a total of \$25.7m. Specifically, we ask for NSW Government investment for:

- A \$10m increase in funding to the Department of Customer Service for monitoring and enforcement of the private rental sector, including to investigate (a) a landlord licensing scheme (b) linking the STRA registry to Service NSW accounts, and (c) additional monitoring of the impacts of STRA
- A 50% increase in funding (approx. \$4.2m) specifically to the Fair Trading NSW Rental Taskforce reporting to the NSW Rental Commissioner, for a total budget of \$12.6m p.a.
- \$1.8 million p.a. and \$290,000 capital investment for set up and delivery of an early intervention and crisis response specialist older person's housing information and support service (similar to the Victorian Home at Last model)⁶⁸
- Provide an additional \$9.16 million p.a. to the Tenancy Advice & Advocacy Program (general and specialist Aboriginal) for a total of \$26m p.a.⁶⁹
- Additional funding for housing peak bodies, including a funding increase of 25% for Shelter NSW (i.e. \$250k), in recognition of the increasing complexity of the policy and regulatory landscape and the absence of funding increases in real terms.

Thank you

Thank you for the opportunity to contribute to the budget process for the NSW State budget 2026/2027. Please contact Thomas Chailloux, Senior Policy Officer, Shelter NSW, on thomas@sheltersnw.org.au or 0490 030 809 should you like to discuss this submission further.

⁶⁸ As set out in [Shelter NSW Pre Budget submission 2025-26](#), including a detailed business case.

⁶⁹ See detailed need-based calculations in Tenants Union of NSW, *Tenants Advice and Advocacy Program Funding* (Pre Budget submission, December 2024) < <https://files.tenants.org.au/about/2024-12-TAAPFundingRequest.pdf>>