



Social
Futures



Submission to
A Housing Strategy for NSW -
Discussion Paper

July 2020

About Social Futures

Social Futures is a regionally based not-for-profit operating for more than 40 years. Our service footprint reaches across more than 50 per cent of NSW and we are experts in tailoring programs to fit our diverse local communities.

We create positive social change in regional Australia, working directly with individuals, families, communities, organisations and governments across our focus areas of homelessness and housing, youth and family, community inclusivity and programs that promote genuine participation for people with disability.

We are a regional leader and work alongside our partner organisations to strengthen and build capacity within the community services sector by providing training, development and advocacy.

In 2018-19 Social Futures supported over 20,000 participants through our programs and services.

Social Futures is a leading provider of housing support services in Northern NSW. We deliver specialist homelessness services across the Northern District of NSW including Tweed, Byron, Ballina, Lismore, Kyogle, Richmond and Clarence Local Government Areas.

Our Connecting Home program works with people who are homeless, or at risk of homelessness, to achieve long-term housing goals.

Connecting Home Youth and Northern Youth Project also assists young people (16-24 years old) by intervening early to prevent homelessness or assist people who are already experiencing homelessness to break the cycle of homelessness.

Social Futures delivers a number of early intervention and prevention programs designed to work with children and young people around mental health and wellbeing, drugs and alcohol, and reconnecting them to their families, education and communities.

Recommendations

Recommendation 1 - Make significant public investment in housing supply with a focus on ongoing growth of social housing and affordable stock at a minimum of 5,000 new social housing dwellings every year for the next 10 years just to meet current demand.

Recommendation 2 – Implement a capital investment approach that takes into account the social outcomes and associated costs of homelessness and housing stress on NSW and highlights the cost-benefit of investing in social housing.

Recommendation 3 – Make best use of government land in areas close to transport, education, employment and services to prioritise residential development that meets the needs of local communities including essential workers – comprising a mix of social housing, managed affordable housing and private housing and demonstrating integration with community and commercial uses.

Recommendation 4 – Provide additional support including capacity building and subsidies to allow smaller innovative Community Housing Providers (CHPs) to enter the market in order to generate much needed small bespoke developments and meet targeted local housing needs.

Recommendation 5 – New social housing stock in NSW should be built using Universal Design principles to ensure it is accessible for everyone and meets the current and future needs of our ageing population.

Recommendation 6 - Implement a systemic regional delivery approach to all specialist homelessness services and social housing providers to accurately track and capture the incidence of homelessness within communities and provide for equitable, coordinated and needs-based allocation of resources.

Recommendation 7 – Develop targets at the local level and undertake careful planning to ensure that allocation of resources to increase affordable and social housing stock as well as funding for specialist homelessness services is targeted to the areas that need it (including regional NSW) to enable people to remain in their communities and access the support they need.

Recommendation 8 – Ensure planning and allocation of resources responds to the very high over-representation of Aboriginal and Torres Strait Islander people in the homeless population, with targets and strategies designed in consultation with communities.

Social Housing: an impact investment

Recommendation 1 - Make significant public investment in housing supply with a focus on ongoing growth of social housing and affordable stock at a minimum of 5,000 new social housing dwellings every year for the next 10 years just to meet current demand.

Recommendation 2 – Implement a supply side capital investment approach that takes into account the social outcomes and associated costs of homelessness and housing stress on NSW and highlights the cost-benefit of investing in social housing.

Recommendation 3 – Make best use of government land in areas close to transport, education, employment and services to prioritise residential development that meets the needs of local communities including essential workers – comprising a mix of social housing, managed affordable housing and private housing and demonstrating integration with community and commercial uses.

There is increasing evidence that the private property and rental markets do not work effectively for many in our community. Without a systemic approach, including an increase in social and affordable housing stock, people experiencing homelessness will continue to cycle in and out of homelessness. This will be at considerable personal cost to the individual and their families, and significant and ongoing cost to government.

Waiting lists for public housing remain long and there has been a decrease in capital investment in social housing, with the supply of social housing failing to keep pace with household growth.¹

Whilst a range of Specialist Homelessness Services (SHS) exist to support people experiencing homelessness into housing, the lack of appropriate affordable housing stock means permanent, long term housing is often unachievable.

Supply-side responses to housing are critical to preventing and resolving the homelessness crisis in NSW and reducing housing stress. While we are pleased to see the discussion paper acknowledge Housing First models as an effective way to tackle homelessness, the model requires the availability of affordable housing stock in the first place in order to be effective.

While we acknowledge that, just like any other type of public infrastructures, the cost of investing in social housing is high, studies show that in the long run, this type of spending results in savings, particularly when it comes to social services, health care, and the criminal-justice system.

In fact, as we enter what is likely to be a prolonged economic recession caused by the global pandemic, there has never been a more important time to reap the economic and social benefits of investing in new social housing. Two recent reports undertaken on behalf of peak housing and homelessness groups also showcase how investment in new social housing alongside maintenance

¹ Australian Institute of Health and Welfare (AIHW) (2019) *Housing assistance in Australia 2019*, available at www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/; and Pawson, H., Parsell, C., Saunders, P., Hill, T. and Liu, E. (2018) *Australian Homelessness Monitor 2018*, Launch Housing, Collingwood.

and renovation of existing housing stock provide a pathway for a social housing led economic recovery (Economic Impacts of Social Housing Investment and Supporting Economic Recovery in NSW).²

While there are many innovative funding models being used both in Australia and overseas, a direct capital investment strategy is needed to tackle the significant and growing short fall in social housing stock and ensure that investment is specifically targeted to locations most in need.

Recommendation 4 – Provide additional support including capacity building and subsidies to allow smaller innovative Community Housing Providers (CHPs) to enter the market in order to generate much needed small bespoke developments and meet targeted local housing needs.

Our experience of developing a small community housing project matches with analysis that shows that the incentives for both private and not-for-profit investment in social housing based on demand-side subsidies, such as rent subsidies alone, is ineffective at meeting the need.

The AHURI found that where “rents are set at levels affordable to low-income households, revenues can only support modest levels of debt financing and thus co-investment is also required.”³

While the National Housing Finance and Investment Corporation (NHFIC) provides an affordable housing investment pathway, complimentary funding is also needed to ensure sufficient new housing stock is developed. A co-contribution in funding from the NSW Government would go a long way to increasing the viability of small projects designed to meet local need.

In addition, to the issues faced by larger more established CHPs, smaller Tier 3 CHPs face additional hurdles in getting new social housing developments up and running. Development costs, approvals and experts are all proportionately higher for smaller housing developments.

While the NHFIC have fantastic lending rates to CHPs, administrative and legal costs are set at a flat rate per loan. This is not onerous for larger private affordable housing developments but places a disproportionate burden on small bespoke social housing projects.

There is currently limited information and support for entering the market and submitting applications. Smaller Tier 3 CHPs would also benefit from skills training and capacity building being made available.

Recommendation 5 – New social housing stock in NSW should be built using Universal Design principles to ensure it is accessible for everyone and meets the current and future needs of our ageing population.

As the Discussion Paper rightly points out, NSW has an ageing population and people with disability experience significant housing disadvantage. It is therefore vital that our social housing stock is planned with inclusivity in mind to allow people with disability to be integrated into the community and ensure housing design doesn't become a barrier to people remaining in their homes as they age. Universal

² SGS Economics and Planning (2020) Economic Impacts of Social Housing Investment, Community Housing Industry Association, available at www.communityhousing.com.au/; and Equity Economics and Development Partners (2020), Supporting Economic Recovery in NSW: Investment in social and affordable housing is critical to supporting jobs today and families into the future, NSW Council of Social Services (NCOSS), Sydney, available at www.ncoss.org.au/policy

³ 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, <http://www.ahuri.edu.au/research/final-reports/306>, doi:10.18408/ahuri-5314301, p. 1.

Design principles should guide the development of future social housing stock in NSW to ensure flexibility and versatility in its use. A critical mass of investment in universal design construction from government would also help to establish these design principles as the norm within the private sector, helping to bring down costs by providing economies of scale on accessible design elements.

Resourcing regional NSW

Recommendation 6 - Implement a systemic regional delivery approach to all specialist homelessness services and social housing providers to accurately track and capture the incidence of homelessness within communities and provide for equitable, coordinated and needs-based allocation of resources.

Recommendation 7 – Develop targets at the local level and undertake careful planning to ensure that allocation of resources to increase affordable and social housing stock as well as funding for specialist homelessness services is targeted to the areas that need it (including regional NSW) to enable people to remain in their communities and access the support they need.

Recommendation 8 – Ensure planning and allocation of resources responds to the very high over-representation of Aboriginal and Torres Strait Islander people in the homeless population, with targets and strategies designed in consultation with communities.

While much of the attention remains focused on housing issues and rough sleepers in Sydney, many regional communities are experiencing significant and growing housing stress and high rates of homelessness with a combination of risk factors such as low incomes, high unemployment, lack of public transport, higher rates of welfare dependency and social disadvantage. Many regional communities also have a higher proportion of Aboriginal people who experience significant social and economic disadvantage due to continuing racial discrimination and the legacy of past policies.

Some of the growth in homelessness in metropolitan and urbanised areas may be due to people leaving remote and regional communities to gain access to services and support. Inadequate specialist homelessness service (SHS) capacity along with a lack of appropriate social housing investment in some areas may be driving movement of homelessness into urban clusters and masking the origins of the homelessness and concentrating social disadvantage.⁴

It is vital that the allocation and supply of affordable and social housing, as well as funding for SHS and key early intervention services, enables people to remain in their communities and access the support they need. Careful planning is needed to ensure funding and resources are allocated where they are needed and remain agile and flexible to deliver the right housing mix and support needed in different regions and communities.

⁴ Parkinson, S., Batterham, D., Reynolds, M. and Wood, G. (2019) *The Changing Geography of Homelessness: A Spatial Analysis from 2001 to 2016*, AHURI Final Report 313, Australian Housing and Urban Research Institute Limited, Melbourne, www.ahuri.edu.au/research/final-reports/313

The housing and homelessness support system is currently highly fragmented. Without a coordinated approach, the limited resources available are often not targeted to where they are most needed.

The AHURI report into the geography of homelessness found that there is a 'substantial mismatch between the distribution of homelessness and SHS capacity.'⁵ Most service capacity for accommodation and support in NSW is located in and around Sydney and larger metropolitan areas with less capacity in regional and remote areas. But many regional and remote areas like Northern NSW, are struggling with significant housing stress and high rates of homelessness.

In the past year Social Futures' Northern NSW SHS service supported almost 30 per cent more people than funded to (2836 vs 2194).

The AIHW found that in 2018–19, SHS in NSW had an average of 29 unassisted requests per day. The most common reason these services were unable to provide assistance in these cases was due to a lack of available accommodation.⁶

Commitments to increase affordable housing supply (including social and public housing) must include careful planning and consideration of where new stock is needed, as well as the types and sizes of dwellings most needed, and not just a focus on the headline numbers. It should be informed by the level and distribution of need, rather than driven by market mechanisms, to ensure it is delivered at a suitable scale, standard and allocation.

For example, funded projects for the Social and Affordable Housing Fund (SAHF) were determined on the basis of proposals brought forward by participants in the two SAHF tenders. While successful proposals had to establish that the intended locations had enough demand for social and affordable housing, the funding was not specifically targeted to locations most in need.

It can also be tempting for governments to meet their supply targets by purchasing bulk stock in cheap new developments in metropolitan areas. However, in order to be effective, new housing stock must be targeted to the areas with high need for affordable housing, including regional NSW, ensuring that people can remain in their communities and access services, transport and employment.

In order to efficiently allocate limited resources and effectively plan for the future, the government needs an accurate measurement of the scale and location of need down to the local level.

Investment also needs to respond directly to the very high over-representation of Aboriginal and Torres Strait Islander people in the homeless population. Targets and strategies to support better housing outcomes need to be designed in consultation with Aboriginal and Torres Strait Islander communities, and delivered in collaboration with communities.

⁵ Parkinson, S., Batterham, D., Reynolds, M. and Wood, G. (2019).

⁶ Australian Institute of Health and Welfare (AIHW) (2019) *Specialist Homelessness Services annual report 2018–19*, Australian Institute of Health and Welfare, available at www.aihw.gov.au/reports/homelessness-services/shs-annual-report-18-19/



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Ballina | Bathurst | Broken Hill | Byron Bay

Casino | Coffs Harbour | Dubbo

Gosford | Grafton | Kyogle | Lismore

Mullumbimby | Murwillumbah

Orange | Parkes | Tweed Heads | Wyong



We acknowledge the Traditional Owners of the land where we live and work and their continuing connection to land, water, sea and community. We pay respects to Australia's First Peoples, to their unique and diverse cultures, and to Elders past, present and future.