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## **NSW GOVERNMENT URGED TO BACK SOCIAL AND AFFORDABLE HOUSING INFRASTRUCTURE BOOM IN RESPONSE TO COVID-19**

Peak housing and social services bodies are urging the NSW Government to roll out a social and affordable housing boom across the state to support vulnerable people and stimulate the economy in response to COVID-19.

The push comes as research from the NSW Council of Social Service (NCOSS) shows housing to be the devouring monster of family budgets for low and middle-income earners.

**The coalition of peak bodies is calling on the state government to establish a Social and Affordable Housing Capital Fund to grow the supply of social housing by 5,000 premises per annum, and similar for affordable housing.**

Research from NCOSS shows more than one-third (38%) of low- and middle-income households reported paying over a third of their income on housing costs, and almost one fifth (19%) reported being unable to make mortgage or rent payments on time.

Concerningly, this research was conducted prior to the devastating impact of COVID-19 was felt by the community.

As well as this, the NSW Tenants Union's COVID-19 factsheet has received half-a-million hits in just over two weeks.

**NCOSS CEO Joanna Quilty** said investing in a social and affordable housing boom will support vulnerable people and stimulate the broader economy.

"We are urging the NSW Government to massively boost the supply of social and affordable housing, which will support the most vulnerable and boost jobs in the construction industry," Ms Quilty said.

**Community Housing Industry Association NSW CEO Mark Degotardi** said: "Today's NCOSS report shows the housing crisis was well and truly here before COVID-19.

"The pandemic has wreaked havoc across communities and the economy and now tens of thousands of people who were already struggling are even worse off.

" There is a shortfall of more than 200,000 social and affordable homes in NSW right now, with almost 60,000 households waiting for social housing. With demand set to rise for years as our economy recovers, business as usual is not an option. The housing crisis is here, and a crisis response is required," he said.

**Homelessness NSW CEO Katherine McKernan** said: "NSW was already experiencing a housing and homelessness crisis before the pandemic with more people being turned away from homelessness services than being supported.

"The investment made available by the NSW Government to provide hotel accommodation during the pandemic shows that we can act to end homelessness.

“In the short term we need resource to support people to access the private rental market but we know that the best solution during an economic downturn is investment in social housing – it reduces homelessness and provides much needed construction employment,” she said.

To access NCOSS’ latest research, visit [here](#).

For more information about NCOSS, visit: [www.ncoss.org.au](http://www.ncoss.org.au)

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## **RECOMMENDATIONS TO THE NSW GOVERNMENT**

### **NSW housing and social services coalition’s Plan to boost the supply of social and affordable housing and stimulate the NSW economy.**

As well as increasing the number of households in NSW experiencing economic disadvantage, the COVID-19 pandemic is exacerbating the undersupply of social and affordable housing - contributing to rental and housing stress extending further across Sydney’s suburbs and regional NSW as evidenced by:

- the NSW Tenants Union’s COVID-19 factsheet receiving half-a-million hits in just over two weeks.
- Calls to the Tenants Union doubling from the last week of February to first week of March and rising 10-20% per week since. Only 1 in 3 callers is getting through, with 12% of these having called more than 10 times.
- Data from HS Net, the Department of Communities and Justice service directory, highlighting an average of 598 searches related to housing in Quarter 3, rising to 1556 for the week commencing 28 March, and 1448 for the week commencing 4 April.
- Link2home, the State Government’s state-wide homelessness information and referral telephone service experiencing a significant increase in calls due to coronavirus.

This growing housing crisis will particularly impact young people, who have been identified as one of the groups most affected by job loss and who were already experiencing greater barriers to secure, affordable housing – including home ownership - than previous generations. They are also the cohort whose education will be disrupted and who will be carrying the burden of the current economic crisis and paying back the debt for many years to come.

The NSW Government’s rapid response to the immediate housing crisis, via its \$34 million package funding temporary accommodation for those who are homeless, has been welcome. However, this is a short-term measure only. Rising economic disadvantage and rental stress coupled with the under-supply of social and affordable housing creates a pressure cooker environment that will lead to increased incidence of homelessness, precarious living situations and households under significant financial and psychological strain.

There is an urgent need to secure, in the short term, additional social and affordable housing to provide permanent, stable accommodation for people currently housed in temporary arrangements for the duration of the lockdown. As the economic downturn continues, there will be others whose housing situation breaks down and who need immediate access to an affordable, secure alternative or face becoming homeless.

Longer term, capital

investment in a large scale housing construction program is required. This should contribute to development of at least 5,000 additional social housing units - and similar for affordable housing units – every year for the next 10 years to address the historic under-investment and identified shortfall. Such a program will have the added benefit of creating jobs and stimulating economic activity, including in regional areas hard hit by recent natural disasters.

Consideration also needs to be given to the role that enhanced planning regulations can play in bolstering the supply of affordable housing.

As well as a housing construction program, there are other, more immediate ways of growing jobs and stimulating the economy, at the same time as delivering housing benefits and positive outcomes for vulnerable people. The NSW Government's economic stimulus measures in response to COVID-19 have already included \$60 million to address the backlog of maintenance for ageing social housing stock. This is a positive step and goes some way towards addressing the estimated \$500 million required to fund a comprehensive maintenance program for the NSW social housing portfolio.

The proposed housing construction and social housing maintenance programs would be ideal opportunities to apply a 'social procurement' approach – stipulating that construction, trade and other contractors involved must source a required proportion of labour, goods and services from social enterprise, and/or provide employment for disadvantaged cohorts.

Recommendations below identify short-to-medium, and longer term actions that should be taken by the NSW Government. They have been developed in partnership with relevant peak bodies: Homelessness NSW, the Community Housing Industry Association of NSW, Shelter NSW, NSW Tenants Union and Churches Housing.

### **Key recommendations**

#### **Short to medium term actions**

1) Advocate to the Federal Government to extend increased income support payments (currently via the coronavirus supplement) beyond the identified 6 month period, given economic recovery will take many years and the increased payments enable households to cover rental costs and contribute to economic activity through increased spending capacity.

2) Establish a Social and Affordable Housing Capital Fund to grow the supply of social housing by 5,000 per annum, and similar for affordable housing, starting with options to permanently house those in extended temporary arrangements through:

- The identification and purchase of vacant, or soon-to-be completed, developments for conversion to social or affordable housing
- Identification of government owned properties for conversion to social housing

3) Prioritise and fund a Housing First approach that provides tailored support, alongside social housing, to help maintain the tenancies of at least 400 vulnerable people with high and complex needs, incorporating NDIS packages as appropriate.

4) Expand the Community Housing Leasing Program to increase the number of properties available through community housing providers and respond to the growing demand for permanent housing options for people in temporary accommodation.

5) Build on the \$60 million already allocated to the maintenance of ageing social housing stock, by allocating additional funds to support a comprehensive maintenance program across the entire NSW social housing portfolio - ensuring fit-for-purpose homes that meet accessibility and other standards, and creating jobs and stimulating economic activity in the process.

### **Longer term actions**

6) Make renting a viable, long term option and provide enhanced protection for the more than 2 million people in NSW who rent by:

- Ensuring renters have legislative protection against unfair evictions by amending the Residential Tenancies Act 2010 to include a list of reasonable grounds and protections against the false use of eviction grounds
- Setting minimum standards in rental housing for health, safety and energy efficiency to protect against heat, cold and pollution and reduce energy bills

7) Mandate targets for social and affordable housing in new residential developments of up to 15% on private land and 30% on government land.

8) Use the above Social and Affordable Housing Capital Fund for a major housing-as-essential-infrastructure construction program across NSW, starting with shovel-ready projects, to meet the targets set out above and provide jobs in the process.

9) Apply a 'social procurement' approach to the housing construction and social housing maintenance programs recommended above, to create jobs for disadvantaged groups and provide opportunities for social enterprise.

10) Advocate to the Federal Government for the development, in partnership with states and territories, of a National Housing Strategy that articulates roles and responsibilities, the contribution of the Federal Government to the Social and Affordable Housing Capital Fund and other levers available at the national level to complement and bolster state initiatives.