

## **Homes will help NSW beat the pandemic, end homelessness and jump start the construction industry. We must have a way out of lockdown, and social housing is key.**

As parts of NSW now enter the 6<sup>th</sup> consecutive week of lockdown, and potentially not our last, pressure grows on hundreds of thousands of people across the state. Many are battling a rising tide of high rents and face a reduction in income or worse, total job loss. In South Western Sydney, high housing costs and low incomes have led to some of the highest incidences of overcrowding in Australia and has contributed to the spread of COVID-19.

The fundamental importance of affordable housing to the COVID-19 public health response AND as a way of providing economic security is becoming glaringly clear, but, worryingly, it is also glaringly absent.

The Berejiklian Government can act today. It can acquire existing housing stock – right now – to relieve the immediate pressure on housing availability, and pave the way out of lockdown through a commitment to both repairing existing stock and building an additional 5,000 social housing dwellings per year.

Securing social and affordable housing is a win-win to the NSW government – it acts a stimulus to bring back the jobs lost and meets the public health need to house its residents, especially in the regions where there are no private market options left, let alone affordable ones.

### **Why do we need social housing and why now?**

#### **Job loss and reduced income as a result of the lockdown will increase homelessness.**

The people of NSW are in a pinch. Banks and economists [are warning of thousands newly unemployed](#), with current estimates predicting employment [falling by 200,000, with unemployment increasing by 50,000](#) in coming months. It is well established that there are [direct links between job loss and homelessness. Rates of homelessness and housing stress are linked to levels of economic activity and unemployment](#). As income is reduced, instability and stress rises, as do incidences of domestic violence.

#### **Overcrowding in areas of key concern increase community exposure to COVID-19**

Overcrowding – an oft unseen form of homelessness - has increased by 74% in NSW, compared to a 34% increase across Australia. [It is particularly acute in South-West Sydney](#), where increases in homelessness across Fairfield (61% increase), Liverpool (36% increase) and Canterbury-Bankstown (86% increase) have [all been driven by overcrowding](#). There is a lack of affordable appropriately sized housing that meets the needs of communities.

#### **Meanwhile, regional NSW is facing a double whammy of next to no housing available and rising rents.**

Net migration to the historically cheaper regions is currently [the highest on record](#) and alarmingly, [vacancy rates in regional NSW are at an historical low](#). In [at least 66 per cent of NSW regions, vacancy rates are on average at 1 per cent or lower](#) - this is near enough for supply to be non-existent. As a result, rents are skyrocketing, with reports of [20% increase](#) in the last year alone for the North Coast region and as much as [28% year on year change for the Snowy Monaro](#) region.

#### **Public funding for social housing in NSW has collapsed and crisis services are stretched at the seams.**

[Capital expenditure on social housing in NSW has declined from \\$554.3 million in 2015-16 to \\$370.1 million in 2019-20](#). This means there is [now a wait of between 5 – 10 years to access housing](#).

Specialist Homelessness Services have been critical to support the community during COVID-19. As essential services they have kept their doors open, and working with governments to keep people safe, while supporting the

vaccination rollout. Yet they are stretched at the seams. There is an increasing number of people experiencing [homelessness in NSW who are unable to access accommodation \(an increase from 15,471 to 21,790 since 2015-16\)](#). More people needing crisis accommodation from homelessness services [did not receive it \(21,790\) compared to those who did \(17,157\)](#).

**Recent analysis shows the NSW government actions in the pandemic haven't had the intended impact on homelessness.** Acknowledging that homelessness cannot endure in the midst of a pandemic, in 2020 the NSW government spent over \$12 million on placing people in hotels and has committed approx. \$20 million in the last six weeks. But the NSW Audit Office made the stark discovery that in actual fact the [2020 investment actually resulted in 72% who 'left with unknown housing outcome'](#), presumably returned to homelessness. Moreover, the Together Home program to house rough sleepers has been a welcome investment to provide longer term options for those placed in hotels, but rough sleepers represent only 7% of the homelessness population. This is not ideal. This cannot be the only 'lasting' solution to housing in the pandemic.

## What must the NSW government do?

The Berejiklian Government must relieve the pressure. They need to unleash the health and wealth potential of housing people. Especially while [their budget reaps the benefits of the private housing boom](#) with an unexpected additional \$1 billion put in the NSW coffers in 2019/2020 from unforeseen stamp duty.

Only a small portion of this annual windfall – [9.4 billion in the current financial year and predicted to be 11.4 billion in the next financial year](#) - could stave off the crisis in NSW. For example, an additional 5,000 units of social and affordable housing would cost \$1.88 billion in 2020-21 and would support 18,000 construction jobs across NSW.

Indeed, [modelling](#) has shown building more social and affordable housing stock offers both stimulus to the residential construction sector and household wealth, as well as long term benefits due to improved housing security, health and economic participation. This investment can be spread out across NSW, generating employment in regional economies.

There is a moral, economic and health imperative for the NSW to act now and acquire existing stock to address the immediate need for housing.

The NSW government must:

1. Acquire existing social and affordable housing stock to meet the immediate public health needs of COVID-19
2. Commit an additional \$500 million to repair existing social housing stock
3. Deliver at least 5,000 additional social housing dwellings per year for the next 10 years.
4. Reduce all types of homelessness by committing to a fully funded state-wide action plan, with the goal of ending homelessness in NSW by 2030.