



## Members' briefing and advocacy resources, NSW Budget 2023-24

Dear colleagues

The NSW Government released its 2023-24 budget on Tuesday 19<sup>th</sup> September. Overall we think it was a disappointing budget with a lot of peripheral announcements but very little substantive direct investment in either social and affordable housing or homelessness services.

We have provided a summary below, which is intended to help our members identify key budget outcomes related to homelessness and advocate locally on important issues.

We have also included some key messages for advocacy and quotes from Homelessness NSW to support you in any local conversations you may be having. And as always, you can access the Housing and Homelessness Dashboard on our website for LGA and state-level data.

Please don't hesitate to reach out if you would like to talk about local advocacy and how we can join together to increase our impact.

Many thanks

Amy

### What's in the budget and what it means for homelessness

#### Funding for homelessness services

*What we asked for:*

- \$52.4 million over 2 years for funding increases for Specialist Homelessness Services. This included \$2.4 million for brokerage for SHS to support non-residents.
- Increase the NSW Government portion of SHS contract indexation from 5.75% to 6.2%
- \$50 million for a Specialist Homelessness Services 'Operating for the Future' Fund to allow organisations to invest in processes and systems that support the backbones of their organisations
- \$50 million for a 2-year extension of the Together Home program, including new packages.

*What was in the budget (direct quotes from NSW Government papers):*

- \$5.9 million urgent funding to Specialist Homelessness Services to respond to increasing demand
- \$11 million emergency funding for Temporary Accommodation in 2023-24 to support vulnerable people
- \$35.3 million for housing services for Aboriginal and Torres Strait Islander people and families through Services Our Way

*Key advocacy messages:*

1. While this investment is welcome, it barely scratches the surface given the significant demand for, and under-resourcing of, homelessness services
2. More people are exposed to the risk of homelessness than ever before - we need properly funded services to make sure homelessness is rare, brief, and non-recurring
3. For less than \$20 per person we can fully fund homelessness services to meet demand – this budget does not come close to this very reasonable investment
4. A civilised society shouldn't force women and children fleeing violence to choose between homelessness or returning to violence, yet right now services have to turn away half the people in need

*Supporting facts:*

- We estimate we can fully fund homelessness services for an extra \$152 million a year
- Demand for services was up 10% in the first 3 months of 2023

## **Social Housing**

*What we asked for:*

- \$400 million over 2 years to accelerate provision of additional social housing stock, including new housing construction, purchase of housing and maintenance to bring existing stock online

*What was in the budget (direct quotes from NSW Government papers):*

- \$70 million financing facility to accelerate the delivery of social and affordable homes, primarily in regional New South Wales, by funding initial land and site works
- \$35 million to support critical maintenance for social housing
- \$20 million reserved in Restart NSW for dedicated mental health housing

- \$15 million towards a NSW Housing Fund for priority housing and homelessness measures
- \$10.5 million additional funding to the Community Housing Leasing program
- \$10 million for a Modular Housing Trial to deliver faster quality social housing

*Key advocacy messages:*

1. By 2050 10% of homes should be social housing. Currently we are at 4.6% and declining.
2. For people in Australia to live their best lives and contribute to their community, they need a stable home but right now the supply of social housing is historically low
3. The way to stop rents soaring is to give people on low and modest incomes greater choice by expanding social housing
4. If we keep short-changing social housing, the consequence will be clogged hospitals, overwhelmed police, and crumbling community services

*Supporting facts:*

- Many people are waiting more than 10 years for social housing
- There are more than 55,000 people on the social housing waiting list in NSW
- Every \$1 invested in social housing returns \$2 due to reduced demand on health, justice and welfare resources

## **Rentals and affordable housing**

HNSW didn't have specific recommendations on this, but members might be interested in recommendations from organisations such as Shelter NSW [1\\_0823-Shelter-NSW-2023\\_24-State-Budget-Submission-Final.pdf](https://shelternsw.org.au/1_0823-Shelter-NSW-2023_24-State-Budget-Submission-Final.pdf) ([shelternsw.org.au](https://shelternsw.org.au)) and Vinnies [pbs-202324-final-230823.pdf](https://vinnies.org.au/pbs-202324-final-230823.pdf) ([vinnies.org.au](https://vinnies.org.au)).

*What was in the budget:*

- \$60 million for new Build to Rental trials in the South Coast and Northern Rivers - although only 20% is set aside for affordable housing
- \$300m reinvested in Landcom to accelerate the construction of thousands of new dwellings, with 30% for affordable housing – modelling suggest this will lead to 1,409 affordable homes by 2040 – or approximately 80 per year. This is not new money – reinvestment of Landcom's dividends is standard in their model.
- Removal of stamp duty or stamp duty concessions – cost to budget \$998.2m over 4 years

Over the 4 years to 2026-27, the Government is forecasting revenues to be \$14b higher than forecast at the 2023 pre-election budget. The main drivers for this are:

- The property market - \$9.5b in increase transfer duty (i.e. stamp duty) and \$4.9b more in land tax (because of high property prices)
- Labour market – payroll tax revenue increase by \$2.8b

*Key advocacy messages:*

- There is nothing in the budget to support renters, particularly renters on low incomes
- The percentage of affordable housing in the Build to Rent trial should be much higher
- While Government revenue increases with higher housing prices, this is not translating into investment in social and affordable housing

## Helpful resources

### Data

You can find up-to-date region-specific data on topics such as homelessness, use of specialist homelessness services, social housing and rental stress via our data dashboard.

[Housing and Homelessness Dashboard – Homelessness NSW](#)

### Quotes

Here are some quotes from **Amy Hains, Acting CEO of Homelessness NSW**, that you can include in media materials:

“We should not let the pursuit of budget savings punish the state’s most vulnerable people by putting off meaningful investment in housing and homelessness.”

“We need to be honest about the scale of the challenge and the need for significant new investment – not window-dressing commitments.”

“NSW does not need more vehicles for housing and homelessness finance; we need direct investment – now – in housing and services at a scale that is going to make a real difference in this crisis.”

“The \$5.9 million in homelessness services funding still leaves frontline services facing a huge funding shortfall given the increased cost of delivering services.”

“The reality is, services need \$50 million over two years to ensure they can continue operating and are not forced to make heartbreaking decisions about who to turn away.”

“The \$11 million allocated for Together Home means that hundreds of rough sleepers will miss out on the chance to access safe, stable and secure housing.”

“Social housing has suffered from decades of underinvestment. The \$70 million to build more social and affordable housing, and \$35 million to maintain existing stock barely scratches the surface of what’s needed to reverse this.”

“Failing to invest sufficiently in social housing will only result in higher demand for hospitals, police and other community services because vulnerable people do not have access to a safe and stable home.”

“More and more people are being priced out of the private rental market amid tough competition for a tight supply of homes. Building enough social housing will ease this pressure, ultimately helping bring down rents and reducing homelessness.”

#### NSW Budget papers

You can find the NSW Government 2023-24 budget papers here:

<https://www.budget.nsw.gov.au/2023-24/budget-papers/overview>

#### Support and advice

If you would like to discuss ideas or strategies for engaging with your local media on these issues, please contact Kate Davies, Policy and Research Manager at

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