



## Discussion Paper

# Developing a shared contemporary vision and narrative that defines a sustainable and effective housing system for New South Wales.

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## Introduction

Shelter NSW has operated as a peak housing policy and advocacy body for more than 40 years. Historically our focus has been on understanding the housing system from a low-income “consumer” perspective – particularly at the service delivery level – and advocating for progressive change to promote fairness and equality within the system. This involves engagement with consumers and stakeholders at the local level, and providing advice and input into policy discussions with government and its agencies. Generally, such advice is given through public and open consultation processes (e.g. submissions to inquiries) and in more private and closed ways (e.g. participation in steering committees and reference groups). Shelter has not, in recent times, adopted a public advocacy agenda outside of public consultation processes, state election platforming, and publishing state budget submissions.

Our current Strategic Plan (2018-21) invites us down a different path. While still placing the requisite focus on local engagement and collaboration with key stakeholders to improve outcomes for very low and low-income households, Shelter NSW has adopted a more expansive vision of “A secure home for all”. Our strategic plan commits to a more ambitious and strategic approach to advocacy, including the development of a “*shared contemporary vision and narrative that defines a sustainable and effective housing system for New South Wales*”.

In the context of narrowing visions by governments at the state and federal levels, and in the absence of both a National and State (New South Wales) Housing Strategy or Policy - as well as a research and advocacy sector that continues to draw in numerous and diverse voices, we seek to develop an ambitious vision for a person-centred housing system that could deliver a secure home for all.

We aim to challenge and change current narratives by articulating a clear vision of a sustainable, fair housing system that others will support; to build a coherent and persuasive set of messages that are informed and influenced by Shelter NSW' members, supporters and stakeholders. This will help us influence politicians, government and industry, as well as engage new partners and build new collaborations as we work towards an improved housing system in New South Wales.

To achieve this, Shelter NSW is embarking upon a series of discussions and consultations in September 2019. This short paper sets out a series of points for contemplation and discussion that we hope will prompt significant engagement with our team as we progress this work, and develop our vision.

## Shelter NSW' vision

Shelter NSW has identified five key elements that could underpin a system to deliver on our vision of "A secure home for all".

1. **Everyone deserves a secure home to call their own** – housing is recognised as a fundamental human right which transcends the house as a simple physical shelter.
2. **A diverse and integrated system provides a variety of options** – housing can be provided by market-driven, government or non-government organisations that together deliver appropriate housing across a full range of household incomes.
3. **All tenures provide dignity, stability and affordability** – housing in all its forms is regulated in ways that provide agency, security, comfort and affordability to occupants and households.
4. **Cities, neighbourhoods and homes are built for diversity and inclusion** – urban planning, design and construction standards reflect the principles of equitable development.
5. **Communities are supported and engaged through change** – regardless of which part of the housing system residents occupy, cohesive neighbourhoods and strong communities exist across tenures, and households are engaged in processes to design and manage interactions, and responses to change within the housing system, as and when it suits them.

We will elaborate on each of these principles further, and assess how they are functioning in the current system, in the sections that follow.

### Discussion questions:

- a) Do the five elements outlined above adequately capture what is needed for a system that can deliver a secure home for all? Is something missing? Could something be left out?
- b) What exists within our housing system that is currently supported by, or supports, any of these five elements? What is working well at the moment?
- c) What are the barriers within our housing system to achieving any of these five elements? What is not working well?

## Unpacking the elements

### 1. Housing is valued as a right to a home

Housing should be recognised as a fundamental need as well as a human right, and policies that impact upon housing choice should promote the role of housing as a home, not primarily treat it as a financial asset. This principle is important for policymakers at all levels when considering how things like interest rates, the availability of finance and funding, and related tax settings will impact upon how people construct and consume housing.

Policy setting established after WW2 generally combined to promote home ownership over other tenures. But this has changed in the last twenty years. There is now a perceived social and economic benefit for individuals to invest in housing as an asset class instead of its function as a home. As a result, home-ownership rates are now declining and current settings now contribute to widening wealth inequality. Housing policies now skew demand towards the promotion of property investment, as the costs of gaining a foothold in property markets for new home buyers have become prohibitive, and in addition these settings often drive up prices.

Development of new housing, especially higher density apartments, may be more closely linked to returns on speculative building activity underpinned by property investment than genuine responses to housing need, and the various ways we regulate construction and consumption of housing are increasingly geared towards mitigation of risk to both developers and property financiers.

### Discussion questions:

- d) Do you agree with Shelter's assessment of the issue as outlined above?
- e) In the current political and economic environment, what opportunities are there to work towards a housing system that includes this element?

f) Is it possible for a system to provide a secure home for all while not valuing housing as a home? What would this look like?

## 2. A diverse and integrated system provides a variety of options

Housing should come in a range of forms and tenures (what gets built as well as how it gets consumed), and should be provided by a range of market-driven, government and non-government organisations. This is an important consideration for policymakers, particularly at the state and local government levels, when designing policy around social and affordable housing allocations and planning for the delivery of new housing of all kinds.

Our current system relies almost entirely on market-driven organisations to produce and allocate housing. Arguably, it has become primarily focused on housing as an investment with less focus on meeting actual housing requirements among the population, especially with regard to affordability. Social and affordable housing is produced at marginal levels by government and non-government organisations and must often compete with market-driven organisations where resources for development and construction are concerned. Increasingly the construction and management of housing for very low and low income households is moving to non-profit community housing organisations.

Social and affordable housing allocation is fairly efficient and this stock is generally always occupied, and with such limited supply homes in these portfolios become available for new occupation relatively rarely. Because it is so scarce, social and affordable housing is highly rationed, with allocations generally being made to people who can demonstrate a critical need that cannot otherwise be resolved in the private market. Measures to address unmet need for housing that people without this critical need can genuinely afford tend to focus on stimulating or prompting market-driven organisations to produce more housing at lower cost, and to consider more diverse housing types such as higher density multi-dwelling units on smaller lot sizes or exploring “build-to-rent” projects as an alternative to the dominant build-for-sale mode. These are not effectively ensuring affordability, as demonstrated by rising rates of mortgage and rental stress, as well as homelessness.

Interventions that could impact upon market pricing itself remain firmly off the table, due to the potential macro-economic instability they could cause. Less intrusive interventions, such as reformulating social and affordable housing policy to ensure more of this stock is delivered and made available to a broader range of applicants, or even a wider range of innovative types of housing tenure, also remain off the table. A recent focus has been on policy development that will facilitate the growth of privately funded and locally targeted affordable housing, but this is in its infancy and will take decades to operate at scale.

### Discussion questions:

g) This issue is highly complex as it impacts upon a number of competing interests. Leaving aside the policy settings that may be required to achieve this element of a housing system, is there anything we have raised here that you would elaborate on, or points to consider that we may have overlooked, to ensure Shelter NSW has a more complete understanding of the issue?

h) In the current political and economic environment, what opportunities are there to work towards a housing system that includes this element? Is it simply a matter of waiting for current policies and structures to mature? Or is there more that could be done?

i) Is it possible to provide a secure home for all within a system that is not diverse and integrated, that provides a variety of options for consumers? What would this look like?

### 3. All tenures provide dignity, stability and affordability

Housing in all its forms should be regulated in ways that provide agency, security, comfort and affordability to occupants and households. This is an important consideration for policymakers at the state level when designing laws that regulate how we live across various forms of housing, including those that affect residential tenancies, strata title, short-term letting, neighbourhood dispute resolution, and building and construction standards. It is also an important consideration for housing providers, across all types and tenures, when setting policies and determining how existing rights and responsibilities will be interpreted and observed.

Particular considerations for this element include whether laws promote or inhibit household agency and autonomy in the consumption of housing. This can be observed in matters like the level of quality required, and who may be engaged as a contractor, in the construction or repair of dwellings, as well as how a dwelling might adapt to the changing needs of its occupants – and this is the case for both renters and marginal owners. It also brings to mind levels of security of a household's tenure – how long a home can be occupied, and the circumstances in which occupancy can be brought to an end – as well as the predictability and affordability of housing costs like mortgage payments, rents, occupation fees, repairs and maintenance costs, and charges for other household essentials like water, energy, transport, etc.

### Discussion questions:

j) There are a number of highly specialised areas of law and policy that fall within this area. Has Shelter NSW adequately captured the issue or are there other details you would draw to our attention?

k) In the current political and economic environment, what opportunities are there to work towards a housing system that includes, or makes significant progress towards including this element?

l) Is it possible to provide a secure home for all within a system that does not provide dignity, stability and affordability across all tenures? What would this look like?

#### 4. Cities, neighbourhoods and homes are built for diversity and inclusion

Urban planning, design and construction standards should reflect the principles of ‘equitable development’; that is, they should ensure any negative impacts of change to the urban environment are not disproportionately felt by those who are least able to adapt. This is an important consideration for policymakers at all levels of government, particularly at the local level when it comes to place-making, development controls and the impacts of urban renewal. Options and outcomes at the local level will be more or less constrained by policy settings at the state and federal levels, such as planning for population growth and disbursement, investment in new and upgraded infrastructure, funding for alternatives to market housing, and regulation of the development and construction industries.

This element requires nuanced approaches to policies impacting upon urban planning, housing development and consumer protection laws that should be consistent with needs identified under other proposed elements. It calls for greater attention to the needs of communities regarding the quality, affordability and availability of new homes and nearby public spaces when older housing stock is redeveloped, to ensure lower-income residents are not unduly impacted by neighbourhood renewal – for example by being displaced, or being able to remain but with reduced amenity and quality of dwelling, and a higher likelihood of diminished neighbourhood cohesion over time.

It means bringing universal design and adaptability of housing to the forefront of new residential development, to ensure appropriate housing is available to meet a range of accessibility and mobility needs – including for those who wish to age in place or, for any number of other reasons, may be presented with changing needs at any given time. It also means grappling with the notion of “social mix”, and determining what we want this concept to mean in the contemporary urban centre: whereas it currently seems to mean the breaking up and disbursement of established but apparently disadvantaged communities, it has not always been seen as such, and there may be value in considering and pursuing alternatives.

##### Discussion questions:

m) Leaving aside the complex array of policy reforms that may be required to achieve this element of a housing system, is there anything we have raised here that you would elaborate on to ensure Shelter NSW has a more complete understanding of the issue?

n) In the current political and economic environment, what opportunities are there to work towards a housing system that includes, or makes significant progress towards including this element? With your local context in mind, what would be needed to make this element possible?

o) Is it possible to provide a secure home for all within a system that does not build cities, neighbourhoods and homes for diversity and inclusion? What would this look like?

## 5. Communities are supported and engaged through change

Regardless of which part of the housing system residents occupy, cohesive neighbourhoods and strong communities should exist across tenures. In locations where significant change is planned, households should be engaged in genuine processes to help design and determine change within their local housing system. This implies such processes will be available and accessible from the outset. This is an important consideration for policymakers at all levels, particularly where strategic urban planning and housing policy development is concerned at state and local government levels. It is also an important concern for housing providers when designing allocation and change management policies, for example where households are likely to be impacted by estate renewal, changes to operational policy, or transfers of ownership and/or management of dwellings.

At the heart of this element is the extent to which those who are affected by an outcome should have some influence over process. There is no doubt that this requires a sophisticated approach to community engagement, and recognition that there is no such thing as the perfect process. But there are a number of areas within our current system where greater attention to this element could produce improved community cohesion. These include the regulation, review and development of housing provider policies, as well as the methods employed for community consultation around major urban renewal and/or infrastructure projects that potentially reshape renewal precincts.

### Discussion questions:

p) To what extent are community engagement processes, particularly around responses to change, already available and accessible? What case studies and examples can Shelter NSW draw upon while developing this vision?

q) Recent changes to planning laws require consent authorities to publish Community Participation Plans, in addition to new strategic approaches to land use planning. Is it just a matter of waiting for these initiatives to mature, or should more be done? What about opportunities to increase tenant participation in designing, monitoring and reviewing housing providers' operational policies?

r) Is it possible to provide a secure home for all within a system that does not ensure communities are supported and engaged through change? What would this look like?

## Your reactions to these prompts

Developing our vision for a person-centred housing system that can provide a secure home for all is an important piece of work for Shelter NSW. It is equally important that we are guided and informed by others with specific experience, expertise and interests in the areas we wish to explore.

We ask that as many of our members, friends and stakeholders as possible join us in this discussion to ensure our vision is both well-rounded, and reliably informed in its detail.

There are a number of ways you can do this:

- Call us to discuss what a housing system that provides “a secure home for all” might look like
- Provide a short written response to one or more of the points raised in this paper
- Forward this paper to a friend or colleague and ask them to join the discussion
- Attend one of our workshops in September – keep an eye out for further details – or let us know if we can come to you, if you can organise a group of interested participants for a targeted consultation workshop.

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