

NSW ELECTION 2019
THIS ELECTION IT'S TIME
FOR THE PARTIES TO

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COMMIT TO

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HOUSING
IN NSW

Over three quarters of lower income renters in NSW are paying unaffordable rents (92% of very low income renters in Sydney^a). Lower cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities as low income households are displaced.

The NSW rental market is failing, forcing our most vulnerable citizens to go without, to be excluded from jobs and opportunities and wasting our human resources. And yet almost nothing has been done.

People across the state have had enough of policies that simply haven't worked. It's time for new directions that will really change things – not just promise a token start.

Shelter NSW is looking for policies that fix our main problems by doing four things:

- ▶ Building enough low-cost rental housing
- ▶ Making housing fair for all
- ▶ Giving renters secure homes
- ▶ Making sure low-income households aren't excluded in the redevelopment of Sydney and regional centres

FIXING HOUSING IN NSW

COMMIT TO

The first fundamental test for each party is that their policies ensure that, for the first time in decades, the housing affordability crisis for NSW renters does not get worse due to government inaction.

The second is that the policies would make clear progress towards a state in which all households can find an affordable and secure home.

At this election, people in NSW should settle for nothing less.

Kay is six weeks behind on her rent. She says that she is lucky as the landlord is "great" and seems to understand. This week she is choosing not to pay her electricity bill so she can eat. On previous occasions, she chose not to eat to pay her electricity bill. "I try to pay my bills but I'm still going to end up on the streets", Kay said.

– Shelter e-bulletin 2018



PRIORITY 1: Building enough low-cost rental housing

Our critically unaffordable housing is devastating to households, to the social fabric of communities and is damaging our economy. It has forced people out of their communities and seen the number of homeless grow to almost 38,000 across NSW – at almost double the national rate of growth since the previous census.

It is now clear what the price is of a housing system that completely fails to provide for lower income households. Over 270,000 households in NSW go without food at least once a week^{b)} and one of the main reasons is to pay the rent – rents which for over 200,000 households are simply unaffordable. The lack of affordable housing is a major reason that poverty levels have become entrenched despite years of economic growth.

"The evidence released today shows that through social security, housing and employment policies, as a nation we choose the level of poverty we are prepared to accept,"

– ACOSS on the release of ACOSS Poverty in Australia 2018

The current government has taken some preliminary steps to increase low-cost rental housing with plans to build another 10,000 social and affordable homes over the next 20 years. It has also approved requirements to set targets for affordable housing contributions from developers as Greater Sydney grows. Research commissioned by Shelter NSW^{c)} estimates these could produce between 6,319 to 12,639 affordable rental homes over 10 years, with an additional 3,675 using the recent expanded inclusions in SEPP 70.

- 37,715 people in NSW were homeless on census night 2016. Homelessness in NSW grew by 37% since the previous, 2011, census.
- This is almost three times the national increase of 14%
- Last year, specialist homelessness services in NSW supported over 74,000 clients

But right now we are short over 200,000 homes that should be available to lower income households at affordable rents and this will grow by more than 100,000 over the next 20 years unless we act now.

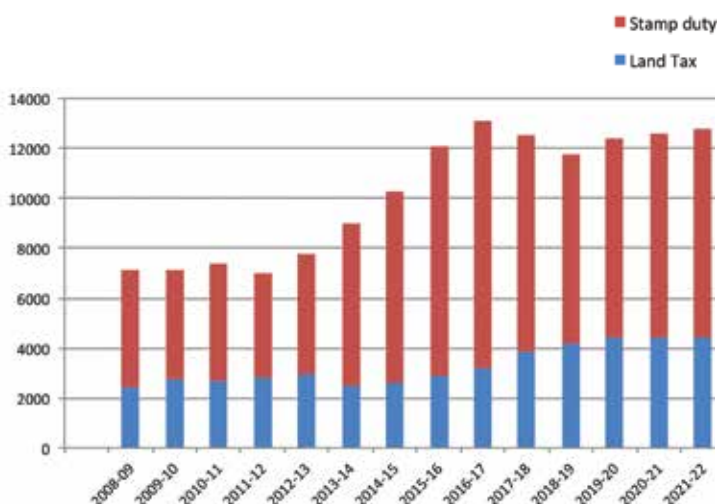
“The share of low-income earners in rental stress has increased particularly quickly in NSW (up 11 per cent) in the past four years”

– The Grattan Institute, State Orange Book 2018

To deliver the homes that we need for lower income renters now and into the future will cost a lot. But the cost of not addressing it will be devastating. This government has been able to provide \$32 billion in infrastructure funding, part of which has been to help increase the overall supply of market housing to record levels. However, this has done nothing to improve affordability. In fact it has got worse. It has also borrowed on the bond market to help fund essential infrastructure.

We need to recognise that social and affordable housing are part of both social and economic infrastructure. And we should be able to use infrastructure funding and borrowing to help fund it.

In recent years NSW has had record “windfall” revenue from stamp duty; and while this has now slowed, it is still high. Let’s invest this in the future of our communities and those who are missing out, and lay a lasting foundation for social & affordable housing, rather than building infrastructure for developers. And in the future let’s come to rely on a less volatile tax base that doesn’t hold the State hostage to a speculative roller coaster, by following the example of the ACT and gradually introducing a broad based land tax.



“Windfall” housing tax revenue, source: NSW Budget Papers

It is now critical that governments take action that will genuinely address the problem – will make a difference to people’s lives – rather than measures that are completely disproportionate to the needs. To get this right the next government will need to:

- **Immediately develop a whole of government, evidence based, Social and Affordable Housing Strategy with precise targets across all of the state.**
- **Immediately commit to increasing the supply of social housing by at least 5,000 homes a year for the next 10 years to at least return the share of social housing to the levels available two decades ago. It is unacceptable that every year of inaction we lose the equivalent of 2,500 social housing homes by falling behind population growth.**
- **As part of the Social and Affordable Housing Strategy, commit to exploring how to make significant further progress to building enough social housing to meet the housing need of very low income renters¹ living in housing stress in the private market. A further 13,000 social housing homes a year will be needed over 10 years to fully meet this gap^d.**
- **Commit to increasing the supply of ‘affordable housing’ for low income renters² by 9,000 a year for 10 years to ensure these households are not in housing stress in the private market. Once again, it is unacceptable that a further 1,200 such households fall into housing stress simply from population growth each year that governments fail to act.**
- **This growth should be financed by a mix of government funded social housing (in part utilising existing infrastructure funding sources and windfall housing-related tax gains), developer contributions for affordable housing, government subsidies and land grants.**
- **Commit to a specific capital funding program for new Aboriginal community housing to keep up with rapid population growth in Aboriginal communities and meet the existing gap³.**

¹ Those in the bottom 20% of household incomes

² Those in the next lowest 20% of household incomes

³ 29% growth over the next 10 years, compared to 14% growth for the general NSW population

“Ending homelessness requires whole of government commitment to a targeted, funded, long-term plan. While the NSW Government recently introduced the NSW Homelessness Strategy this strategy does not commit the resources and has no targets to end homelessness”

– Homelessness NSW 2018

PRIORITY 2: Making housing fair for all

While many people have done well out of the housing boom – home owners, speculators, developers and the government itself – particular groups have been disadvantaged and need special attention.

While many groups struggle in the housing market, three require urgent commitments from any future government. Each is the subject of government strategies or programs that fail to address the underlying need.

While a new Aboriginal housing strategy is being developed, it does not contain measures to provide the additional housing or subsidies required to give Aboriginal households the same housing opportunities as others in NSW.

2016	NSW Aboriginal Households %	Australia Other Households %
Home owners	41.8	65.3
Social housing	18.7	4.2
Private enters	32.5	25.3
Other / not stated	7.0	5.2

For people with disability, the NDIS has promised profound changes in the ability to live independent and fulfilling lives. But it does not provide housing responses that will allow anyone but people with the most complex needs to access the housing that is critical to independence – saying that existing state programs should fill this gap⁴.



Finally, while there is also a new homelessness strategy under development, it too ignores the fundamental condition for tackling homelessness – the availability of secure long term housing – a housing first solution.

A real housing package should:

- **Directly fund and increase the supply of Aboriginal controlled community housing** to house at least 15% of the projected Aboriginal population over the next 20 years, including committing to a timetable to transfer state owned and managed Aboriginal housing to direct management by Aboriginal controlled organisations.
- **Target subsidised loans to Aboriginal people** to increase Aboriginal home ownership to the same level as others in the community over the next 20 years.
- **Introduce a specific ‘housing independence for people with disability’ program** to subsidise housing providers to finance appropriate housing (not group homes) for the estimated gap in appropriate independent housing not supported by the NDIS⁴.
- **Commit to funding and specific targets** to make the current Homelessness Strategy meaningful and to address the gaps in the current specialist homelessness service system.

"I wasn't only losing my home, they were divorcing me from my community and all the people I'd formed relationships with where I had lived."

Claire had been living in her home on the coast just north of Wollongong for 6 years when her landlord knocked on the door one afternoon early last December to tell her she had to move out. The flat is now advertised on AirBnB for \$259 a night.

– from Make Renting Fair campaign

PRIORITY 3: Giving renters secure homes



Around 32% of NSW households rent and this proportion is growing. Over the five years to 2016, 63% of the net growth in the number of NSW households was households in rental housing. And 42% of NSW renter households include children. Renting is a long-term, and often permanent, tenure for a very large proportion of NSW households. But the basic security that is essential to decent housing and to the ability to exercise other legal rights is out of reach of most renters.

It's time to change the perception of renters as visitors in their own communities who can't put down their roots.

While the government has recently introduced some modest changes to tenancy laws, it has failed to remove no grounds evictions. This is increasingly out of step with other jurisdictions both overseas and in Australia.

The increased proportion of renters leads to an increased need for advice and support to exercise their rights as tenants.

A potential new government needs to commit to:

- ▶ **End no-grounds termination** by landlords and provide instead for a prescribed set of reasonable grounds for terminations by amending section 84 and 85 of the **Residential Tenancies Act 2010**.
- ▶ **Increase funding for tenancy advice and advocacy services** in proportion to the growth since 2002 in households renting.

“Research has shown that proximity alone does not result in meaningful social mixing.”

– Equitable Density⁹ Shelter Brief 61 2017,
City Futures Research Centre



PRIORITY 4: Making sure low-income households aren't excluded in the redevelopment of Sydney and regional centres

The rapid increase in the population of NSW (over 40,000 new households every year) has led to dramatic and ongoing changes in the built form of our cities and towns – in particular, increased housing density and steady redevelopment. This creates major new infrastructure, transport environmental, employment and service needs that have become the focus of government attention.

But it also has major impacts on housing markets – and in particular on low-income households and communities – that have barely been acknowledged by government.

The relentless replacement of existing homes with new apartments, usually at higher rents, has displaced lower-income renters, dismantled whole communities and created concentrations of disadvantage in the areas where relatively affordable rental still exists.

Where lower income households remain, the shops, services and amenity are being skewed to meet the needs of the new, higher income residents. And the new buildings often come with higher maintenance costs and unacceptable levels of faults, trapping lower income residents – often down-sizing retirees.

We are just beginning to see the risks of displacement, exclusion and loss of affordable options being acknowledged by new bodies such as the Greater Sydney Commission. But no effective measures have been put in place to address this.

We need a planning system that the community has confidence in, and that considers all citizens.

Parties need to commit to address this by proposing to:

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- **Mandate stronger affordable housing targets** than those currently agreed for the Greater Sydney Commission's Greater Sydney Region Plan. At least 15 % of dwellings in precincts designated for higher-density development should be affordable housing; and 30% on government owned land.
- **Enable all local government areas in greater Sydney to be automatically eligible** (by being listed under SEPP 70) to develop inclusionary housing instruments to require developers to contribute to provide affordable housing; and regional shires and councils should be encouraged to seek inclusion.
- **Substantially strengthen protections and potential for compensation** for low income strata owners and residents at risk of displacement due to redevelopment of their block.
- **Establish and implement planning measures to prevent displacement** and ensure inclusion in redeveloping cities and towns.
- **Mandate much tougher design standards,** heritage protections, and liability for defects.

^{a)} Shelter NSW Housing Factsheet –from Kath Hulse, Margaret Reynolds and Judith Yates, *Changes in the supply of affordable housing in the private rental sector for lower income households, 2006–11*, pp 74–79 (Tables A17 to A 22)

^{b)} Estimate based on *Foodbank hunger report 2017*

^{c)} Peter Phibbs and Lisa Anne King, *Potential affordable dwelling yields from a NSW Inclusionary Zoning Scheme*. University of Sydney, November 2018

^{d)} Based on Julie Lawson et al, *Social housing as infrastructure: An investment pathway*, AHURI Final Report No. 306, November 2018

^{e)} Disability Housing Futures Working Group, *Final Report*, February 2016

^{f)} Cromlin, L. Esathope, H. & Troy L. *Equitable Density*, Shelter Brief 61 2017, UNSW City Futures Research Centre

^{g)} For Shelter NSW's full value proposition statement, please refer to our website or [click here](#).

ELECTION PLATFORM 2019



Shelter NSW has been operating since 1975 as the State's peak housing advocacy and policy body. Our vision is "A secure home for all". We pursue our vision through critical engagement with policy and practice, and thought leadership.

We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality and we seek to ensure that the voices of housing consumers are included in our policy responses and review.

Our approach involves engaging, collaborating and connecting with Government, the private and not for profit sectors, stakeholders and consumers. Our research centres on the causes of inequity and injustice in the housing system and we advocate solutions that aim to make the housing system work towards delivering a fairer housing system for all⁹⁾.