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About the Tenants' Union of NSW

The Tenants' Union of NSW is the peak body representing the interests of tenants in New South Wales. We are a Community Legal Centre specialising in residential tenancy law and policy, and the main resourcing body for the state-wide network of Tenants Advice and Advocacy Services (TAASs) in New South Wales.

The TAAS network assists more than 35,000 tenants, land lease community residents, and other renters each year. We have long-standing expertise in renting law, policy and practice. The Tenants' Union NSW is a member of the National Association of Renters' Organisations (NARO), an unfunded federation of State and Territory-based Tenants' Unions and Tenant Advice Services across Australia. We are also a member of the International Union of Tenants.

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The Tenants' Union of NSW' office is located on the unceded land of the Gadigal of the Eora Nation.

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About this submission

Australia's social housing system is trapped in a structural crisis caused by decades of chronic underinvestment and policy shifts that transformed social housing from a universal public good into a tightly targeted welfare model. Long term underinvestment has forced low income and vulnerable households into an unstable private rental market characterised by steep rent increases. Waiting lists for social housing in each state and territory are well over 10 years but this is not a true measure of the level of need as we know many people do not apply for social housing for a range of factors.

There is a critical imperative to rebuild Australia's social housing supply and restore housing security. This will require setting targets for supply that don't just rely on waiting lists to estimate demand as we know they don't capture families in acute housing stress, women fleeing violence, or Indigenous communities facing severe housing deficits.

Direct public investment must be prioritised and move beyond market reliant subsidy models. Expanding community land trusts, housing co- operatives, and direct acquisition of existing properties offers immediate cost effective relief while ensuring long term public asset retention.

With a significant portion of social housing residents being older Australians or living with a disability, we advocate for a transition to Liveable Housing Design (LHD) Gold Standards across all new builds to ensure safety, dignity, and long term independence.

We propose separating housing development from operations to give tenants true choice over their provider, driving service quality through accountability rather than administrative burden. Additionally, private rental models like Build-to-Rent must be bound by strict affordability and tenure security regulations to deliver genuine community benefit.

Recommendations

1. The Australian government sets itself a target of at least 10% of all housing to be social housing by 2036, and commits the resourcing and investment required to meet this target.
2. Ambitious targets and guidelines set for a transition to all new social housing homes to meet LHD Gold Standards.
3. Direct public spending should be a focus and priority for increasing supply of public housing.
4. Shift away from using Commonwealth Rent Assistance as a funding model for community housing providers.
5. Develop an investment infrastructure pathway which recognises social housing as essential infrastructure.
6. Government to encourage the growth of Community land trusts and cooperatives by diversifying funding models.
7. Government to provide investment in and funding for Indigenous housing organisations and networks.
8. Create a true person centred system by developing a public development and ownership model for social housing which allows for community housing providers to be chosen and replaced by the residents of the building.
9. Establish mechanisms for build to rent developers to meet to ensure this form of housing provides security and affordability for renters.

The economic and social benefits of investment in social housing, including its impact on housing access, affordability, renting, homelessness and housing security;

In Australia, there has been long-term underinvestment and shortages in social and affordable housing which has forced low-income and vulnerable households into the private market.

The experience of residential renting is built on the threat of homelessness as behavioural control. Across private, public and community housing, people renting their homes are constantly reminded that they are always potentially one infraction and a matter of weeks away from homelessness.

The rental market is characterised by instability, insecurity, and a lack of adequate protections for renters. Market rents are unaffordable, with many renters struggling to secure a new rental property in the fiercely competitive private rental market. Most renters continue to face significant insecurity, making it very difficult to assert their rights, such as requesting repairs. Many rental homes provided are of a poor standard.

Australia is currently in a rental housing crisis with a lack of affordable housing supply across the whole country. Over the ten years to March 2025, median advertised rents in Australia rose by approximately 48% for both houses and units. The strongest increases in advertised rents for houses were recorded in Hobart (64%), Adelaide (57%), and Perth (50%).¹

The housing affordability crisis in Australia is hitting renters hard with many in the lowest 40% of household incomes living in housing stress and paying well over 30% of their income in rent. The ramifications of the housing affordability crisis extend beyond mere financial strain. Lack of affordable rental housing impacts all aspects of a person's life from ability to access services, employment, educational opportunities, strains household relationships, and detrimentally impacts physical and mental health.

The average tenancy in NSW is currently 2 years which means that renters are moving homes and sometimes suburbs and towns on a frequent basis. This has implications financially with the average move costing \$4000 and many other social and health impacts for renters.²

It's clear from Everybody's Home Priced Out Report this year that it's not just low income renters that are in housing stress in the private rental market. The data shows that across Australia rental affordability is not achievable for people on average incomes and in some capital cities it's also not possible for higher income renters in our current private rental market.³

¹ AIHW (Australian Institute of Health and Welfare) (2025) Housing affordability, AIHW, Australian Government, accessed 24 April 2026.

² Tenants' Union of NSW. (2022, February 14). Eviction, hardship and the housing crisis. <https://www.tenants.org.au/reports/hardship>

³ Azize, M. (2026) Priced Out: An Income Test for Australia's Rental Market. Fourth Edition. Everybody's Home: Melbourne. <https://everybodyshome.com.au/resources/priced-out-an-income-test-for-australias-rental-market/>

Investments in social housing stimulate economic activity and employment, particularly in construction and related industries. Additionally, social housing helps stabilise the overall housing market by providing affordable rental options, reducing the number of households in the private market and ensuring housing affordability for low-income households.

Social housing is a strong protective factor against homelessness.⁴ Increasing the availability of social housing reduces homelessness and housing insecurity. It provides stable living arrangements, reducing reliance on emergency shelters and lowering societal costs associated with homelessness. Moreover, quality housing positively impacts health and social cohesion, leading to better health outcomes and a stronger sense of community.

Investing in and improving existing social housing will have many benefits for various stakeholders. It goes beyond just providing shelter; it fosters stability, improves wellbeing, and promotes social inclusion. High-risk groups, including families on low incomes, people with a disability, First Nations people and single older women, benefit directly from improved housing options, leading to better access to education, jobs, and community services, ultimately breaking the cycle of poverty.

Prioritising expanding social housing not only eases pressure on the private rental market but also acts as a safety net for those struggling with housing costs. Importantly, provision of 'non-market' housing actually provides positive pressure on market housing by introducing real competition and higher standards. The private market in this context is challenged to do better, especially at the lower ends of the market.

⁴ Guy Johnson & Rosanna Scutella & Yi-Ping Tseng & Gavin Wood, 2019. "How do housing and labour markets affect individual homelessness?," *Housing Studies*, Taylor & Francis Journals, vol. 34(7), pages 1089-1116, August.

Historical levels of investment in social housing, including the reasons for its decline as a share of Australia's housing stock;

Australia's stock of social housing has fallen consistently over decades, failing to keep pace with population growth and increasing need. Public housing has not been supported by governments. Transfers of property and/or management, and availability of lower cost finance to community housing, does not ensure the number and diversity of social housing dwellings increases at a rate sufficient to keep up with demand for genuinely affordable homes. The waiting list in each State and Territory is over 10 years.

The post World War II era of federal policy saw the creation of an ambitious public housing program under which families would be able to rent housing from the State housing authority as a matter of choice. To finance the construction, the Commonwealth provided grants for a five year program with funds advanced for 53 years. In turn, the States were responsible for planning and administration, including the collection of economic rents of no more than 20 per cent of the families' income. The Commonwealth was set to cover 60 per cent of losses from the rental housing program. As part of a series of Commonwealth-State Housing Agreements (CSHA), over the course of the decade since 1945 Australians were expected to see 700,000 homes built, with a quarter of them government-owned rental homes.⁵

The reality of material and labour shortages, key infrastructure shortfalls and the misalignment between the States and Commonwealth's ambitions meant that the 1955 goal wasn't met, but the policy of direct government provision of housing did end up growing the public housing stock from near zero to 204,000 dwellings (5% of all housing stock) by 1976 (ABS 1976).

From there, according to a 2014 AHURI report⁶, in the decades between 1981 and 2011, the public housing system underwent a series of major transformations which saw it shift from a model that was largely universalistic to a welfare delivery model. In practice, what was once a system with a broad mandate for delivering affordable housing to working families, stimulating urban renewal and economic development, became a service focused on supporting predominantly high needs households. This shift can be attributed to the rise in the popularity and adoption of market liberalism philosophy in government housing policy and saw a steady decline in funding for social (including public) housing.

The 1980s saw a number of changes made to the conditions on which the Commonwealth provided assistance to the States for housing. Introduced into the CSHA agreements was the requirement for States to match Commonwealth housing grants to secure federal funding. The Commonwealth also stopped subsidising interest rates for capital construction and the purchase of homes, and ended vendor financing for States.

The principle of economic rents capped at 20 per cent of income for public tenants was replaced with market-driven costs of rentals, with rent rebates available for some. This

⁵ Accommodating Australians: Commonwealth Government Involvement in Public Housing (2012) P. Troy

⁶ Groenhart, L. and Burke, T. (2014) Thirty years of public housing supply and consumption: 1981–2011, AHURI Final Report No.231. Melbourne: Australian Housing and Urban Research Institute. <<http://www.ahuri.edu.au/publications/projects/51002>>.

change unintentionally contributed to the rise of tenancy and asset management costs, as tightened criteria for eligibility increased workload and impacted productivity. This led to a subsequent reduction in the funding pool available to invest in new housing stock.

Changes to financing rules, the tightening of eligibility criteria and high rate of sales of dwellings previously built under Commonwealth-State Housing Agreements contributed to the transformation of the public housing demographic with an increasing proportion of very low-income tenants with high needs paying minimal rent. This coincided with the lowest overall number of dwellings under construction in the previous 20 years, while the focus of government subsidies shifted to assist with increasing the number of owner-occupiers.

The table below, taken from the AHURI report, shows funding allocated for public housing through the Commonwealth State Housing Agreement (CSHA) from 1981 to 2008, highlighting in particular the sharp decline in expenditure following the election of the Howard Government in 1996.⁷

Figure 1: Commonwealth expenditure on housing, 1981–2011, constant 2011 dollars



Source: Advisory Council for Inter-Government Relations 1985, SCRGSP 2006–2013

Census data quoted in the same AHURI report illustrates changes in public housing stock levels. From 1981 to 1996, Australia had a real rise in public rental stock by almost 100 000 additional dwellings (or 43%), which represented a faster growth than the national dwelling stock rise (34%), meaning the percentage of all housing stock being public housing rose from 4.9% in 1981 to 5.2% in 1996.

⁷Groenhart, L. and Burke, T. (2014) Thirty years of public housing supply and consumption: 1981–2011, AHURI Final Report No.231. Melbourne: Australian Housing and Urban Research Institute. <<http://www.ahuri.edu.au/publications/projects/51002>>

The percentage of all housing stock would be significantly higher had it not been for a steady rate of sale of the public housing homes in the 1980s. Even during the era of Bob Hawke's Prime Ministership, a time of the government's vocal support for growing the public housing stock to 10% (6.8% in 1984) coincided with the selling of 13.2% of public housing dwellings.⁸

In the following years to 2011, the share of the national dwelling stock declined to 4.06% due to the loss of 12 000 properties. This loss was partially offset by the transfer of some of the properties under the management of community housing providers, but the overall available stock of social housing declined compared with the 1990s numbers, down to 4.8% of all housing stock.⁹

⁸ Accommodating Australians: Commonwealth Government Involvement in Public Housing (2012) P. Troy

⁹ Groenhart, L. and Burke, T. (2014) Thirty years of public housing supply and consumption: 1981–2011, AHURI Final Report No.231. Melbourne: Australian Housing and Urban Research Institute.<<http://www.ahuri.edu.au/publications/projects/51002>>.

The case for establishing a target for social housing as a proportion of Australia's housing stock, including consideration of what an appropriate target may be

The longer we wait to build at the necessary scale, the harder it will be to meet the needs of the population.

The scale of the need

AHURI research has shown that just over 6% (close to 565,000) of Australian households are living in or have requested to live in a form of social housing. However, looking solely at social housing waiting lists is an inadequate indicator of the true extent of unmet demand. Waiting lists do not account for those who are homeless, excluded due to visa status, or who have had their applications suspended. These figures also do not include those households who are daunted by the application process or, due to long waiting lists, don't ever lodge an application. AHURI has projected growth in the demand for social housing by 2037, meaning over 1.1 million social housing homes will be needed.¹⁰

Crucially, the lists also fail to account for low-income households in housing stress who are not on waiting lists. Decisions on social housing investments must be based on an understanding of housing needs that prioritises individuals facing, or at risk of, long-term homelessness or those unable to access or afford private rental housing rather than relying on the waitlist, and its eligibility requirements.¹¹

In New South Wales (and nationwide), there is also a severe shortage of housing for Aboriginal and Torres Strait Islander People. For many, homeownership is not financially accessible, and the private rental market is also largely prohibitive, particularly to young people, as a result of high cost, uncompetitive tenancy and work histories and discrimination. This has resulted in a focus on accessing social housing, with its limited availability and lengthy waiting periods. Aboriginal and Torres Strait Islander People are six times more likely than non-Indigenous Australians to live in social housing.

The housing deficit for Aboriginal and Torres Strait Islander tenants equates to approximately 10,855 dwellings for social housing and 13,506 dwellings for affordable housing. These deficits are projected to increase by 62 per cent by 2031. This acute unmet housing need within the social housing system is due to inadequate resources and a severe imbalance between housing demand and supply with respect to the number of dwellings, housing quality, amenities and size. The limited availability of housing in New South Wales is correlated with high rates of homelessness. Aboriginal and Torres Strait Islander People represent approximately 3 per cent of the overall population in New South Wales, but 20 per cent of the state's homeless population.

¹⁰ AHURI What is the difference between social housing and affordable housing - and why do they matter? (Feb 2023)<https://www.ahuri.edu.au/analysis/brief/what-difference-between-social-housing-and-affordable-housing-and-why-do-they-matter>

¹¹ Australian Productivity Commission (2022) In need of repair: The National Housing and Homelessness Agreement, <https://www.pc.gov.au/inquiries/completed/housing-homelessness/report> accessed 20 October 2023

In addition, chronic undersupply of social housing and our reliance on the private rental market has pushed hundreds of thousands of people into an already overwhelmed and unaffordable rental market. Rising rents and increased competition mean they are paying a greater proportion of their income on rent, with little left to meet other essential needs.

Currently, the ACT is the only jurisdiction in Australia that places any limit on rent increases. The failure to implement rent stabilisation measures like limits and thresholds will mean renters in the private rental market will continue to pay increasing amounts of their income on rent as rents soar well above wage growth. This places more pressure particularly on low income renters that are unable to currently access social housing.

Target

Social housing should be recognised as a fundamental segment of the overall housing stock. The Federal Government needs to build new social housing at a rapid pace and target 10% of all housing stock to be social by 2036. Currently it is approximately 3.9% of all housing stock which indicates there is a lot of work required due to the under investment in this stock for many decades.¹² 10% should not be the final goal, but working towards this in the next 10 years will ensure Australia is in a better position to keep pace with the growing need for social housing that we have outlined above.

Without explicit targets, there is no clear accountability or mechanism to guarantee that all governments prioritise and deliver the needed increase in social housing supply over the next decade. Having a target will help to ensure that appropriate funding and strategic planning will be directed towards meeting the growing needs of the population which then has ongoing benefits for other areas.

¹² Lawson, J. (2026) 'Growing affordable rental housing: a cost-based approach'. RMIT University. doi: 10.25439/rmt.33170924.

The impact of current Commonwealth and state and territory government investment in social housing, including through the Housing Australia Future Fund and the Social Housing Accelerator, in view of the current scale of need

The increase in government investment in social housing in recent years is a positive step but current levels of investment are insufficient to meet the current scale of need and the future need we have outlined earlier in our submission. The programs have also been fragmented and short term which is not sufficient to build a stable and durable social housing system.

The impact of funding committed from Commonwealth, state and territory governments from 2020 to 2024 is anticipated to lead to an increase of 50,000 more social housing dwellings at the end of the decade if we take into account homes that will be demolished and sold as well as new homes. This is only an increase of 11% on the national portfolio.¹³ It is going to be insufficient to meet the current and future scale of need. Maintaining social housing at its current share requires approximately an additional 7,000 social housing dwellings to be acquired each year which will increase as our overall housing stock grows.¹⁴

There is currently a lack of a nationally coordinated monitoring of the increase in supply and the level of need which makes it difficult to quantify the level of unmet need after we factor in the increase in supply due to recent investment.

¹³ Pawson, H., Parsell, C., Clarke, A., Moore, J., Hartley, C., Aminpour, F. and Eagles, K. (2024) Australian Homelessness Monitor 2024; Sydney: UNSW City Futures Research Centre <https://cityfutures.be.unsw.edu.au/>

¹⁴ Lawson, J. (2026) 'Growing affordable rental housing: a cost-based approach'. RMIT University. doi: 10.25439/rmt.33170924.

The role of modern methods of design and construction in building more social homes and creating communities with a high quality of life

Aim for LHD Gold Standard

People living in community and public housing properties are often older, and many have a disability or are facing a range of challenging life circumstances. In NSW, a third of renters in social housing according to 2016 data were older than 55, and more than 35% had a disability. This trend continues due to the prioritisation policy for new entrants. In NSW in 2018-19, 56.3% of new entrants in community and public housing were classified as households in greatest need. This would include significant amounts of people who are elderly and/or have a disability. The latest data available shows that in NSW, older tenants, including people aged 55-64 (23%) and people over the age of 65 (36%) are a significant tenant group. Across Australia the data shows that people with disability are also a significant tenant group (37%).

It is essential that social housing dwellings meet the needs of their occupants in relation to general amenity, ease of access and entry, and modification for special needs. The relatively significant high numbers of residents living in NSW public housing who do not consider their access and entry needs to be met (13%) is particularly concerning for safety reasons. In case of an emergency, it could be difficult for many people to exit their dwelling rapidly and safely.

New social housing dwellings must be built to a high quality, accessible, liveable standard to support the health and wellbeing of older tenants and people with disability.

There is currently no universal binding requirement for new social housing homes across Australia to meet Silver or Gold standards under the Liveable Housing Design Standards. Some jurisdictions like in NSW social housing providers have committed to a LHD Silver level rating for all new builds. However, while a LHD Silver level rating should be thought of as an entry point accessibility standard, it will not meet the needs of most people ageing and with disability. It allows for elderly people and people with disabilities to visit a home reasonably easily, but not to live comfortably without further modifications.

In 2010, the National Dialogue on Universal Housing Design, including representative bodies for architects, real estate professionals, developers, disability advocates and local government, released a Strategic Plan recommending ambitious targets for all state and territory social housing providers. One target was for all new social housing dwellings to meet the LHD Gold Standard by 2019. Unfortunately, this was not implemented in all jurisdictions including NSW, and at present Australian jurisdictions are not building sufficient gold standard properties to ensure we will meet the needs of those living in social housing.

Targets and guidelines need to be set for the number of new social housing homes to meet LHD Gold Standards. These should be ambitious given the data outlined above which highlights the characteristics of tenants living in social housing. The aim should be ultimately to transition to 100% new social housing homes to meet LHD Gold standards in a reasonable timeframe.

Opportunities for further investment in public and community housing, including consideration of direct public spending along with different delivery and investment models in Australia and internationally

Direct public spending

Buying existing homes from private landlords should also be considered as a viable and efficient option to increase supply. It can provide housing in particular areas at a faster pace than waiting for new homes to be constructed. With construction costs increasing in Australia it may in some situations be more cost effective to buy existing housing. It can also provide flexibility in targeting particular areas where there is high need and no available land to purchase to build new homes.

Direct public spending allows governments to retain more control over allocation, standards, and tenant outcomes than market-based or subsidy models. This oversight can ensure that social housing better aligns with public priorities and supports tenants effectively.

Commonwealth Rent Assistance

The inadequacy of the level of direct investment in social housing over many decades has driven significant changes in the housing system. A primary change is the ongoing project to rely more heavily on community housing providers by creating a system which favours private actors (and then stating the public actors are incapable).

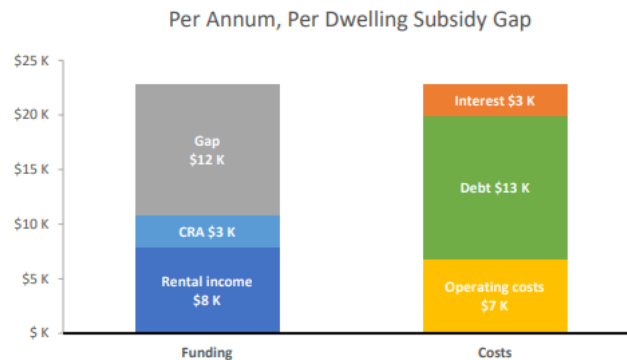
One example of this is two decisions around the treatment of Commonwealth Rent Assistance (CRA). One was the shift to the 'maximisation' model adopted from 2008 under which community housing tenants are both required to seek CRA and hand 100% of the CRA payment to the provider.

We understand the rationale for this being to increase the revenue stream of community housing providers. Community housing tenants are eligible for Commonwealth Rent Assistance (CRA) enabling community housing providers to charge higher rents without reducing the tenant's net income. Public housing by contrast is supported by direct government revenue.

Where the provider has a sufficiently sized asset base, they are then understood to be able to use the expectation of ongoing higher rental income to leverage financing and further expand their (and the generally available) stock of social housing.

Troy et al. (2019)¹⁵ in estimating the cost of provision neatly demonstrates the issue with this model. The average actual operating costs are met or closely met by the rent paid by the tenant based on their non-CRA income. CRA, even non-maximised, is generally able to cover any operating costs gap. The issue is that providers have been expected to also account for development costs out of the funds provided by the lowest income households. Particularly where this is met through a loan rather than a direct grant, the gap can be far above CRA.

¹⁵ Troy, L., van den Nouwelant, R. & Randolph, B. (2019) *Estimating need and costs of social and affordable housing delivery*, City Futures Research Centre, UNSW 2019



Troy et al (2019) "Figure 4: Per annum, per dwelling subsidy gap for social housing operating subsidy model"

What this also doesn't adequately recognise is the role the individual renter in this scenario is forced to take on. Essentially, the individual renter under this system is expected to apply for federal funds on behalf of the state's social housing system. In our experience, a renter can bear significant costs – and can on occasion even face the risk of losing their tenancy - if they don't comply or if there are inadvertent delays or differing calculations made by government agencies and housing providers. We have a case which has been ongoing for more than 10 years where the cycle of mismatching calculations between Centrelink and the housing provider plunge the tenant into arrears, before a new round of appeals corrects the calculation and removes the arrears – until the next review. It is an undue administrative burden to place upon the renters. Sitting tenants should not be funding the expansion of the social housing portfolio. Expenses such as loans create higher than necessary costs for providers and distort the relationship between providers and the people living in the homes.

We acknowledge the process to shift away from this CRA-based funding will not be a light undertaking.

Lawson has outlined a social housing growth framework based on a cost -rental model which could replace CRA-based funding. This would separate social housing rents from market forces and tie them to the real costs of providing housing, with an emphasis on reinvestment and system sustainability. Upfront capital investment is required but then the investment is recovered over the long term which does not place upward pressure on rents. Where there is a difference between the households income and the cost-rent level targeted assistance can be provided. Overseas where this model has been effective the common elements are that housing is considered an essential social and economic infrastructure, it is provided by regulated housing providers that are operating under public interest obligations, rents are set based on the actual costs of providing housing and retaining public value in land and housing is prioritised.¹⁶

¹⁶ Lawson, J. (2026) 'Growing affordable rental housing: a cost-based approach'. RMIT University. doi: 10.25439/rmt.33170924.

Social housing as infrastructure?

Like schools, courts and hospitals, social housing has the features of government asset-based infrastructure. Just like education, health and justice services, by providing shelter to people whose accommodation can't be satisfied in the private rental market, housing plays an essential role in satisfying societal and economic needs of the community.

When conceptualised as essential social infrastructure, government housing becomes a part of a broader network of assets enabling a better functioning society and therefore warranting public expenditure and attracting commercial financing.¹⁷

The 2019 AHURI report recommends an “infrastructure investment pathway” as a route for government *funding* and market *financing* instruments brought together to construct and operate assets and services for the economic and social benefit of society. ‘Funding’ refers to expenditure covered by the taxpayer used as capital investment and operating costs, while ‘financing’ describes arrangements through which the high upfront costs necessary for construction and service delivery to begin are repaid over time as government surpluses and revenue from rents allow. Understood this way, the infrastructure investment pathway is a long-term commitment for a long-term benefit, with each identified development backed by a cost-benefit analysis.

Alternative delivery of social housing

There is a significant amount of evidence to support the suitability of Community land trusts and co-operatives housing models as being capable of meeting the aims of providing stable and affordable housing and delivering amenity, tenure security, high quality urban design and social capital.

Co-operatives in particular enable greater tenant rights in practice, encourage a place in the community and provide more than just the physical housing form, including ensuring residents having an ongoing say in provider activities. The 2020 Institute for Culture and Society’s submission to the NSW Housing Strategy Discussion Paper sets out a number of ways in which governments can play a vital part in encouraging stable and effective housing models such as Community Land Trusts and cooperatives, including through the diversification of available funding models.¹⁸

Indigenous organisations

Many Indigenous organisations in urban, rural and remote areas are successfully managing housing programs and services for their communities. These organisations allow for articulation of Indigenous interests and are able to employ effective, culturally

¹⁷Lawson, J., Denham, T., Dodson, D., Flanagan, K., Jacobs, K., Martin, C., Van den Nouwelant, R., Pawson, H. and Troy, L. (2019) Social housing as infrastructure: rationale, prioritisation and investment pathway, AHURI Final Report No. 315, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/315>,

¹⁸Crabtree, L, Power, E, Perry, N, Grimstad, S, McNeill, J & Stone, W 2020, *Submission to A Housing Strategy for NSW – Discussion Paper*, Institute for Culture and Society, Western Sydney University, viewed 14 September 2026, <https://www.westernsydney.edu.au/ics/news/archive/2020/experts-advocate-benefits-of-community-housing-to-nsw-governments-housing-strategy/housing-strategy-for-nsw-submission-ics.pdf>.

appropriate communication strategies with tenants to improve housing outcomes. Research has found that such community managed organisations are more likely to be successful when housing programs are community driven and allow individual communities to define their own needs.

Investment in and funding for Indigenous housing organisations and networks is vital to ensure opportunities for their meaningful participation in policy making, resource planning, service improvement and performance monitoring and evaluations.

Appropriate governance and administrative arrangements to deliver social housing at a scale to meet current and future need

Multiprovider system analysis

Within the current social housing system, people are not able to choose their provider. Providing residents, at least at a building level, with the option to choose their registered community housing provider would be transformative in delivering a person-driven system.

Much of the rhetoric supporting a diversity of providers rather than a single public housing provider concerns claimed benefits of competition and choice, such as innovative practice. However it has been done without actually generating the dynamics of competition and choice that may lead to those benefits. Currently providers compete only for the favour of the government, with the intention of receiving grants, projects or other. This encourages some innovative practice but not with the intent of a person-delivered approach.

Where there has been better practice within social housing, we believe this is largely driven by individuals with a personal commitment to best practice - not that it is structurally facilitated. The distinction should not be confused.

We have spoken to many residents who are aware of the good practice by one provider, who may be showcased only to be disappointed by the reality of their own provider, with no capacity to instigate change.

The most significant reason people are not given a choice of provider appears to be that development and operational costs are bound together so that a provider carries the cost of development and would refuse to engage.

The solution is to develop a public development and ownership model with the ability for community housing providers to be chosen and replaced by the residents of the building. This allows state government housing providers to drive development of homes in the areas that are needed and using the developed method of need and retain the development costs over time.

Providers will be left with operational costs, which scale neatly with their rent roll. A failure to provide good service may put operations at risk.

In areas where a community housing provider is failing to provide services that are of an acceptable standard for the residents, they should retain the ability to elect retention of the public provider. This ensures a choice of at least two providers in all areas.

A further advantage of this approach is the greater capacity for smaller providers to demonstrate their advantages, such as truly local community connections, more personal service. It also offers a more viable pathway to develop co-operative housing models.

The standards of the National Registration remain to ensure quality is not compromised but providers will be incentivised to clearly demonstrate their commitment to best-practice rather than minimum standards.

The efficacy of rent-to-buy schemes

The Tenants' Union of NSW generally considers build-to-rent to be a positive development in terms of providing diversity of housing options for renters. However, a better tenant experience is not assured without some clear requirements and accountability around how positive outcomes, especially in relation to security of tenure and affordability, will be delivered. Build-to-rent developments so far have been priced well above median market levels. In theory, as the sector expands, there might start to be more diverse offerings, but this remains theoretical and many years away at a time renters need real relief.

Build-to-rent is claimed to deliver longer term stability and better approaches to property management, but neither planning rules nor tenancy requirements ensure that these outcomes eventuate. We are aware of a number of build-to-rent operators claiming long-term stability but then offering the same 12-month agreements as is standard - despite NSW tenancy law allowing up to 98 years.

Renters need a genuine increase in the availability and affordability of homes as well as long-term stability. The build-to-rent sector is not delivering on these outcomes and it is not at all clear that they ever will without a legislative framework to guide them. The proven method to deliver this increase is a large publicly funded building program to deliver genuinely affordable homes.

In terms of the examples currently in NSW, we have not seen affordable rents or security of tenure, nor tenant participation or mechanisms for reporting against these elements that would justify significant ongoing government subsidy or support. We recommend establishing mechanisms for build-to-rent housing to report against.

The mechanisms could be, for example, requirements around security and affordability in build-to-rent properties, such that developers would need to be able to demonstrate for each previous year, and going forward commit for each coming year they have or will provide:

- stability as measured by a minimum percentage of long-term residents (where this is defined as continuous occupancy of 3+ years, or since commencement of the Build-to-rent property, whichever is shorter), and
- affordability as measured by a minimum percentage of available dwellings being affordable according to the current definition of affordable rent

We more firmly express the view that a building that can be converted for sale and owner-occupation in a mere 15 years is not properly called build-to-rent. The ability to reconfigure and seek development consent should not be entirely closed off to allow for adaptation to change, but the costs of doing so should be significant, including potentially a refund of land tax exemptions and other financial benefits received by the developer on the basis that the development would be build-to-rent.