



NSW Housing and Homelessness peaks- Statement on the confirmation of Commonwealth funding

July 2017

The NSW Housing and Homelessness peaks - Homelessness NSW, NCOS, the Tenants' Union of NSW, the NSW Federation of Housing Associations, the Aboriginal Interim Peak Organisation, Shelter NSW, Domestic Violence NSW, Churches Housing and Yfoundations - welcomes the funding commitments in the areas of homelessness and affordable housing made in the Commonwealth Government's Budget 2017-18.

Background

Commonwealth funding for specialist homelessness and affordable housing has previously been through the National Affordable Housing Agreement and the National Partnership Agreement on Homelessness.

The National Affordable Housing Agreement (NAHA) was established in 2009 and of its \$1.3 billion commitment, \$275 million is allocated for homelessness programs. The NAHA set out high level commitments for governments, with the funding being delivered through a special purpose payment (SPP) for housing. In 2015/16 the value of the SPP to NSW was over \$420m and over the past 9 years the Commonwealth SPP payment to NSW has totalled around \$3.43b.

The NSW Government reports that since 2007 it has delivered a net increase in supply of social housing dwellings. There has also been increased spending on private rental assistance products and temporary accommodation and the period has seen rising housing costs, but this level of additional supply of social housing has not kept pace with demand.

The National Partnership Agreement on Homelessness (NPAH) was established in 2009 as the national strategy agreement linked to the NAHA. The NPAH outlines the roles and responsibilities of the Australian Government and state and territory governments in relation to reducing and preventing homelessness. The NPAH currently represents \$115 million in Commonwealth funding and another \$115 million in matched state funding. It funds 180 homelessness services and around 80,000 people experiencing homelessness across the country.

In NSW, the NPAH represents \$30 million per annum in Commonwealth funding and enables the SHS Program to deliver 24/7 services to women and children who have experienced domestic and family violence and crisis accommodation for young people.

Prior to the Commonwealth Budget, there was no certainty of the continuation of the NAHA or the NPAH beyond 2017.

Budget announcements

At the recent Budget, the Commonwealth Government announced that from July 2018 homelessness and housing funding, incorporating both the NPAH funding and the NAHA funding, will be merged into one new combined agreement, the National Housing and Homelessness Agreement (NHHA), and will change from a multi-lateral to a bilateral agreement. The NHHA will maintain the current funding of over \$1.3 billion a year provided under the NAHA and the current \$115 million of annual homelessness funding provided under the NPAH. Importantly this funding will be ongoing and indexed (about 1.5%).

The NSW Housing and Homelessness peaks welcome the continuation of funding to homelessness services through the NHHA and believes it will provide greater certainty to providers of services to those experiencing homelessness.

The Commonwealth Government also indicated that the NHHA will incorporate clear targets to ensure that each State and Territory is accountable for better outcomes. The peaks support the adoption of measures that enhance the transparency and accountability of the agreements between the Australian Government and state and territory governments. However, we are concerned about increasing the expectations upon the social housing and homelessness sector, without providing additional investment (discussed in more detail below).

Budget limitations

Unfortunately, the NHHA only maintains existing levels of funding without providing the additional investment required to address the lack of affordable housing or the unprecedented level of demand faced by specialist homelessness services.

Work undertaken in NSW has identified a shortfall of affordable housing of over 100,000 dwellings (Prof Judy Yates - Addressing the Affordability Crisis 2016) and the current waiting list for social housing in the State sits at around 60,000 households at June 2016. According to the NSW Audit Office, of the 247 areas and towns where social housing is available over 20 per cent of these areas have a waiting list for applicants of more than ten years. This figure also does not account for 'unmeasured demand' of those who are eligible for and in need of social housing who are not on the waiting list.

There is clear independent evidence that funding for social housing supply under the NAHA has been inadequate. The recent draft report of the *IPART Review: rent setting for social and affordable housing* identified a funding shortfall of nearly \$1b per annum for the social housing system in NSW. If this funding was provided it would maintain existing stock but there would still need to be additional funding for supply growth.

Specialist Homelessness Services (SHSs) in NSW are currently reporting high demand for their services across the range of groups known to experience homelessness including rough sleepers, young people and women and children escaping domestic and family violence. Australian Institute of Health and Welfare data shows that in NSW, Specialist Homelessness Services (SHSs) saw almost 70,000 clients in 2015/16, an increase of 35 per cent. Services are currently providing support to 20 per cent more clients than they are contracted to provide.

The high rate of demand for SHSs can be traced back to the lack of affordable housing options currently available for vulnerable individuals and families both in the private rental market and in terms of accessing social housing. Data from AIHW reveals that the lack of affordable housing options meant that SHSs were unable to provide long term accommodation assistance for over 34 per cent of those that sought such assistance.

Next steps

While supportive of the continuation of Commonwealth funding under the NHHA, there are many concerns in relation to the recent Budget announcements.

As detailed above, most significant of these is that the NHHA will only maintain the existing levels of social housing and homelessness funding and does not provide the investment needed to respond to the demand for both affordable (in its broadest interpretation) housing and associated homelessness services. Without this additional investment, we believe the outcomes possible under the NHHA will make little impact on the housing affordability for low income households.

As peak agencies, we call upon the Commonwealth Government to:

- increase the level of funding it provides under the NHHA or through other mechanisms and ensure that the funding provided delivers new social housing supply while also being adequate to maintain properties that already exist within social housing portfolios;
- ensure that the state's strategy includes a clear commitment to working with tenants in Aboriginal, community and public housing to improve their housing and the opportunities open to them;
- ensure that the state's strategy includes a clear commitment improve the lives and opportunities of tenants by investing in and, together with tenants, strengthening all social housing communities;
- strongly encourage/incentivise the states to maximise the provision of affordable housing via their planning powers;
- ensure that the states are required to consult with key stakeholders as part of the development of the affordable housing strategy that will be used as the basis for the bilateral agreement;
- establish a National Housing Strategy that incorporates a specific National Aboriginal Housing Strategy and a National Homelessness Strategy that underpins the funding provided under the NHHA. The National Housing Strategy would work to ensure appropriate policies for the delivery of housing affordability from a position of tenure neutrality are developed across all levels of government. We believe that the specific issues around Aboriginal housing require a separate but linked strategy to ensure focus is not lost. The National Homelessness Strategy would work to ensure best practice models in response to homelessness (such as housing first and early intervention approaches to support young people at risk of homelessness) are implemented across Australia as part of the core homelessness service system.

In addition, we are calling on the NSW Government to commit to:

- transparent matching of new funds to the levels of Commonwealth investment;
- publically reported outcomes resulting from the NHHA;
- development of a transparent and level playing field for accountability, with public housing being subject to the same level of scrutiny as community housing;
- the development of a NSW Affordable Housing Strategy which commits to a substantial investment in social housing, commits to delivering 100,000 affordable housing rental properties, recognises the currently limited contribution the private rental market can make in delivering housing

- affordability, and provides specific targeted measures to reduce barriers to housing that are adopted across NSW Government agencies; and
- developing and implementing a NSW Aboriginal Housing Strategy.

The NSW Government has already commenced work on the development of a NSW Homelessness Strategy to guide the provision of services to people experiencing homelessness in NSW. As peaks we are calling on the NSW Government to ensure this Strategy:

- links with national responses;
- ensures that the views of Aboriginal people are fully incorporated;
- focuses on prevention including committing to the development of a 'no exits into homelessness' across NSW government agencies;
- incorporates a comprehensive assessment of current housing need and gaps in service provisions to people experiencing homelessness; and
- includes agreed targets and measurable outcomes that all relevant NSW government agencies are required to prioritise and report against.