

THE **BIG** HOUSING DEBATE



21 April 2022

Meeting the social and affordable housing
needs of Western Sydney

Post-event report



western sydney
community forum



**Link
Wentworth**
Providing homes, building futures.

Introduction

The supply of appropriate social and affordable housing is not keeping pace with increasing demand.

40%

of income earners
can only afford

10%

of rental properties

By current projections,
the region is facing a
shortfall of over 28,200
social and affordable
homes by 2036.

In NSW alone, there are more than 50,000 households on the waitlist for social housing with wait times around 10 years in many regions. For low to middle income earners who don't qualify for social housing, soaring rents and the lack of supply (exacerbated by recent floods) are leaving them priced out of the private rental market.

High prices and high demand, coupled with the challenges of the pandemic and the unpredictable and adverse impact of severe weather, sees more and more Australians facing the stark reality of housing stress and even homelessness.

The Big Housing Debate is an event by Link Wentworth, in partnership with Western Sydney Community Forum, which hopes to ignite the conversation about the importance of social and affordable housing in Western Sydney.

Held for the first time in the lead up to the Federal election at The Joan in Penrith on 21 April 2022, the event brought together representatives from community, private sector and government to debate how we can meet the need for social and affordable housing—because for us, there is no question that social and affordable housing is needed. It is simply a question of how much and how we will deliver it.

Hosted by ABC News' journalist
Juanita Philips, speakers included:

- **The Honourable Rose Jackson**
MLC – Shadow Minister for Water, Housing and Homelessness
- **The Honourable Shayne Mallard**
MLC – Parliamentary Secretary for Western Sydney
- **Mary Conyard** – Link Wentworth resident and lived experience speaker
- **Aunty Carol Cooper**
- **Nicole Woodrow** – Development Director, Landcom
- **Hugh Hartigan** – Senior Advisor, National Housing Finance and Investment Corporation (NHFIC)
- **Rod Fehring** – Executive Chairman, Frasers Property Australia and Chair, National Affordable Housing Alliance
- **Dr Rae Duffy-Jones** – Associate Professor, Western Sydney University
- **Nicole Woodrow** – Development Director, Landcom
- **Leo Patterson Ross** – CEO, Tenants' Union NSW
- **Caryn Kakas** – Head of Housing Strategy, ANZ
- **Ryan Banting** – Director of Social Infrastructure, Australian Unity
- **Syvilla Boon** – Associate Director, Deloitte Australia
- **Councillor John Thain** – Deputy Mayor, Penrith City Council
- **Billie Sankovic** – CEO, Western Sydney Community Forum



The Greater Western Sydney context

The Big Housing Debate focused on the housing crisis faced by residents of Greater Western Sydney (GWS)—the fastest growing and most diverse population in Australia. Often cited as a microcosm of the nation, Western Sydney represents the extremes of wealth and poverty, opportunity and disadvantage.

The packed agenda opened with a series of addresses, followed by two panels— ‘Making the social and economic case for investment in social and affordable housing’ and ‘How can community, government and business work together to help deliver solutions?’

The two-and-a-half-hour event was held in-person and streamed online to an audience of 500 people who were invited to share comments and ask questions of our panelists.

This report provides highlights from the keynote addresses, a summary of the key issues and solutions debated and a list of key take-aways for decision-makers, influencers and community members alike.

GWS is home to 2.5 million people—35% of whom were born overseas. Its population is projected to reach three million by 2036 and to absorb two thirds of the population growth in the Sydney region, making the region one of the largest growing urban populations in Australia.

- GWS is home to roughly one in every 11 Australians
- GWS has the third largest economy in Australia
- GWS has higher than average unemployment and lower than average salary levels
- GWS encompasses significant areas of national parks, waterways, and parklands

Deloitte and the Western Sydney Leadership Dialogue (WSLD) launched their region-focused paper at the event, titled ‘*A regional perspective on a national crisis: The Commonwealth’s role in delivering new social and affordable housing*’. The paper outlines a number of stark statistics about the state of housing in Western Sydney, and the significant role community housing providers play in delivering new supply.

The paper finds that the bottom 40% of income earners can only afford 10% of rental properties. Currently, social and affordable housing supply is only meeting 40% of the region’s current demand.

However, by current projections, the region is facing a shortfall of 28,200 social and affordable homes by 2036. This shortfall is driven by a rise in homelessness—in the past five years alone, GWS faced a 41% increase in homelessness.

In recent years, the region has been more affected by COVID-19 and floods than any other in Sydney, causing further setbacks to the community.

With this diversity, rapid growth and evolution, in addressing GWS’s needs for social and affordable housing, we can find strategies, policies and solutions that can be applied to all Australia.

Lived experience address

Setting the scene for the discussion to follow, Link Wentworth resident Mary delivered a speech on the challenges she encountered as a single mother facing homelessness. Her speech has been included below and edited for space.

After my youngest son was born, I found myself as a single mother with two boys—eight and a half, and 12 weeks old. It happened without any warning. I was living in Newcastle.

The journey for me and my two boys was not easy. I moved to the Hawkesbury due to a short reconciliation with my ex-husband, but it fell apart and I found myself and my two boys needing a roof over our heads.

I then applied for housing, feeling afraid and enormously concerned. I felt like a failure as a mum and a person. It was not easy when I applied for housing. I wanted to live closer to my family in Bankstown but I was told it was a nine-year wait. Hawkesbury was a shorter wait so I chose the Hawkesbury as we needed a roof over our heads. I waited 12 months for a house, paying private rent which was 60% of my income.

Being able to pay my rent [in social housing] meant I had stability and having stability allowed me to volunteer with the Women's Cottage in Richmond, and also volunteer at my son's school. This gave me purpose. I was soon in a position where I could take on paid work, so I got a part-time job as a seamstress at the local drycleaners.

It hasn't always been easy but I count myself as one of the lucky ones. I try to remain positive about my situation.

As I reflect back, I now understand that the decisions I made were based on the information I had at the time. It would be good to see more housing available for people who are on benefits or low income. It would also be good to see more variety of housing in all different parts of Sydney—it was disappointing to have to live so far from my parents, where they couldn't easily help with caring for my kids. Without support, it made it difficult to get work.

The Private Rental Market was and is too high. I understand landlords and companies want to make a profit but sometimes this is just greed. Some houses are not fit for renting.

At present we are witnessing huge unsustainable price increases. Wages are not increasing. A bag of corn has gone up by 50 cents in the last week. A bag of dog food has gone up twice in the last three weeks from \$7 to \$8 to \$9.50. How can we keep up?

My goal as a teenager was to own my own home. I have not fulfilled my goal. But I am grateful for the roof over my head.

I do not live in the street. I live in my house.





"I do not live
in the street.

I live in
my house."

Watch the full speech at:
[linkwentworth.org.au/
event-the-big-housing-debate](http://linkwentworth.org.au/event-the-big-housing-debate)



The NSW response

We were privileged to receive an address from both sides of NSW state politics.

The **Hon. Shayne Mallard MLC** opened his speech outlining his lived experience growing up in social housing in Penrith, born to parents aged just 17 and 19 years old.

"That stability from my childhood is one of the reasons I'm here today," he said. "I acknowledge how important for a family, and for young people, stable housing is."

Mr Mallard continued to acknowledge that affordable housing has become one of the biggest challenges in our society, exacerbated by the impacts of COVID-19, climate change and rate increases. He cited that households with priority need for safe housing has grown 29% over the past two years.

The NSW Government, guided by the '*Housing 2041 – NSW Housing Strategy*', is innovating the supply of social housing to better meet the needs of the waitlist, Mr Mallard said. "We want more people and families to have access to new better quality, modern homes that are more accessible, sustainable, easier to manage and cost effective to maintain."

The maintenance of older social housing stock is a concern to the government. In 2012, \$370 million was invested in social housing maintenance, compared to \$517 million in the 2021 financial year. To address this, the current NSW government strategy is to build new homes in place of aging assets—"new, better quality homes, fit for purpose for people in need".

The Land and Housing Corporation (LAHC) is on track to deliver 3,200 homes over the next five years. "We know it's not enough, but that's the situation at the moment," Mr Mallard said, later quoting that his government had delivered an 8% increase in homes since 2012, \$9.3 billion over the past five years, and is committed to \$6.3 billion more. He said the current NSW government has invested more than any other state—125,000 social housing units with an asset value of \$51 billion, representing 18% of the state government's balance sheet.

Mr Mallard also acknowledged the role of community housing providers in delivering wraparound services at a community level.

"It will take continued collaboration at all levels of government, including local government, industry and the community sector to address the focus of today's big debate,"

Mr Mallard concluded. "The NSW Government will continue to be guided by the Housing 2041 Strategy, our 20-year plan to create the right conditions for increased supply of market, affordable and social housing—the whole housing package—for all people in New South Wales."



In her speech following Mr Mallard, **The Hon. Rose Jackson** started her address by saying there shouldn't be any debate that there is a need for more homes—"The current housing market in New South Wales is a complete and utter failure," she said.

Ms Jackson said that the crisis is driving massive inequality—between renters versus home owners, Western Sydney versus Eastern Sydney, regions versus cities, young versus old. Economic growth is lower in unequal societies, crime is higher, environmental outcomes are worse, she said, explaining that housing is at the epicentre of the issue. "One third of households in Western Sydney are experiencing rental stress and rents are expected to increase even more."

Further, citing AHURI Research, Ms Jackson said there is not one two-bedroom property to rent or buy that essential workers on a median income of \$50-60k per year can afford. The current social housing supply doesn't offer solutions, with 53,000 people on the waitlist expected to wait for more than 10 years and many more estimated to need social housing who "don't bother to apply" because the wait is too long.

"I don't agree with Shayne that the government's investment in social and affordable housing is at record levels," she said, arguing that per capita investment has actually gone backwards in the past five years.

Ms Jackson said there needs to be greater urgency and investment from the federal government, including broader national schemes that consider things like debt forgiveness for state housing agencies. Plus, tax settings to incentivise Build to Rent, state planning policies and state infrastructure policies.

"One of the things that I'd call for is a framework shift, where when we talk about state infrastructure investment we're not just talking about roads and public transport. We actually see affordable housing as an infrastructure investment," she said.

On concerns about maintenance, Ms Jackson encouraged greater investment in sustainable builds, asking why we don't have greener properties with solar, double-glazed windows, better insulation.

Federal Labor has put forward \$10 billion for social and affordable housing, she said, plus a commitment to a National Housing and Homelessness Strategy. Ms Jackson said she applauds these promises and wishes the current NSW government had more urgency with their approach.

"Insecure and unstable housing is the key social justice issue for our time."

Watch the full speeches at:
linkwentworth.org.au/event-the-big-housing-debate



Recommendations from our expert speakers

**Both our panels discussed a range of issues,
producing a number of engaging solutions and ideas.**

A non-exhaustive list of the issues and solutions discussed is provided below.

The full panel sessions can be viewed at: linkwenthworth.org.au/event-the-big-housing-debate/

Issues	Solutions
Changes in government creates changes in housing policy, leaving no room for long-term strategy.	<ul style="list-style-type: none">• Commonwealth involvement is key, including a national strategy.• Make this a largely bipartisan approach to housing through a national strategy, as seen in countries such as Canada.
Social housing assets are aging, and maintenance costs are soaring.	<ul style="list-style-type: none">• Continue with asset recycling strategy, knocking down traditional three-bedroom homes on large pockets of land to create 30 or 40 dwellings which better address the needs of the demographic.• Invest in better quality building materials with a focus on sustainability i.e., double-glazed windows, solar power, etc.• Increase the role of CHPs and transfer ownership, bringing in leverage and cross subsidy from additional affordable housing and market homes.
Social and affordable housing supply is not keeping pace with demand.	<ul style="list-style-type: none">• Create “City Deals” with a percentage of social and affordable housing targets for regions, such as Western Sydney.• Capping rents in affordable housing to allow people to save money and move into the private market.• Redistribute funds from the current development market, such as taking the infrastructure levy from local and state governments, to generate capital to build social housing. This reprioritises social housing as part of the overall housing infrastructure—just as necessary as road intersections, etc.
Surpluses from government social housing isn’t enough to cover maintenance costs.	<ul style="list-style-type: none">• Leverage in CHPs and transfer ownership to CHPs.• Optimise CRA, tax benefits and cross-subsidy.• Closer working with like-minded partners with similar values.
The private sector can be part of the solution, but they need incentive to invest.	<ul style="list-style-type: none">• Share more resident stories, demonstrating who is being helped and how.• Reposition as an Environmental, Social and (Corporate) Governance (ESG) or ethical investment.• Secure a National Housing Strategy – to provide confidence to the market that this will be a growing and long-term focus of successive governments.
Government policies are too focused on easing the cost of living for home owners, rather than renters.	<ul style="list-style-type: none">• Establish more funding pathways for the development of social and affordable housing.• Promote Build-to-Rent projects with long-term mixed tenure outcomes.• Encourage a shift in thinking around the benefits of renting.



Challenging our broken systems

Both panels addressed flaws in our cultural thinking and attitude that have played a role in aggravating the current problem. Leo Patterson Ross, CEO of Tenants Union NSW, and Rod Fehring, Executive Chair of Frasers Property Australia and Chair of the National Affordable Housing Alliance, identified these failures and called for a different approach with a National Housing Strategy at its core.

On the first panel, Leo Patterson Ross said that renting is currently very unstable, with an average tenure of 18 months for private renters. He cited research that said you need to hold a rental tenure for at least seven years in order to have the same mental health outcomes as a home owner. "We don't give people that and we choose not to—we could easily change it, it's a very simple fix."

Patterson Ross says that when we talk about affordability and housing stress, we also need to talk about stability. He referenced European rental policies that favour community benefit and long-term tenure instead of just money making.

"Do we have a housing sector whose priority is housing people and investment is a mechanism to make that happen? Or do we have an investment strategy where housing is sort of a bonus? Unfortunately, I think we have the second at the moment."

He says there needs to be a shift in thinking towards housing people as a priority and developing solutions and policies around this. He supported the need for a National Housing Strategy that clearly spells out what we're trying to achieve—which is ensuring every person has a home—and how we can take steps to get there.

Kicking off our second panel, Rod Fehring from the National Affordable Housing Alliance said we have a broken system. There needs to be greater alignment between the government and the various players in the housing sector, including clear accountability of who does what.

He says the property sector has a role to play in helping to address it.

"We need a more comprehensive approach to enable broad-based, large-scale investment in social housing, delivered through the mainstream housing market," said Rod Fehring. The mainstream housing market invests on average about \$150-\$160 billion a year –if we took \$1,500 per application not in addition to, but as part of that contribution you would generate enough capital to deliver about 3,500 to 4,000 dwellings per annum.

This reprioritises social housing as part of the overall housing infrastructure—just as necessary as road intersections and transport—but requires policies from the federal government and a National Housing Strategy to be established. "The opportunity to do that comes down to the will."

On the costs the community bears in not addressing this problem, Rod pointed to a soon to be released, Spiller Gibbon Swan study, which estimated that \$54 billion is the net present saving of achieving a balanced housing market.

A call to action from our CEO

We were proud to have Link Wentworth CEO Andrew McAnulty speak on the second panel and to deliver the closing address, refocusing the event towards proactivity and optimism.

He first touched on the disappointing lack of urgency around the current housing crisis, saying he's heard the phrase "there's no silver bullet" too many times, often allowing decision makers to become complacent.

"We just can't continue to say there's 'no silver bullet' and then continue to do nothing about our housing crisis. We have to take it seriously."

It's been done well before too, McAnulty explained, pointing to examples in the United States, United Kingdom and Canada which often take a bipartisan, long-term approach. "When there are changes of government, there'll be a different flavour of how they can take the policy forward—but they still take the policy forward!"

McAnulty also cited the success of the "bottom up" approach which he's identified in the UK and also in Sydney, through local councils recognising the need in their community and taking action. He encouraged all in their respective roles, to take this on as a challenge and ask, 'What can I personally do? What can my company do to make change happen?'

The large and looming maintenance cost of current social housing stock was a topic discussed by many including the Honourable Shayne Mallard, who noted the NSW government spent \$517M in 2021 maintaining its aging stock, 54% of which is now over 41 years old. This cost, added to the fact that the NSW Government is needing to renew its portfolio to meet the needs of today's applicants, means that from a pure finance perspective, the NSW Government's social housing assets (which represents 18% of the NSW balance sheet) is costing them money.

This cost to government provides an opportunity to explore solutions differently and innovate—it is an opportunity for CHPs to layer in additional funding sources and increase supply by adding to the already reported on benefits of CHPs managing social housing and to go further and transfer title to the properties. The NSW Government would be better placed if they were to partner with CHPs more extensively to replenish and grow the ageing social housing stock.

"We are tenant focused organisations," McAnulty said. "Our mission isn't to be a developer, it

isn't to be a financier, it isn't to be government. Our mission and vision is to provide houses through which people can build a future."

He cited the example of a Link Wentworth client named Julie (not her real name), who benefitted immensely from the NSW Government's Together Home program. Julie had experienced street homelessness for five years, had lost touch with most of her family and suffered severe mental health difficulties. Thanks to secure and affordable housing, Julie was given the confidence and stability to plan a positive future for herself.

The Together Home program, of which Link Wentworth has been the largest provider in the state, helps highly vulnerable people who are experiencing homelessness and places them into housing. Julie's story is not an isolated one. So far, Link Wentworth has provided 155 people with long-term housing—with 97% of those either still housed or positively exited the program.

The program is a stunning example of what can be achieved when state government collaborate with local government, community services and community housing providers.

"Our mission isn't to be a developer, it isn't to be a financier, it isn't to be government."

Our mission and vision is to provide houses through which people can build a future."



"Every time we have a positive interaction with Julie, or any person like Julie, we are on the road to becoming a more fair society," he said. "Importantly, from an economic point of view, [we are also] saving the state money."

Mr McNulty said that building more social and affordable housing is the right thing to do, but it's also the best thing to do for our society and economy. Community housing providers are here, ready and willing, to help be part of this change.

"... and not rely on the mantra of "there's no silver bullet" but actually say "What can I personally do?" and "What can my company do?" to actually make change happen.

...
We need to be saying more and more that social and affordable housing is an essential part of the make up of every well functioning city in this country."
- Andrew McNulty CEO of Link Wentworth
at The Big Housing Debate, 21/04/2022.

Andrew's call to action resonated with many including a Link Wentworth staff member who wrote down and shared with us her favourite quote. For Amy, it now serves as motivation and clarity of purpose for her in her work.

Watch the full speech at:
linkwentworth.org.au/event-the-big-housing-debate



Key takeaways

Australia's housing crisis is at a critical point. We need to approach the issue with urgency and start taking action on well-meaning ideas, ensuring the already yawning gap of inequality in our country doesn't stretch any further.

Ahead of the Federal election we urge our leaders in government to take note of the following set of clear, actionable and economically viable solutions and asks to come out of The Big Housing Debate.

There must be Commonwealth intervention and strategy

It's clear that the housing crisis cannot be solved by states and local governments alone. We need a National Housing Strategy run by a federal agency that takes a bipartisan approach to social and affordable housing supply.

Working across all levels of government and in partnership with Community Housing Providers (CHPs), this approach would set a clear framework for action, with set targets and much-needed accountability.

Housing needs to be treated as essential infrastructure

Homes provide a secure foundation on which Australians can build their lives—allowing people to contribute positively to our society through the community and workforce.

When seen as essential infrastructure, social and affordable housing is treated as a vital part of the functioning of every major city. This reaps economic benefits, as well as social benefits, saving millions of tax dollars per year on our health, justice and education systems, among many others. Simply put: investment in social and affordable housing helps, rather than hinders, the nation's bottom line.

Leverage the expertise and local knowledge of CHPs

The CHP sector has an invaluable role to play in providing homes and wraparound services to those who need it. With years of local knowledge and networks, the sector is primed to deliver grassroots services and identify growing needs in line with a National Housing Strategy.

As not-for-profit entities, the CHP sector are financially robust, willing to partner with all levels of government and industry—and importantly, we're ready to scale up.

Conclusion

Against a cacophony of headlines and news reports, The Big Housing Debate brought clarity and action to the seemingly insurmountable issue of Australia's housing crisis.

The event uniquely gathered private sector, government, community and academia to openly discuss the problem on one stage, representing how it can and should be done—through federal policy and cross-sector collaboration.

Importantly, the Big Housing Debate put lived experience at the centre, with stories from Link Wentworth resident Mary, as well as speakers Shayne Mallard MLC, Juanita Philips and Syvilla Boon. It showed that the stereotype of a person who needs social and affordable housing no longer exists. That person is an everyday Australian—your mother, your neighbour, you, and us.

There is so much demand, especially in Western Sydney.

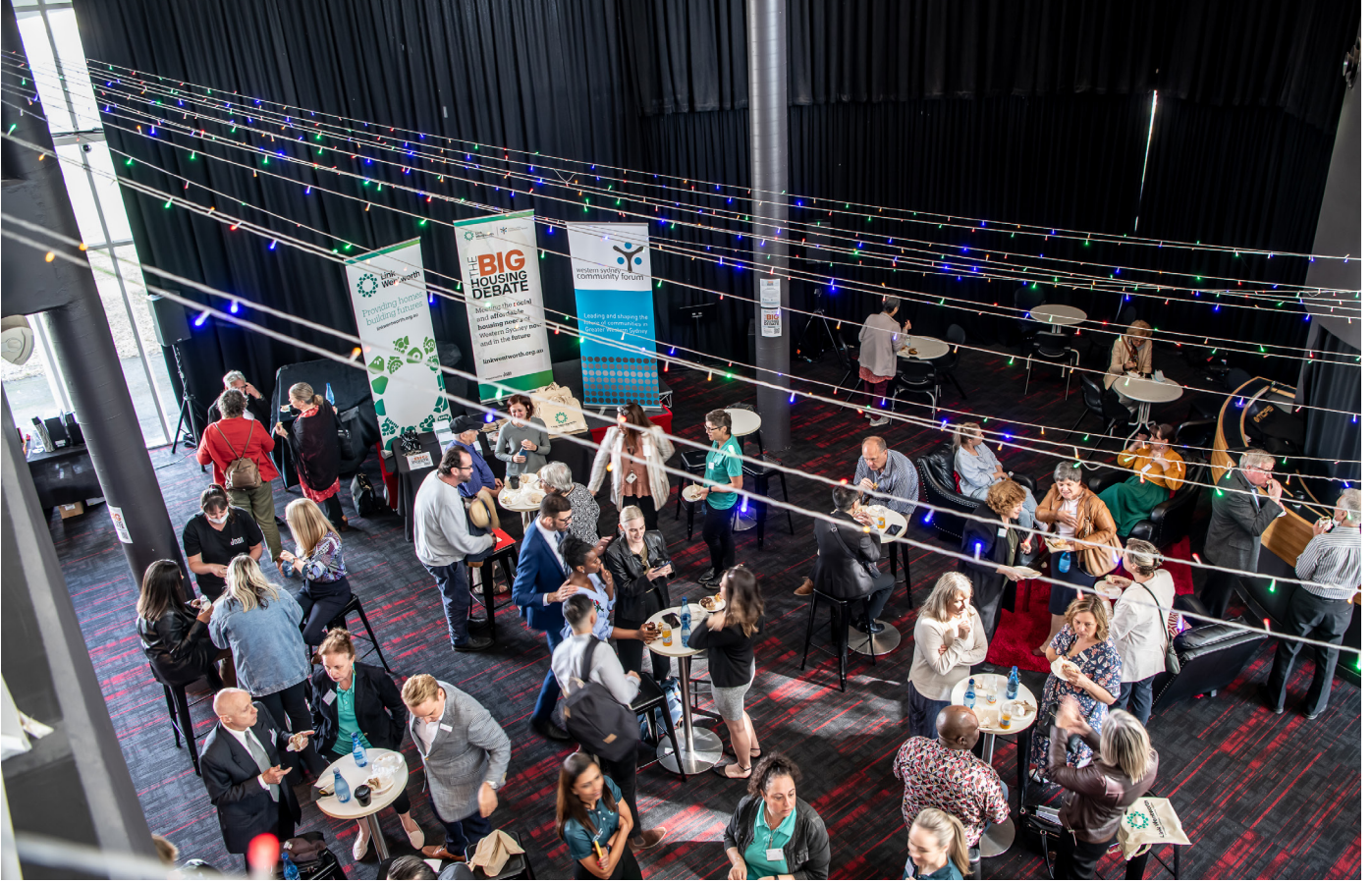
But there is so much opportunity.

We can change the way we think about housing—not just as an investment, but as a human right, as infrastructure. We can lead with empathy but also with good economic sense. We can build fair and robust communities with secure homes at their core.

As The Hon. Rose Jackson said in her speech, housing is the big social justice issue of our time. The debate about housing is one worth having, again and again, until our society is no longer in abject stress.

As such, Link Wentworth plans to continue the Big Housing Debate series and hopes to have the involvement of Federal government to make real, actionable change.

The time to act is now.





"Well done to Andrew McNulty and his team at Link Wentworth and the Western Sydney Community Forum for convening the Big Housing Debate. Great discussion on such an important issue."

Adrian Harrington

Chair of the National Housing Finance and Investment Corporation (NHFIC)

"So much good will, great ideas, just need to join the dots to have affordable, accessible and safe housing to give people and society the stability, key for a brighter future! Well done Link Wentworth and Western Sydney Community Forum for hosting this event!"

Unis Goh

Member at the Disability Council NSW

"It was a pleasure to attend The Big Housing Debate. The event was meticulously run and was a great forum for airing out the challenges we are facing as an industry."

Patrick Elias

CEO of Urban Property Group

"Juanita was brilliant, gave me hope for the future for all those ladies out there on a tough journey. Link Wentworth rescued me, now I strive to help others. Big Housing Debate 100% wonderful."

Marie Sillars

Link Wentworth resident

Media coverage

We were pleased to see The Big Housing Debate garner local and national media coverage, both pre- and post-event.

ABC News

News.com.au

Realestate.com.au

Herald Sun

Daily Telegraph

Western Weekender





About Link Wentworth

Link Wentworth is one of the largest community housing providers in Australia with over 10,000 residents in 6,400 homes across NSW. We provide services across the full spectrum of housing need, from social, affordable and disability housing, as well as homelessness services. We see firsthand the impact of the lack of supply of social and affordable housing on our communities, especially in Western Sydney where we have a large number of properties. As a not-for-profit organisation, our mission is to create more homes and deliver better services to help people facing housing stress and homelessness.



About Western Sydney Community Forum

The Western Sydney Community Forum (WSCF) leads and shapes social policy and service delivery for the region. Defined and driven by fairness, collaboration, integrity and excellence in all we do, the Forum advocates for and champions solutions that sustain community resilience, health and wellbeing. They work with community groups and organisations, partner with Government across all its levels and assist local businesses.