

After the pandemic: building a more resilient and inclusive NSW

Pre-Budget Submission 2022-23

November 2021

Summary

1. Ensure people have a safe, healthy, accessible and affordable place to call home
 - a. Build 5,000 additional units of social housing every year for the next 10 years
 - b. Upgrade inefficient fixtures (water, heating and cooling) and improve the thermal performance of existing social housing stock
 - c. Renew and expand the NSW Appliance Replacement Offer program to support lower-income households to replace inefficient appliances
 - d. Mandate minimum accessibility standards (Silver Level Livable Design) in NSW building regulation
2. Invest in essential support, social cohesion and job security for women by boosting recurrent baseline funding for the social services sector by 20 per cent
3. Embed place-based NGOs in emergency management systems to improve local emergency responses and recovery

Introduction

This Pre-Budget Submission follows engagement and consultation with the many NCOSS members, other frontline services and peak organisations who have supported communities through bushfires, drought, floods, multiple COVID-19 outbreaks and associated economic and social dislocation.

These recent crises have shone a light on some of the biggest challenges facing our state: including that the most basic of human rights – having a decent home – is out of reach for a growing number of people; and that our social services sector doesn't have sufficient resources, nor adequate involvement in critical planning and decision-making processes, to deliver the support needed to ensure vulnerable individuals and communities can reach their potential.

It is also clear that the impacts of adverse events are not distributed evenly across NSW. While some people have remained connected to employment and education, and safely and securely housed, this has not been the case for all.

In particular, the pandemic has worsened the economic security of women in NSW, with 61 per cent of job losses since May 2021 being jobs in female-dominated industries and women in Western and South Western Sydney most impacted. There has been a 9.8 per cent increase in reports of domestic violence to police over June 2019-June 2021, and a sharp rise in the number of people seeking specialist homelessness services who have experienced family and domestic violence.¹

We acknowledge that the NSW Government is leading the way on climate action, but more must be done. We know that the frequency and severity of extreme weather events and disasters will increase; and that it is disadvantaged households and communities who will be most impacted, and least able to prepare and respond.

Addressing these challenges now is not only the right thing to do, it will deliver economic and social dividends, driving job creation and boosting NSW's economic recovery.

Recommendations

1. Ensure people have a safe, healthy, accessible and affordable place to call home

A home provides the foundation on which people can build their wellbeing and manage life's opportunities and challenges. A decent, secure home keeps people safe from extreme weather, supports good health, protects women and children fleeing violence, allows ageing in place and provides the basis for people to engage productively in their community.

a. Build 5,000 additional units of social housing every year for the next 10 years

The pandemic has laid bare the shortfalls in our housing market. Lack of available, affordable and accessible housing has not only exacerbated the COVID-19 crisis and widened inequality, but also acted as a handbrake on how we build back.

Multiple lockdowns have highlighted overcrowding² as a serious public health issue and key driver of homelessness in NSW.^{3,4} From 2011-2016, severe overcrowding increased by 74 per cent in NSW⁵ and has driven dramatic increases in homelessness in Western and South Western Sydney⁶ – areas most heavily impacted by the June 2021 Delta outbreak.

The lack of quality housing for Aboriginal communities in regional NSW remains a significant issue. Recent investment in new and upgraded social and affordable homes in partnership with Aboriginal Community Housing Providers is a positive step. But more is urgently required to address chronic undersupply, protect vulnerable communities from the ravages of climate change, and meet the National Agreement on Closing the Gap target of 88% of Indigenous Australians living in appropriately-sized housing by 2031.

The NSW Government's recent, significant commitment to expand the domestic and family violence 'Core and Cluster' model is also welcome, bringing women's refuges into the 21st century. However, women still need a safe, secure home once they leave crisis accommodation. An estimated 2,402 women return to live with a violent partner because of lack of an affordable alternative, and a further 2,410 become homeless because they could not find secure and permanent housing after leaving violence.⁷

Homelessness services have for years struggled to support more people than they are funded for. These services are now bracing for the further rise in demand as COVID-19 disaster payments cease, unemployment and housing challenges continue, and domestic violence increases as a consequence of lockdown.⁸

The NSW Government's 2021-22 Intergenerational Report estimates that, under 'business as usual' settings, by 2060-61 an extra 68,000 households in the 65+ age group alone will require social housing or otherwise experience acute housing stress.⁹ Yet, declining capital expenditure has resulted in social housing stock diminishing by almost 9,000 since 2014, while over 50,000 people sit on the wait list, in many areas for more than 10 years.¹⁰

The NSW Government can reverse this trajectory and boost the state's recovery. Equity Economics estimates that an annual investment of \$2.6 billion would deliver 5,000 additional units of social housing and create 14,000 jobs across the NSW economy.¹¹

Investment in social housing would also avoid \$38.5 million a year in costs from women returning to a violent partner, and \$68 million a year due to women experiencing homelessness as a result of domestic and family violence.

- b. Upgrade inefficient fixtures (water, heating and cooling) and improve the thermal performance of existing social housing stock
- c. Renew and expand the NSW Appliance Replacement Offer program to support lower-income households to replace inefficient appliances

Energy inefficient housing can have adverse effects on physical and mental health, on social wellbeing and on our environment.¹² By contrast, energy-efficient and healthy housing measures can improve quality of life, benefit the economy and contribute significantly to both climate change mitigation and adaptation.

Investing to support households on lower incomes to live in efficient, healthy housing will create local jobs, savings for the health system, and protect the environment. Households living on lower incomes continue to spend a significant part of their disposable income on energy costs.¹³ They often have little control over the energy efficiency of their home and little financial capacity to upgrade old, polluting, inefficient appliances.

Under the NSW Appliance Replacement Offer that ended in June 2021, concession card holders were able to access a 40-50 per cent discount on a new fridge or television. This provided average savings on energy bills of \$325 per year.¹⁴ This program should be renewed and extended to include other appliances such as portable air-conditioners and washing machines.

Similarly, upgrading inefficient fixtures produces savings in energy costs. Upgrades made to 1,230 existing homes by one NSW community housing provider – such as insulation, drought proofing and LED replacement, and installation of heat pumps for hot water systems, ceiling fans and solar – delivered an estimated energy saving of 2,270,000 kWh of energy per year and an average saving of \$400 per dwelling.¹⁵ Upgrades also create employment – we estimate that over 1,000 full time jobs could be created by upgrading low income households in NSW.¹⁶

- d. Mandate minimum accessibility standards (Silver Level Livable Design) in NSW building regulation

Mandated Silver Level accessibility standards create homes that are more comfortable and safer to live in and visit, allowing people with disability to live in the community and people to age in place.

The minimum accessibility guidelines to Silver Level Livable Housing Design (with additional prescription to build to Gold Level) were incorporated into the National Construction Code (NCC) by a majority decision taken by the Building Ministers Meeting (BMM) on 30 April 2021.¹⁷ While the majority of Australian jurisdictions will implement the guidelines in line with the NCC changes coming into effect on 1 September 2022, NSW is yet to adopt the NCC provisions for Silver Level minimum accessibility standards. NSW must follow other states and territories to adopt these provisions and enable better homes for people with disability.

2. Invest in essential support, social cohesion and job security for women by boosting recurrent baseline funding for the social services sector by 20 per cent

Recent disasters – from bushfires and floods to COVID-19 – have highlighted the essential role of the social services sector in keeping our communities safe and providing trusted, culturally-safe support.

These services have been on the frontline supporting households in crisis – many who found themselves needing to seek support for the first time. At a community level, they have leveraged

their networks to work with local leaders and public health officials to set up pop-up vaccination clinics, translate information, provide transport and support people to overcome their vaccine hesitancy. They have explained confusing messaging, encouraged compliance with health requirements, and provided support and connection for those struggling or isolated by the pandemic.

The NSW Government has recognised the vital role of the social services sector during COVID-19 through the much-welcomed \$50 million Social Sector Support Fund. However, this one-off injection does not address the fact that the social services system was already straining well before the pandemic and will continue to do so without adequate, sustainable funding. Evidence from previous economic downturns points to ongoing impacts including:

- increased housing stress and homelessness
- rising rates of domestic violence and children at risk of serious harm
- a drop-off in educational engagement and attainment
- exacerbation of mental health issues.¹⁸

This is a service system predominantly staffed by women. Four out of five jobs in the social services sector are female – equating to over 180,000 workers – and 50 per cent of these are casual or fixed-term roles.¹⁹ The chronic underfunding of the social services sector – a major employer of women in NSW – plays a direct role in depriving women of secure work and decent wages.

The contribution of the NSW social services sector – including its annual economic output of \$15.4 billion²⁰ – needs to be recognised and backed by an evidence-based, data-informed funding model that is linked to population growth, demand indicators, economic and workforce conditions and the real cost of service provision.

In the meantime, a boost of 20 per cent to recurrent baseline funding would enable the sector to manage increased costs and risks incurred due to:

- rising demand and cost of service provision
- increased data collection and reporting requirements by funding agencies
- increased responsibility in the level, type, complexity and location of service deliverables
- more onerous contract terms with no guarantee of annual indexation or growth funding.

Permanently increasing recurrent baseline funding will also strengthen Aboriginal Community-Controlled Organisations in their provision of culturally-safe, community-led support for Aboriginal and Torres Strait Islander Australians, who continue to experience disproportionate levels of disadvantage.

3. Embed place-based NGOs in emergency management systems to improve local emergency responses and recovery

COVID-19 has reinforced that when an emergency occurs, it is local services and community leaders – those already on the ground – that people turn to and trust.

The NSW Government, through agencies such as Resilience NSW, NSW Health and the Department of Communities and Justice, has done so much to keep communities safe through the COVID-19 pandemic and recent natural disasters. There is now an opportunity to improve on this through a more inclusive and timely approach that formally recognises and incorporates the expertise and know-how of the NGO sector.

As with bushfires, during COVID-19 we saw NGOs rise to the challenge – taking on additional responsibilities and forming new partnerships to provide support, information, essential supplies and other assistance. These vital, place-based ‘community assets’ also offered access to local networks, knowledge and infrastructure, essential for incoming emergency responders.

But they have fulfilled these roles without additional resources, training or input to an overarching plan. All too often NGOs are a late inclusion in the emergency response, meaning valuable know-how, preventative measures and tailored solutions are lost. Workforce shortages – in the face of an already stretched service system, rising demand and staff who are also impacted by the disaster – are a common occurrence.

Emergencies and disasters are going to occur with increasing frequency and severity. A smarter approach to how we prepare for and respond will ensure impacted communities and vulnerable people get the assistance they need, when they need it. There is an opportunity to learn from recent experience and strengthen our emergency management system, building on recovery initiatives such as Community Resilience Networks. This would involve a staged, ground-up approach, testing the model in high-priority, high-risk LGAs (such as the South Coast and Western Sydney LGAs) before expanding to other areas. Key elements would include:

- Identification and resourcing of lead, place-based, NGO and Aboriginal Community-Controlled Organisations in selected LGAs – to bring a better understanding of community strengths, challenges, cultural factors and the unique makeup of the local social service system into local and regional emergency management planning. These NGO leads would be a nexus between emergency management structures and social services with tasks including allocation of roles and responsibilities, scenario planning, simulation exercises, training and coordination across social services.
- Establishing a surge workforce capacity to skill up and expand the local social service system as required – a key role for the identified lead NGO(s), involving arrangements with existing and retired social service staff, volunteers and others appropriately trained and able to take community service leave as happens with the SES. It would have 48-hour deployment capacity to meet priorities such as delivering emergency supplies, sourcing accommodation, undertaking welfare checks and providing case management for people with complex needs.
- Access to a flexible funding pool – building on recent experience with the Social Sector Support Fund, this would enable local NGOs to respond quickly to increased demand, bridge identified gaps, bring on extra staff, backfill positions and meet additional service costs.
- A collaborative project between sector peaks, Resilience NSW, other government partners, and local stakeholders to integrate local voices, resources and expertise into top-down emergency response systems and inform development of a statewide Resilience Strategy. It would include evaluation of the model to guide broader rollout.

- ¹ Equity Economics 2021, *Rebuilding Women's Economic Security – Investing in Social Housing in New South Wales*, Sydney
- ² 'Overcrowding' is defined in the ABS *Census of Population and Housing: Estimating Homelessness* as living in a dwelling which requires 4 or more extra bedrooms to accommodate the people who usually live there, as defined by the Canadian National Occupancy Standard (CNOS).
- ³ Allen, J., Goldblatt, P., Herd, E., Marmot, M. & Morrison, J. 2020, *Build Back Fairer: The COVID-19 Marmot Review. The Pandemic, Socioeconomic and Health Inequalities in England*, Institute of Health Equity, London.
- ⁴ Brackertz, N., Davison, J., Borrowman, L. and Roggenbuck, C. 2019, *Overcrowding and severe overcrowding: an analysis of literature, data, policies and programs*, report prepared by AHURI Professional Services for NSW Department of Communities and Justice, Australian Housing and Urban Research Institute Limited, Melbourne.
- ⁵ ABS 2016, *Census of Population and Housing: Estimating Homelessness*, Australian Bureau of Statistics, accessed 1 November 2021, <<https://www.abs.gov.au/statistics/people/housing/census-population-and-housing-estimating-homelessness/latest-release>>
- ⁶ Brackertz, N., Davison, J., Borrowman, L. and Roggenbuck, C. 2019, *Overcrowding and severe overcrowding: an analysis of literature, data, policies and programs*, report prepared by AHURI Professional Services for NSW Department of Communities and Justice, Australian Housing and Urban Research Institute Limited, Melbourne.
- ⁷ Equity Economics 2021, *Rebuilding Women's Economic Security – Investing in Social Housing in New South Wales*, Sydney
- ⁸ Domestic Violence NSW 2021, *The impact of the 2021 Greater Sydney COVID-19 lockdown on specialist domestic and family violence services, and their clients*, Domestic Violence NSW, accessed 1 November 2021, <<https://www.dvnsw.org.au/wp-content/uploads/2021/08/DVNSW-COVID-Impact-Report.pdf>>
- ⁹ NSW Treasury 2021, *2021-22 NSW Intergenerational Report – Towards 2061 planning for the future*, accessed 17 November 2021, <<https://www.treasury.nsw.gov.au/nsw-economy/2021-22-nsw-intergenerational-report>>
- ¹⁰ Department of Communities and Justice 2020, *Expected waiting times*, Department of Communities and Justice, NSW Government, accessed 1 November 2021, <<https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>>
- ¹¹ Equity Economics 2021, *Rebuilding Women's Economic Security – Investing in Social Housing in New South Wales*, Sydney
- ¹² Grey, C.N.B. et al 2017, 'Cold homes, fuel poverty and energy efficiency improvements: A longitudinal focus group approach, *Indoor and Built Environment*, vol. 26, iss.7, pp.902-913. doi:[10.1177/1420326X17703450](https://doi.org/10.1177/1420326X17703450)
- ¹³ Australian Energy Regulator 2019, *Affordability in retail energy market*, Australian Energy Regulator, Commonwealth of Australia, Canberra.
- ¹⁴ NSW Government 2018, 'Appliance replacement scheme slashes power bills', media release, 30 July, accessed 9 November 2021, <<https://www.nsw.gov.au/news/appliance-replacement-scheme-slashes-power-bills>>
- ¹⁵ CEFC 2021, *Clean energy and affordable housing*, Clean Energy Finance Corporation, accessed 9 November 2021, <https://www.cefc.com.au/media/2vqg5rly/cefc_investmentinsights_communityhousing.pdf>
- ¹⁶ NSW estimates based on data from Deloitte 2021, *The economic impacts of the National Low-Income Energy Productivity Program*, report prepared for the Australian Council of Social Service, accessed 10 November 2021, <https://www.acoss.org.au/wp-content/uploads/2021/10/DAE-ACOSS_Economic_Impacts_of_NLEPP_Final_Report_211005.pdf>
- ¹⁷ Department of Industry, Science, Energy and Resources 2021, *Building Ministers' Meeting: Communique April 2021*, accessed 9 November 2021, <<https://www.industry.gov.au/news/building-ministers-meeting-communique-april-2021>>
- ¹⁸ Equity Economics 2020, *A Wave of Disadvantage across NSW: Impact of the COVID-19 Recession*, a report prepared for the NSW Council of Social Service, Sydney.
- ¹⁹ Equity Economics 2021, *The Social Sector in NSW: Capitalising on the Potential for Growth*, A Report Prepared for the New South Wales Council of Social Service, Sydney.
- ²⁰ Ibid.