



About CHFA

Who We Are

CHFA is the national peak association of community housing providers in Australia.

CHFA represents the interest of more than 2,000 groups through an organisational membership of 15 community housing provider peaks and 5 national associations.

Our members are largely State and Territory associations of community housing providers. Local and nationally oriented providers that are not represented through affiliation with a regional peak are also our members. In recent years, the associate membership of CHFA has grown among individuals and organisations that endorse the overarching aims and objectives of Federation while not directly engaged in housing provision.

Founded in 1996, CHFA provides a range of services for members and assists community initiatives, institutional research and government partnerships promoting non-profit community housing as a practical and empowering solution to local housing needs.

Our working definition of community housing is: safe, secure, affordable and appropriate, rental housing provided by not-for-profit community organisations on a basis which is respectful of tenants rights, including opportunities for participatory management, and constructive of links with community development.

CHFA works to ensure members have the representation, expertise and resources needed for effective development of the sector in a changing economic and political environment. CHFA provides information, research, and strategies for the long-term viability of community housing. We build links among community housing providers and other partners in our sector.

CHFA is the voice for community housing providers in Australia.

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Our Future in Affordable Housing Policy Position November 2004

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Introduction

There is a crisis in availability of affordable housing in Australia. A sustained increase in house and land prices coupled with a significant drop in the number of low cost rental dwellings and a shrinking public housing sector have resulted in ever increasing numbers of households experiencing housing related stress.

It has been estimated that the numbers of households in housing stress now exceed a quarter of a million and that this number could increase to one million households by 2020¹.

In addition, the number of households in housing stress as a proportion of the total number of households renting privately has grown significantly to the extent that up to three households in every four renting in the private rental market are deemed to be in housing stress.²

The numbers of public housing dwellings as a percentage of the national housing stock, has fallen nationally by 1.5% between 1994 and 2001 to now represent only 4.7% of the total.³

Housing related Government funding is delivered to Australians in different ways at different rates and may be in the form of direct or indirect assistance. Of the \$21 billion of Commonwealth expenditure on housing through tax relief and other incentives, only \$3.1 billion is directed towards low income renting households: \$1.9 billion per annum for Commonwealth Rent Assistance and \$1.2 billion under the Commonwealth State Housing Agreement⁴. The current maximum amounts of Rent Assistance, designed as an income support measure to assist housing affordability, range from

\$62.13 per fortnight for singles in shared housing to \$123.76 per fortnight for couples with 3 or more children, and this is only available for those households who are already Centrelink clients⁵.

Funds allocated to public housing and community housing through the Commonwealth State Housing

Agreement have been reducing in real terms during the last decade, with the Productivity Commission's Report on Government Services suggesting a decline of 18.6% between 1993 and 2002-03.⁶ This decline is accentuated by declining numbers of properties within the public housing system.

Those receiving the highest housing related subsidy are households in the

top 20% of incomes who receive an annual subsidy of \$4,200, compared with a public housing tenant who receives an annual average subsidy of \$4,000.⁷ This subsidy is in the form of indirect assistance through a range of measures such as Capital Gains Tax exemptions, negative gearing and depreciation allowances for investment properties.

The implications for the community housing sector in these statistics are grim. Falling levels of direct housing assistance in a policy environment where different policies are working in opposition to each other; where first home owners on lower incomes receive little or no benefit from a range of tax incentives because of their lower tax liability; where huge windfall gains from Stamp Duty at State levels are not automatically channelled back into meeting the housing requirements of those most in need, and where the highest level of subsidy goes to those who need it least provide additional challenges as we

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1 Affordable Housing National Research Consortium: *Affordable Housing in Australia: Pressing Need, Effective Solution*. Sydney. 2001.

2 Ibid: Page 12

3 Public and Community Housing: *A Rescue Package Needed*, ACOSS, October 2002.

4 National Shelter and ACoSS: *Rent Assistance: does it deliver affordability?* Sydney. 2003

5 Ibid.

6 Commonwealth of Australia: *Productivity Commission's Report on Government Services*.2004.

7 Judith Yates: *A Distributional Analysis of the Impact of Indirect Housing Assistance*. AHURI. Sydney 2003.

strive to offer an additional and affordable range of housing products.

The capacity for households experiencing housing stress to participate fully in the social and economic life of Australia is greatly diminished. Individuals suffer disruptions to health, education, and employment, and issues such as family breakdown, anti-social behaviour, homelessness and social isolation become increasingly apparent. All Australians therefore feel the impacts of housing stress, either directly or indirectly as these impacts threaten social cohesion and civic participation.

In response to the increasing urgency to find solutions to housing affordability across Australia, Governments, business leaders, financiers, industry bodies, the media and the community sector are beginning to consider a range of options to meet a burgeoning need. Options under consideration

include making home ownership more affordable, increasing land availability, analysis of the impact of charges and taxes on affordability, and financing models that engage partnerships between

Governments, the private and community sectors.

The community housing sector embodies many qualities that are fundamental to the provision of safe, secure, appropriate and affordable housing, and the role of the community housing sector in contributing to meeting the needs of those Australians experiencing housing stress will be explored further in this paper.

The following policy position has been adopted by members of the Community Housing Federation of Australia following national consultations, and reflects the views of community housing providers and their representative peak organisations, and other stakeholders.

In response to the increasing urgency to find solutions to housing affordability across Australia, Governments, business leaders, financiers, industry bodies, the media and the community sector are beginning to consider a range of options to meet a burgeoning need.



1. What is affordable housing?

The term “affordable housing” means different things to different sections of the community and will often reflect a proponent’s area of interest such as the cost of land from a construction viewpoint; the cost of entering home ownership from a Commonwealth Government perspective, or the percentage of income spent on housing costs from a community perspective.

Housing affordability can also be looked at in terms of what is not affordable. Whilst the affordability benchmark for those on the lowest incomes is determined within the Commonwealth State Housing Agreement at 25% of income, a nationally accepted benchmark for determining housing stress is 30%⁸ of income spent on housing cost, particularly for those in the bottom two quintiles of income. In other words, if a household spends *up to* 30% of income on housing, it is deemed affordable, and if *more than* 30% of income is spent on housing costs households are deemed to be in housing stress. The debate on appropriate rent structures to ensure affordability and the best method of determining affordable rents will continue.

Housing affordability is further described as being at a level at where a household has sufficient disposable income after paying for housing to meet other basic needs such as food, clothing, medical care, transport and education.⁹

Other descriptions of affordable housing include housing that is available at a rental less than the median market rent. This rental amount will vary in accordance with the vast regional differences in the availability of appropriate rental stock; differences in median rents from region to region, and will be set irrespective of the location of properties relevant to employment, educational opportunities or the social infrastructure needed by household members.

What is imperative in any discussion on the meaning of “affordable housing” is that such housing:

- Is appropriate to the needs of the household;
- Is of a quality that promotes health and well-being;
- Is secure and safe;
- Promotes choice for households;
- Is a housing option within a continuum of options;
- Contributes to housing stability for households;
- Reflects the diversity within the broader community;
- Is accessible;
- Is cost effective to provide;
- Is an alternative to private rental housing and part of a continuum of social housing; and,
- Enhances the capacity of households to contribute to and participate in their communities for the benefit of all.

Policy Position

- ❖ **Affordable Housing is appropriate, safe and secure housing that is available particularly to those households in the lower two quintiles of income who pay a maximum of 30%¹⁰ of their income in housing costs, and/or for whom there is sufficient after housing income to meet other basic living needs.**
- ❖ **Affordable housing offers choice to households who require financial assistance or subsidy to meet housing cost: it promotes health and well-being; employment and educational opportunities, and fosters connections with family and community.**
- ❖ **Affordable housing contributes to the maintenance of healthy and sustainable communities by ensuring through the provision of safe, secure and appropriate housing, that households are able to participate fully in the social and economic environments in which they live.**

8 *Affordable Housing in Australia: Pressing Need, Effective Solution*. Affordable Housing National Research Consortium 2001.

9 *Affordable Housing in Australia: Pressing Need, Effective Solution*. Affordable Housing National Research Consortium 2001.

10 Explanatory Note: Conservative benchmark noted in the National Housing Strategy 1991 and used extensively in literature since that time.



2. Community housing values and characteristics and the characteristics of affordable housing

2.1 The values

Community housing has long been described as affordable housing.

Community housing has historically been developed in response to locally identified need and is premised on the social justice principle that all Australians have a right to housing that is appropriate, affordable, safe and secure.

Community housing is inclusive, and recognises the rights of tenants to participate both within their housing organisation and in the broader community. It is flexible and responsive, respects the dignity of individuals and the diversity of its communities.

The relationship between community housing providers and the community is enshrined in participation by communities in the management of housing, and in the capacity building and community development activities of housing providers.

Community housing is responsive to its tenants and members, and works collaboratively with many others including support agencies and Government. A fundamental principle of community housing is that of meeting the needs of individuals and promotion of self-determination. Above all, community housing promotes fairness, access and social equity.

2.2 The characteristics of community housing

There are a variety of ways that community housing is delivered: through tenant ownership or part ownership of properties; through community based groups and not-for-profit community organisations, and through church based initiatives and Government programs. Community housing models include housing associations and housing co-operatives, and may comprise communal or group living situations such as boarding houses or hostels.

Community housing has attempted to meet the failure of the private rental market to adequately house low income households and those with special needs, and has an outstanding record of delivering sustainable long term, transitional and crisis accommodation with high levels of tenant satisfaction throughout the country. Participation by community members in management of housing organisations ensures the connection of organisations to their locality and that a range of stakeholders have an interest in the viability of organisations and the sustainability of tenancies.

Community housing organisations are largely autonomous, although they share similar values and

A key characteristic of community housing organisations is their responsiveness to localised needs, a quality that is reflected in the diversity of services provided and tenant populations served.

principles. A key characteristic of community housing organisations is their responsiveness to localised needs – a quality that is reflected in the diversity of services provided and tenant populations served. Community housing organisations attract a wider and more diverse population than highly targeted public housing. This strengthens the sense of community within

housing organisations and in turn, provides a stronger sense of belonging for tenants.

Tenants and members of community housing organisations are actively encouraged to be involved and participate, both within their organisation and in the community and this involvement is both empowering and enabling. In turn, this empowerment fosters capacity building and extends to the broader community through community development activities.

A core feature of community housing is benevolent housing management: that is, management recognising that support for tenants provided in a timely manner will prevent further disruption to households. Community housing organisations undertake a range of functions in addition to housing management, and may include asset management and property development. At the same time,

community housing providers are financially accountable and organisations are operating as commercial concerns.

However, the longer term financial viability of community housing is as much at risk as it is for public housing. Falling levels of Government funding for stock additions and refurbishments, coupled with falling rent revenues as social housing is targeted increasingly towards households on the lowest incomes are resulting in only sporadic growth of community housing property numbers and a static income stream. Community housing providers, whilst enjoying some flexibility in accommodating households with some diversity of income, would welcome the opportunity of expanding their stock numbers and increasing the diversity of their tenant mix through property acquisition funded from outside the Commonwealth State Housing Agreement, which also would allow the introduction of flexibility in setting rents.

2.3 The characteristics of affordable housing

There are some key characteristics that distinguish affordable housing from community housing: involvement of the private sector and mixed funding models; flexible rent structures, and a broader range of tenant groups. However, affordable housing shares many of the same objectives as community housing and both should be viewed as part of a continuum of housing options and choices.

Affordable housing is seen to offer a range of housing options, and whilst the debate is still in progress, it is likely that a range of delivery mechanisms will also prevail.

For tenants and those participating in part ownership schemes, the critical issue is that an additional stream of mixed funded and subsidised housing will add choice, offer the opportunity for an equity share, and some flexibility in a housing market that currently has little flexibility because of diminishing supply and ever expanding waiting lists.

The diversity in household incomes that will be a feature of affordable housing provides added scope for existing providers in terms of creating or maintaining their housing communities. Mixed incomes strengthen income streams for providers

and a diverse tenant mix contributes to stronger sustainable communities.

Flexible rent setting practices will increase the revenue from rent receipts, and the eligibility of many affordable housing tenants for Commonwealth Rent Assistance will further boost rent revenues. A mixed rent setting program will also allow for some cross-subsidisation within organisations that will promote ongoing access for lower income households. Affordable rents may include, for example, full market rent, a percentage of market rent, a cost based rent – all of which will compliment a rent structure that charges rent at a percentage of income for the lowest income households.

Mixed incomes strengthen income streams for providers and a diverse tenant mix contributes to stronger sustainable communities.

For existing providers, the opportunity exists to expand beyond current affordable housing activities by forging new partnerships and alliances as alternative funding is sought. Such

alliances and partnerships include, but are not be limited by, Trust funds, super funds, developers, small investors, commercial lending facilities and industry.

These alliances will further enhance the capacity of housing providers to participate as partners in ongoing and future social and economic debate, and will provide some impetus for exerting influence on the housing market.

Policy Position

❖ **That the characteristics of affordable rental housing include:**

- **Mixed funding models;**
- **Flexible rent structures; and,**
- **Broad mix of tenant households.**

❖ **That affordable housing will offer a range of housing choices including rental accommodation and part or full ownership, delivered by the community housing sector and a range of other housing providers, and which will be funded through a mix of public and private financing arrangements.**

2.4 The relationship between community housing and affordable housing

Community housing organisations are already providing affordable housing products that they have developed in partnership with private investors and financial institutions. The key to future growth for community housing providers in the affordable housing market will be in expanding beyond modest initiatives to become volume suppliers of affordable, particularly rental, housing.

Community housing and affordable housing offered as a choice within the one organisation can deliver increased security for tenants. There is no doubt that the needs of households change over time, and financial capacity within households changes also. The capacity of community housing providers to allow a household to remain in their home whilst adapting their rents between rental structures is conducive to the security and surety that all households need.

Community housing is concerned with creating communities – the diversity for community housing organisations in having a variety of households with a range of financial circumstances is much more reflective of the broader community, than being restricted to only a small percentage of the general population on the lowest incomes.

Flexibility in eligibility for community or affordable housing coupled with flexibility in housing design will mean organisations can provide a range of options to housing consumers. There is also the potential for such flexibility to offer incentives for tenants to

move along the housing continuum¹¹. Those on the lowest incomes may be encouraged to improve their financial circumstances to facilitate access to different housing options; on the other hand, a safety net will exist for those paying higher rents if their circumstances deteriorate.

The community housing sector has an established role in the provision of housing, with many years of collective and accumulated experience. As a not-for-profit sector, any surpluses generated by the community housing sector are automatically fed back into housing provision, thus ensuring maintenance of benefit to the community. An expansion into the provision of additional housing options for those on lower incomes should include expanding an already vibrant and proven community housing industry.

Policy Position

- ❖ **The relationship between community housing and affordable housing will be enhanced and strengthened:**
 - **To provide tenants with a range of housing assistance initiatives that meet, and adapt to, circumstances;**
 - **To facilitate increased opportunities for tenant participation in housing communities;**
 - **To facilitate the building and sustainability of communities; and,**
 - **To facilitate the longer-term financial viability of the community housing sector.**

¹¹ Explanatory Note: The notion of a housing continuum is that during a housing lifetime, the needs of a household will change, as will the income earning capacity of the household. Rather than requiring households to relocate from one dwelling to another as eligibility for housing assistance levels change, the rental structures change to meet the circumstances. This security of tenure enables households to remain within their communities and enhances their participation in their communities.



3. What can community housing bring to the affordable housing debate?

The current debate around affordable housing has arisen in recognition that the balance between income and housing cost has become progressively skewed. In addition, the imposition of targeting of housing assistance to those in greatest need has increased the vulnerability of those on modest incomes who are currently not eligible for subsidised rents through the public and community housing systems, and those on low incomes who have no choice other than to rent in the private rental market. In 1999 the Australian Bureau of Statistics (ABS) found that 65%, or 400,000 households, in the private rental market were paying in excess of 30% of their gross cash income in rent.¹² It has further been estimated that approximately one third of Rent Assistance recipients pay in excess of 30% of their income in rent.

Affordable housing needs to deliver not only affordability, but also the range of add-on benefits that make a significant difference in the lives of low-income households. These benefits include: improved health and well being, housing stability, security and safety. In addition, affordable housing must be cost effective to deliver, and must promote choice for housing consumers. Affordable housing must also contribute to other policy objectives such as strengthening communities and increasing the economic and social participation of all Australians.

The characteristics that define community housing enable us to deliver affordable housing with a number of key benefits:

- The values of community housing are intrinsic to the success of this tenure in meeting the outcomes and needs of tenants and members, and should be the values embodied in the delivery of all financially assisted or subsidised housing. These values are empowering and ensure equity and accessibility.
 - The characteristics of community housing meet the social imperatives of ensuring that all Australians are able to exercise their right to appropriate, affordable, safe and secure housing.
- The participation of tenants within their housing organisations and the broader community ensures they remain connected to the social structures that are an intrinsic and much needed requirement to health and well-being, and ongoing economic and civic involvement.
 - Community housing providers have skilled personnel, either as paid staff or as volunteers, and maintain a variety of links with other support providers for those tenants with additional needs. These skills relate to both benevolent tenancy management and to maintenance and asset management. Further, community housing providers can bring experience in community development and community capacity building – issues that are at the forefront of current social debate.
 - The community housing sector is flexible and responsive. Meeting the housing needs of households who are currently excluded from social housing because they are not needy enough, and excluded from an affordable private rental market because of the decline in appropriate properties provides a challenge and an opportunity for the sector to expand its operations, ensure the viability of the sector, and contribute significantly to the broader social objectives of achieving healthy communities.

Whilst there may in time be a variety of affordable housing providers offering a range of housing products, the community housing sector has the expertise, the values and the capacity to be a high volume supplier of affordable rental housing.

Policy Position

- ❖ **That the values and characteristics of community housing be adopted as the benchmark of good practice in the delivery of all forms of housing for those unable to access home ownership or the private rental market.**

¹² ABS 2000: *Australian Housing Survey: Housing characteristics, costs and conditions*. Cat. No. 4182.0. Canberra.



4. The role that community housing can play in affordable housing provision

Community housing providers are current players in the affordable housing market and are poised to play a bigger role in delivering housing in this area. Investors, financial institutions and developers acknowledge the business acumen demonstrated by those in the sector who have been their active partners in existing joint venture projects. The challenge now is to build on those successes using the best practices and values of our sector.

By maintaining and promoting the core values and characteristics of community housing, the sector can provide housing management services that reach far beyond the traditional relationship between landlord and tenant. Paramount amongst these, are the opportunities for tenants to participate in the management of their housing, within their organisations, and within the broader community.

The not-for-profit and/or charitable status of community housing organisations provides potential investors with significant relief from taxes and charges in relation to housing construction costs.

Partnerships between Governments, business and the community sector are not new, but there is a growing emphasis being placed on such relationships by all stakeholders. For Governments, there is a pressing need to engage business in contributing to the social well being of the community, and for business there is pressure to compliment economic performance with delivery of social outcomes and a 'triple bottom line' approach to their activities. For the community housing sector, there is pressure to provide alternative housing options.

The community links and community development and capacity building expertise of the community housing sector, coupled with sustained outstanding tenant outcomes, provides an ideal avenue

for businesses to deliver the social and environmental outcomes demanded by many shareholders, and to be a partner with Government in fostering these arrangements.

Community housing providers have demonstrated their skills in delivering affordable housing. These skills embody tenancy and asset management, in addition to knowledge of people, networks and other support providers. In this sense community housing provides a one-stop-shop whereby those tenants experiencing difficulty know that their housing managers will have appropriate and up to date information on where to get help.

Community housing providers have an established operational infrastructure, and this operating environment underpins the development of new partnerships. It is inevitable that new housing organisations will emerge – and the core values and principles of community housing as outlined in this paper should be the benchmark for their performance in delivering outcomes for tenants and members. This will ensure consistency in expectations of all stakeholders.

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Providers of community housing have a national set of standards to which organisations subscribe and which provide an international benchmark of best practice. Some Australian States have introduced a regulatory framework for community housing that will ensure consistent reporting and accountability. Some States have also introduced a process of accreditation for providers. Organisations see these measures as offering public recognition of both management and practical accountability that encompasses ongoing quality improvement. A number of other States are in the process of developing these public signposts.

Policy Position

- ❖ **That the core values, principles and standards of community housing be the benchmark for performance of all community and affordable housing providers in the delivery of tenant and member outcomes.**
- ❖ **That community housing providers are able to offer affordable housing as an additional rental housing option in the housing market for those people unable to access the private rental market.**
- ❖ **That community housing providers add value to the tenancies of affordable rental tenants through providing opportunities for direct participation in their housing arrangements, and more broadly, through the community development and community building activities engaged in by these organisations.**



5. The capacity of community housing organisations

The capacity to successfully take on an increased level of financial and management risk is a major issue for the community housing sector as it explores options to participate in the delivery of affordable housing.

The ongoing provision of community housing and the likely expansion into affordable housing will require skills development in areas of financial management and governance. In addition, training that is accessible, affordable and accredited in areas such as housing management, community development, marketing and promotion, asset management and procurement, and human resource management is needed, not only to further develop the existing sector participants, but also new providers who will emerge. Nationally consistent skills development and acquisition will improve the level of confidence in the sector by Governments, the business sector and the broader community.

Those charged with the governance of community housing organisations also require the opportunity to update and upgrade skills.

The ongoing provision of community housing and the likely expansion into affordable housing will require skills development in areas of financial management and governance.

Policy Position

- ❖ **That the Commonwealth and States establish a two-year National Capacity Building Initiative that will include:**
 - **The ongoing development of nationally consistent, accredited training for community housing providers and management committees, and that such training is accessible and affordable;**
 - **A focus on organizational development, property development and asset management; and,**
 - **Exploring and implementing mechanisms for community housing organisations to expand their access to private capital.**
- ❖ **That ongoing and appropriate levels of funding are made available for community housing organisations to: maintain the expertise required to meet the housing needs of those on low incomes; manage the publicly owned assets under their control, and provide effective risk management.**



6. Risks for the community housing sector

An important characteristic of the community housing sector is the diversity of housing organisations – with a number of small organisations meeting a range of needs, often targeted at specific population groups and described as meeting an alternative market. The risk for these organisations is that Government policies will over-regulate the industry. While the sector welcomes appropriate and reasonable measures to ensure consistency in reporting and accountability to all stakeholders, regulation must not place undue and inappropriate administrative burdens on community housing providers.

In recognizing the diversity of the community housing sector and the benefits accruing to both tenants and members of housing organisations and to the broader community of such diversity, it is vital that Government policies such as regulatory and funding frameworks are sufficiently flexible to take into account regional

differences as well as size differences. There is a risk that inappropriate policy development and implementation will threaten the sustainability and viability of non-metropolitan housing organisations, and threaten the relationships between organisations and their workers and volunteers. The community housing sector would support a form of regulation that facilitates growth, delivers skills, is empowering, and delivers increased capacity to individual organisations and the sector as a whole.

A further risk for smaller organisations lies in the decreasing level of funding commitment from Government for the provision of housing for households on very low incomes. Decreased funding threatens the financial viability of providers and the impetus for amalgamations to achieve economies of scale or the pressure to diversify to achieve higher rent returns is often not appropriate to smaller organisations which may choose to continue to provide diverse housing.

Whilst many within the community housing sector welcome the opportunity for growth, the absence of a strategic policy and funding framework exposes some organisations to management and governance risks. Property transfers, adoption of asset management responsibilities and brokering and managing alternative financing may be viewed as adding viability to the sector, whilst at the same time may increase the vulnerability of organisations. Growth cannot occur at the expense of long-term asset management. Community housing providers must ensure proper life-cycle maintenance on their properties and balance new growth with future asset responsibilities.

For all community housing providers entering the affordable housing market, the issue of financial independence is of paramount concern.

For all community housing providers entering the affordable housing market, the issue of financial independence is of paramount concern. Questions of ownership of properties and control of operations have not been resolved, and the capacity of the sector to undertake debt

financing to increase supply in the absence of operational control and ownership is severely restricted.

An additional risk for those community housing organisations entering the property development market is a universal shortage of available land. If the core value of community housing to engage tenants and members in local communities with access to employment and educational opportunities is to be upheld, partnerships between Governments and providers must be forged and reinforced to ensure that land, appropriately located close to employment, educational and other social amenities is available.

In endeavouring to provide affordable housing, there is a real risk that design and construction standards will be compromised to deliver a cheaper product. There needs to be further debate in the sector on acceptable standards for accommodation. While cost efficiency is a valuable concept, the flow-on

effects of poor or inadequate housing design needs to be examined. Inadequate insulation results in excessive heating or cooling costs; smaller dimensions may result in overcrowding; inferior external appearance of properties results in stigmatization of households.

Policy Position

- ❖ That Government commit to community/private partnerships as the preferred vehicle for affordable rental housing in order to achieve its financial goal of attracting private investors and its social goal of providing good housing outcomes, and that supports and incentives are packaged accordingly.
- ❖ That a basic, consistent national system of key regulations be developed that will allow community housing to deal effectively with public-private finance arrangements and future asset management policies; and that regulation recognises, accommodates and stimulates the diversity of models and service delivery that exists within the sector.
- ❖ That community housing organisations have access to title and equity in the properties they manage in order to secure private investment.
- ❖ That the current contribution by the community housing sector in meeting the housing needs of low income households is recognised, valued and supported in any new arrangements.
- ❖ That the diversity of the community housing sector, in terms of the size, activity and location, be respected and upheld.
- ❖ That Governments commit to the ongoing viability of the community housing sector by ensuring the needs of community housing organisations are met through adequate and indexed annual funding. This ensures housing outcomes for lower income households.
- ❖ That partnerships between Governments and community housing providers continue to be fostered to ensure that community and affordable housing is offered in appropriate locations, with appropriate design standards.
- ❖ That individual community housing organisations have the opportunity to choose how to participate in the delivery of affordable housing.



7. The role of the Community Housing Federation of Australia

7.1 The policy environment

The most critical issue facing the community housing sector is the absence of a coherent and strategic policy framework for the provision of affordable housing at both Commonwealth and State levels. Coupled with this lack of policy for provision of affordable housing, is an absence of any national direction or consistency at State and

The community housing sector believes that there is value for investors in meeting the housing needs of lower income households, and Commonwealth leadership is required to facilitate this through appropriate policy responses.

Territory level in development of town and local planning guidelines.

Much of the research undertaken in developing alternative financing models for provision of affordable housing has recommended that incentives to private investors must be offered to attract the level of financing required to avert crisis.

The most likely and applicable incentives relate to taxation relief. This is a Commonwealth responsibility, and whilst the

Commonwealth Government has partly acknowledged the need for affordable entry for lower income earners into home ownership, there has been no policy response to meeting the needs for affordable rental housing or to providing the environment in which investors will agree to invest in return for receipt of reasonable returns at a reasonable rate of risk.

The community housing sector believes that there is value for investors in meeting the housing needs of lower income households, and Commonwealth leadership is required to facilitate this through appropriate policy responses. Further, within a policy environment for the delivery of affordable housing, there is a role for the Commonwealth, together with States and Territory Governments to ensure that risk management is consistent and appropriate.

A framework to protect the interests of large institutional investors must also be cognisant of the interests of other involved parties. Such a framework must acknowledge the right of all Australians to appropriate, affordable, safe and secure housing and that right must not be diminished.

There is also a role for the Commonwealth Government, in conjunction with the States and Territories and Local Governments to ensure that the role of all levels of Government is upheld in meeting the housing needs of those Australian households for whom home ownership and the private rental market are unaffordable. Such a role will include contributing capital finance and ongoing subsidies, appropriation and allocation of land and ensuring that building standards are not compromised to deliver a cheaper product.

Policy Position

- ❖ **That the Community Housing Federation of Australia continue to work in close collaboration with all political parties and the Commonwealth Government to ensure that a coherent and strategic national housing policy is developed and implemented.**

- ❖ **That the Community Housing Federation of Australia continue to advocate the need for interventions at all levels of Government to ensure alternative financing arrangements for the provision of affordable housing are sustainable. Such advocacy will include; the need for ongoing capital and subsidy finance, the need for allocation of appropriate land, and that incentives for investors in affordable housing have long-term predictability.**

- ❖ **That the Community Housing Federation of Australia work collaboratively with all levels of Government to ensure that a nationally consistent risk management framework, supported by the community housing sector, the private and Government sectors, is developed and implemented.**

7.2 Links with business and industry.

As noted, community housing is providing social and affordable housing in partnership with private investors throughout the country. The current environment provides exciting opportunities for community housing providers to expand on existing activities towards playing a more prominent and significant role in this market.

The number of companies and Trust Funds, large institutional investors and small investors with a commitment to enhancing social and community capital is as yet unknown.

Increasingly, however, shareholders are insisting on “Triple Bottom Line” reporting: that is – knowing the extent to which companies are involved in social and environmental outcomes in addition to financial performance.

The community housing sector will benefit from an ongoing systemic approach to forging partnerships with business and industry that will encompass promotion of the values and principles of community housing, and the value-adding that community housing providers bring to the tenancy and asset management functions of their organisations.

The community housing sector will benefit from an ongoing systemic approach to forging partnerships with business and industry that will encompass promotion of the values and principles of community housing, and the value-adding that community housing providers bring to the tenancy and asset management functions of their organisations.

Policy Position

- ❖ **That the Community Housing Federation of Australia continue to promote the values and principles of community housing, and the significant and sustained outcomes for tenants and members of community housing organisations to potential partners and investors on behalf of the national community housing sector.**
- ❖ **That where appropriate, the Community Housing Federation of Australia enter into**

partnerships with business and industry leaders, to support advocacy with Governments to ensure the operating environment for all associated with affordable housing is conducive to delivering superior housing outcomes for those people for whom the private rental market and home ownership are not available.



8. A vision for the future

- Affordable housing is available for all Australians, and is provided on the basis of subsidised rents for those on the lowest incomes; and with other forms of financial assistance for those unable to access the private rental market or home ownership.
- There is an ongoing role for communities to determine local needs, and participate in and share responsibility for, delivering safe, secure, appropriate and affordable housing.
- Public policies and planning systems are aligned in a manner that works towards the growth and development of affordable housing.
- There is diversity and choice in housing for all low-income households as part of a continuum of housing responses. No part of the housing system is 'welfarised' nor isolated and all Australians enjoy equal housing status along this continuum.
- The role of all levels of Government in meeting the housing needs of low income households is preserved and strengthened.
- Provision of community and affordable housing is sustainable and viable for providers.
- Community housing providers decide how they participate in the affordable housing market.
- There is a national policy and funding framework for the provision of housing, and this is complimented by legislation and by the additional contributions by State and Territory Governments and Local Governments.
- The operating environments of community housing providers has sufficient flexibility to enable providers to respond to new and emerging needs in a sustainable and viable manner.
- There is a supported culture of continuous improvement in the provision of housing through the entire housing system.
- Community housing providers continue to provide a housing management service of the highest standard, with sustained superior outcomes for tenants and members.



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