

Affordable Housing Series Forum 1 Feedback from the 8th December 2005 Forum

CHCWA would like to extend a huge thank-you to all of those who attended the forum and participated in the brainstorming workshops. It was a great opportunity for the sector to get together and discuss some crucial issues relating to the future of community and affordable housing in relation to regulation and accreditation of the sector and funding models and delivery vehicles.

We would also like to thank the speakers who presented on the day, Bev Wilcox from the Office of Policy and Planning, Helen Attril from Aged and Community Services WA, Monique Williamson from ACROD, Peter Gow from the Office of Policy and Planning, Kathleen Gregory from Foundation Housing Inc, Jonathan Thomas from ACTIV and Dianne Russell-Taylor from Uniting Church Homes. The presentations provided much food for thought for the sector and were vital to informing the brainstorming sessions.

Part 1 Regulation and Accreditation

Michelle Beresford from CHCWA began the morning with an explanation of how regulatory frameworks operated and their stated purpose in relation to the community housing sector. She discussed regulatory and accreditory frameworks in operation in other states and territories in Australia, reasons given for their development and feedback from the sector regarding their functioning. She posed the question 'where to from here for WA'? which would form the basis for the session's brainstorming task. (Background papers and PowerPoint presentation available).

Bev Wilcox from the Office of Policy and Planning explained the initiatives outlined in the Housing Strategy WA Discussion Draft, including the history of its development, the aims of the strategy and the context of its creation. She discusses the main issues and key initiatives addressed in the strategy particularly in relation to community housing and the reference to regulation and accreditation of the sector in the strategy. (PowerPoint presentation available).

Both Helen Attril and Monique Williamson discussed the requirements of accreditation and regulation in relation to their sectors, aged care and disability respectively. Helen outlined the complex regulatory and accreditory structures that applied to the aged care sector, the benefits experienced by the sector as a result and commented on features that needed further review to make the frameworks less cumbersome and more effective.

Monique explained the nine Disability Service standards that set the regulatory framework for the disability sector, and the monitoring process for these standards. She covered assistance provided to organizations to comply with the Standards and highlighted the costs and benefit of the framework including issues that had arisen as a result of a flawed monitoring process. She also explained the linking of government funding in the sector to compliance with the standards. (PowerPoint presentation available).

The session concluded with questions to the panel of presenters followed by a brainstorming task that asked the questions:

- 'What are the implications of a regulatory framework for community housing in WA'? and;
- 'If the community housing sector in WA were to be regulated, what would be the key characteristics essential to the framework'?

Initially, workshop participants were asked to write as many implications as they could come up with on 'post its' and then group them into themes. Tables 1, 2, 3 and 4 provide a summary of the ideas participants came up with and the frequency with which they were highlighted.

Table 1.

<i>Benefits of Regulatory Framework</i>	Frequency
Provides assessment of operational position of all organisations	7
Improved service delivery	4
Creates consistency of service standards across sector	3
Standards measure quality more effectively	3
Provision of guide to community housing sector	2
Encourage services to promote best practice	2
Creation of stronger sector	1
Consolidation of the sector	2
Creation of clear expectations of service delivery	2
Creates uniformity of standards	2
Bring together industries thoughts regarding proper service delivery	1
Building better relationships throughout industry	1
Provision of opportunities for mentoring	1
May be increased funding for organizations to resource regulation	1
Ability for organizational independence through private investment	1
Training needs will be identified	1

Table 2

<i>Costs of Regulatory Framework</i>	Frequency
Decrease in sector diversity	12
Impact on rural and remote organisations	8
Impact on small organisations	11
Financial cost of compliance	15
Resourcing cost of compliance	28
Diversion of resources from direct service delivery	3
Change of organizational focus away from clients	6
Focus on compliance not quality service provision	4
Multiple compliance requirements for organizations with different funding streams	4
No guarantee regulation will attract private finance	4
Increased staff training needs	3
Stress for staff of compliance visits	1
Impact of increased work on voluntary/unpaid workers i.e. co-ops	2
Loss of community control of sector	3
Move towards profit driven sector with private investment	2
Increased government control of sector	8
Sector becomes vulnerable to economic fluctuations with reliance on private sector investment	2
Cost to Government of developing regulatory/accreditory framework	1
Government withdrawing funding and responsibility from sector	1
Lead to lack of trust between sector and governments	1
Political impact of changing governments on regulation	1
Introduction of punitive measures for non compliance with standards	1
Regulation could stifle innovation	1

Table 3

<i>Needs Identified</i>
Resources to ensure maintenance of diversity
Maintenance of client focus
Staff training
Regulatory framework and standards are open to discussion and review
Sector works in partnership with government
Key principles are community sector driven with tenant focus
Consistency of regulatory requirements across sectors
Whole of government approach
Link regulation with quality delivery
Open, transparent clear regulatory framework
Realistic timeframe for implementation
Cost/benefit analysis of potential frameworks informed by other states/countries experiences
Flexibility in standards/compliance requirements
Flexible to changing industry roles and development
Compliance linked to funding
Set of minimum service benchmarks
Regulation must compliment voluntary accreditation processes (i.e. Code of Practice)
Independent regulator
Independent, transparent appeals mechanism
Regulatory framework must be tiered
Smaller providers need to be able to remain independent of larger providers
Use of mentoring system
Coordinated education and support from the industry peak body
Role of volunteers must be defined

Table 4

<i>Questions Raised</i>
Result of not meeting accreditation?
Are the standards applicable to individual industries?
Will quality service delivery be affected by imposition of standards?
Will standards be open to interpretation?
Will the housing company be regulated under the same legislation?
Who will monitor the regulator?
How will the number of standards be determined?
How will regulation affect existing funding agreements?
Will incentives be offered for compliance?

Each group was asked to identify 3 non-negotiables that they believed were essential if the sector were to have a regulatory framework, however many more than 3 per group were identified. The question was posed to gain an idea of what key characteristic participants felt were important in a framework however, CHCWA has not made the assumption that the sector is supportive of a regulatory framework per se, this discussion still remains to be had.

Identified non-negotiables are outlined in Table 5 (Raw data is included in Appendix A). It is important to note that some of these 'non-negotiables' are conflicting and that there is still a way to go for the sector to reach consensus regarding regulatory option.

Table 5.

client focused	values-based	flexible and adaptive	non-prescriptive	resources to implement
linked to compliance requirements of other funding streams	reciprocal standards for private investment partners	realistic timeframe for implementation	tiered system dependent upon agency size, status and target group	set of minimum standards that are compulsory but introduced over time
robust appeals mechanism	sector driven co-regulation where the sector identifies the standards/principles and the government enforces through funding	partnership with govt, both work together to maintain quality outcomes for tenants	informed by other states experiences or the experiences of already regulated agencies in WA	compliance procedures should be inexpensive not cumbersome
regulating body independent of government	framework subject to cost/benefit analysis and regular independent review	framework informed by overseas trends for example social housing in Holland and Sweden	the drivers of creation of the framework are identified and made explicit	coordinated education and support provided through industry peak
quality of outcomes is not sacrificed by compliance requirements	diversity of the sector is maintained	genuine consultation with the sector	a mentoring system	

Part 2 Funding Models and Delivery Vehicles

The afternoon began with Michelle Beresford from CHCWA outlining the history of government funding of the social housing sector in Australia and reasons for the lack of significant institutional investment in the sector thus far. She then moved on to explain some of the ‘Affordable Housing’ funding and delivery initiatives in other states and territories including various state housing strategies and action plans, and the establishment of ‘housing companies’ in NSW, QLD and the ACT. She referred to alternative funding models featured in recent research and described the operation of the research preferred Bonds Model. She concluded with the recommendation that the community housing sector in WA begin to develop a position on how they believed affordable housing should be funded and delivered in WA in the future. (Background paper and PowerPoint presentation available).

Peter Gow from the Office of Policy and Planning followed on with an explanation of funding options being explored by state government to develop more affordable housing options. These included the use of housing levers such as planning legislation and tax incentives. He discussed the work of the Housing Ministers Advisory Council and the development of the Framework for National Action on Affordable Housing and the possibility that post the 2005-2008 CSHA there could be an Affordable Housing Agreement or the provision of commonwealth funds directly to community housing providers.

Kathleen Gregory from Foundation Housing Inc discussed the merging of the six metro RHA's to form two 'key providers' and the current and proposed funding and development models being explored by Foundation Housing Inc. She talked about the company borrowing against existing stock to develop more housing and development partnerships established with both state and local government. She also explained delivery options being explored by the company including the 'defense housing model' and lease arrangements with small-scale investors.

Jonathan Thomas from Activ Foundation explained the different types of accommodation service provided by Activ and the variety of tenure models the organization had. He discussed the annual operational funding supplied to Activ by the Disability Services Commission and the move from block funding to individual funding and what this may mean for the sector. He highlighted the methods used by the organization to develop additional housing including joint ventures and spot purchases and other methods of fund raising including the 'City to Surf' and links with the Variety Club of WA. (PowerPoint presentation available)

Dianne Russell-Taylor from Uniting Church Homes talked about the different service models operating within the organization including residential care facilities, serviced apartments and Independent Living Units (ILU's). In relation to the ILU's that the organization had built on crown land in the 1960's, she highlighted the difficulties that have resulted from this particular method of development and delivery. These difficulties included; the aging of the stock requiring massive renovation and no associated funding to do so, people aging in place and the inappropriateness of the housing for people as they became older and required modified housing options and the inability to sell inappropriate or deteriorated stock due to its location on crown land. She explained the difference between 'for profit' and 'not for profit' aged care organizations and how this reflected in differing funding models and delivery vehicles in the aged care sector.

The session concluded with questions to the panel of presenters followed by a brainstorming task that asked the questions:

- 'How should affordable housing options be delivered in the in the future'? and;
- 'How should affordable housing be funded in the future'?

Forum participants were divided into two groups and asked to brainstorm one of the above questions. Below are the responses from each group.

How should affordable housing options be delivered by the community housing sector?

- By a range of providers
 - Housing Company/Developers
 - Key providers
 - Smaller agencies
- Delivery models continue to incorporate support where necessary
- Maintain and support organizations meeting 'standards'
 - Consider alternatives for organizations not meeting the needs of their tenants/clients
- Delivery through partnerships
 - Housing Company = developer
 - Management of housing given to full diversity of sector (large and small agencies)

- Key Providers (Accredited to National Standards)
 - Build capacity of regional areas to benefit from ‘partnership models’
 - Promote encourage innovation in rural areas
- Responsive to need
 - Recognise limitations of models and use most appropriate for circumstances
 - Use the best option (may be DHW)
- Design = flexibility
 - Don’t have preconceived ideas about what a community wants
 - Consultation with community to determine acceptable delivery models/housing options
- Maintain community housing identity
 - Focus on ‘core’ values of community sector in housing delivery
- Diversity within/across models
 - Cater for diversity of target groups and offer choice in housing options
- Skill-share between community housing sector and DHW
 - Improve delivery to clients through sharing information

How should affordable housing be funded in the community housing sector?

- Affordable to who?
 - Concept of affordability needs to be defined by sector
- Community housing sector can’t be completely reliant on government funding
- Legislative/planning requirements – to give consistent approach across whole of local government
 - ‘Inclusionary Zoning’ in urban areas
 - Developer contributions: land, cash and/or buildings
 - Local Government density bonus’s for affordable housing developments
 - Review restrictive covenants put on blocks of land
 - Tax incentives for developers/private investors to contribute to supply of affordable housing
 - Waiving stamp duty on housing let as ‘affordable’.
 - Bonus’s for business’s that provide key worker housing in rural/regional areas
 - Incentives for people to move out of large underutilized properties
- Utilisation of partnerships between providers to develop affordable housing
- Find people/industry willing to give long term leases to community housing agencies to manage
 - ‘Defense Housing Model’
- Subsidy system to recognize income inequities in the rental market
 - Subsidy to landlords willing to provide affordable housing to disadvantaged target groups
- ‘Branding’ of community housing to encourage big business to contribute (advertising/donations/tax breaks)
- Housing mix
 - Redevelopment of underutilized public housing
 - Public housing suburbs tenanted with greater mix of tenants

Conclusion

The Forum provided the opportunity for the sector to begin discussion of some of the issues needing to be worked through to create a sector endorsed 'affordable housing system' for Western Australia. CHCWA acknowledges that the Forum only 'touched the surface' in relation to the creation of a sector policy position in the areas of regulation and accreditation and funding models and delivery vehicles. We hope that feedback from this forum along with a further Forum in 2006 (TBA) will assist the sector to reach consensus regarding these issues.

CHCWA also acknowledges that there are many areas that need to be discussed that impact on the creation of an 'affordable housing system'. These include rent setting, allocation and tenant eligibility in an affordable housing system and inter-organisational and government partnerships in the development and delivery of affordable housing options by the community housing sector.

CHCWA will be conducting the Affordable Housing Series Forum 2 on the 2nd February 2006 to 'unpack' some of these issues and assist the sector to develop a policy position (stay tuned for more information). We intend to use sector response from the CHCWA Affordable Housing Series Forums both to provide feedback to the Housing Strategy WA Discussion Draft and to create a community housing sector policy position on affordable housing. Once again we look forward to the sectors enthusiastic involvement.

APPENDIX A

Affordable Housing Series Forum 1 Regulation & Accreditation – Sector Feedback

Group 1

1. Non compliance results
 - Result of not meeting accreditation
 - Identification of poor management practices and processes
2. GOAL: Resources to ensure maintaining diversity for client focus (i.e. strategy is to adequately resource
 - May lead to a decrease in diversity and service models
 - Impact on smaller remote communities
 - No more services to rural and remote (death)
 - Smaller agencies may no longer be viable
 - Agencies will close
 - Are the standards applicable to individual industries
 - Resource intensive/lost will divert resources from direct service delivery
 - Change of focus
 - Time consuming red tape
 - Stress levels on staff – impending compliance visit
 - Loss of community
 - Cost of compliance, especially for smaller organizations
 - Down size in agencies
 - Disadvantages small and rural remote services
 - Government control
 - Will favour larger, more bureaucratic NGO's and profit organizations
 - Small agencies having insufficient structures to implement
3. STRATEGY: Adequate resources to maintain diversity
 - Needs vs funds
 - Lack of resources
 - Working under new regulation – training of staff
 - Will increase the need for sector training resources
 - Training resources, staff etc – cost involved
 - Resources
 - Cost to implement
 - Staff limitation
 - Lack of skills
4. Private funding regulation
 - Regulation of private funding providers and agreements can be considered
5. Partnerships
 - Funding working groups from the industry to help with developing the right policy
 - Consideration of regulatory process to satisfy commonwealth (sector) desire for states to consider and possibly implement.
 - Guide to the community housing industry
 - Need for overarching framework
 - Consistency across sectors
 - Need for whole of government approach
 - Consolidation of sector
6. Link regulations with quality delivery

- May not capture what is valuable
 - Cut corners outcomes
 - Bring together industries thoughts regarding proper service delivery
 - Will quality service delivery be affected by imposition of standards
 - Could lead to a lack of trust between sector and government
 - Creates uniformity of standards for clients
 - Assessment of operational position of organization
 - Identify organizations that take short cuts and promote those that work well
 - May affect client focus
 - Not going to create opportunities for quality
 - Open transparent and clear
7. Flexibility in standards
- Need opportunities for exemptions/flexibility
 - Interpretation of standards?
 - Additional work for organizations and government
 - Multiple standards for locally based agencies
 - Who sets the standards
 - Set of benchmarks 'service'
8. Benefits to regulation – creating consistency
- Standards will be able to measure quality more effectively
 - Creates clear expectations of service delivery – providers and clients
 - May reduce C.T by having external standards/regulations
 - May provide opportunities for sector mentoring
 - Professional assessment of organizations for funding providers, federal, state, private
 - Will encourage services to strive for good practice/excellence
 - Good for organizations regarding policies etc
 - Building better relationships throughout industry

Group 2

1. Pressure on small/ rural/ remote organizations
 - Increased funding opportunities from government – only in the short term (particularly smaller agencies)
 - Centralisation – regional WA suffers
 - Smaller/ rural organizations cost impacts
 - Only large organizations will survive
2. Banana Republic
 - Heading away from government funding to profit driven sector - which is alarming
 - 'Cowboys' come into industry
 - Better chance of attracting private finance ??
 - No impact/funding from private sector
3. Cost implications
 - Cost of setting up regulatory bodies/accreditation framework
 - Additional costs
 - Increased costs, decrease in money for service delivery for clients
 - Cost implications!
 - Dollars needed to make it work
 - Increased cost
4. Resource implications

- More administrative work
 - More reporting requirements
 - Multiple standards for some agencies
 - Conflicting standards for organizations providing more than one service
 - Conflicting standards for organizations providing more than one service
 - Extra work
 - Monitoring nightmare
 - Autocratic and bureaucratic
5. Improved service delivery
 - Regulation should ensure a better standard of housing
 - Better service delivery for clients
 - Improvement in quality of buildings
 - Better service delivery
 - Improved standards
 - Improved consistency of housing standards across sector including governance
 - Better overview of what is needed in the industry
 6. Staff implications
 - Monitoring paperwork – but quality of life ignored
 - Staffing increase in an already ‘staff shortage’ environment
 - Increased pressure on staff, less time for clients
 - Successfully jumping the hurdles may not bring better quality for tenants
 7. Grass roots/stakeholder involvement
 - Generalization – not customized
 - ? Quality of life for clients
 - Must be developed from bottom up with tenant involvement
 - We need proof that regulation does improve quality of life for tenants and enhance likelihood of attracting private finance
 - Must be developed with sector involvement
 - Regulation must be able to articulate with voluntary accreditation (WA and National Standards)
 - Place of volunteers in this?
 8. Legislation and regulation
 - Need an independent appeals mechanism
 - Will the quango AHC’s also be regulated under the same process as CH?
 - Who monitors the regulator
 - Government control
 - Onerous legislation
 - Increased government involvement in an already over-regulated NGO industry
 - Government may introduce some sort of punitive measures if not meeting standards
 - Could reduce the diversity of sector because of consolidation
 - Lack of diversity
 - Need regulation to be tiered

Group 3

1. Appeals
 - Appeals process needs to be transparent
2. Monitor issues
 - Who will monitor?

3. Who drives it? Why?
 - Who's driving the bus?
4. What standards/framework
 - Client focus
 - Number of standards - Too many? Not enough
 - Keep up good standards
 - Uniformity of industry standards
 - Loose client focus
 - Useful frame of reference for developing a 'good' agency
 - Delivery of service
 - More certainty of expectations/framework
 - Improved standards
 - Continual addressing of quality improvement initiative (physical/emotional)
5. Resources/cost
 - Burden for voluntary workers e.g. co-ops and small groups
 - Will there be dollars to assist with resource allocation to accreditation process?
 - Cost. Building etc, registration
 - Private investment poor – low return
 - Resources - staff time involved
 - Extra work
 - Resources diverted to reporting procedures
 - Time constraints
 - Increased costs
6. Effect on autonomy
 - Private investment – loss of autonomy?
7. Existing agreements
 - Funding agreements existing
8. Political impact of various government programs
 - Being able to keep up with government – federal=new welfare changes, state=DHW changes, larger providers etc, mental health changes
9. Impact on sector
 - Reduction of rural services or elimination
 - Decreased number of service providers
 - Smaller providers being able to remain independent of larger providers
 - Favours well resourced agencies i.e. larger more corporate style

Group 4

1. Rural and remote/indigenous/small
 - Difficulty for small organizations
 - Smaller agencies may not be able to absorb cost of accreditation
 - Increased specialization
 - Loss of special interest responses
 - Equal access for all especially CALD and other vulnerable groups
 - Decrease in diversity of providers
 - Possible lack of autonomy and diversity
 - Loss of local response e.g. local concerns
 - Difficulty and impact for rural and remote
2. Funding uncertainty
 - Budget implications

- Cost implications
 - Cost/benefit balance
 - Costs may be prohibitive for small/rural organizations
 - Consolidation
 - No more private funding attracted
 - Increase in for profit organizations, decrease in not for profit
 - Most disadvantaged are most disadvantaged by any existing profit model
 - Economy of scale
 - Being reliant on private sector investment
 - Sector being vulnerable to economics and investment
3. Resource requirements
- Training needs will be identified
 - Will incentives be offered – will they eventuate?
 - Staff will have to have ongoing training and support to meet accreditation – how will this happen?
 - Identified training needs may not be met
 - Training
 - Whole of government response to reduce administration cost
 - Monitoring for risk of vulnerable requirements
 - Increased work load therefore increased resource requirements
 - Lack of staff time in small organizations
 - Time involved – reporting, implementation
 - Structures will need to be developed/resourced to administer accreditation
4. Increase bureaucracy
- Accreditation across a range of funding bodies
 - Stifling innovation
 - Increased bureaucracy
 - Will accreditation be open to change and development in relation to needs of industry?
 - Work practices will be open to discussion and review
 - Provide consistent standards
 - Who will set accreditation criteria – this will determine type of outcome
5. Decreased responsibility of government – key areas
- Ability to strive for independence through private finance – growth
 - Potential for integration – accreditation, streamlining, statewide, nationally??
 - Stronger sector i.e. financially, organizationally, outcomes, resilience
 - Improved skills across sector – capacity building
 - Overall quality of service will improve
 - Improved services
 - Government withdrawing funding and responsibility
6. Imposition
- False sense of security – some agencies will become accredited that shouldn't
 - Being imposed not internally driven – negative outcomes

Non-negotiables

1. Client focused, values-based: flexible
2. Sector driven: linked to current regulations and standards, reciprocal standards for partners
3. Realistic timeframe

1. Structural imperatives
 - Tiered regulation (size, key providers, compliant, target group or niche)
 - Non prescriptive
 - Set of minimum standards (compulsory – introduced over time)
 - Robust appeals mechanism
2. Resource imperatives
 - Resources to implement
 - Coordinated education and support through peak
 - Assistance with people and funds
 - Mentor
3. Co-regulation
 - CH organizations - similar to Code
 - CH organizations – identify minimum standards
 - Government enforce through funding

1. Flexible adaptive
2. Informed by other states experience or already regulated agencies in WA
3. Cost/benefit analysis – triple bottom line
4. Code of Practice – expectations, resources
5. Informed by overseas trends – social housing (Holland, Sweden)
6. Client focused
7. Drivers identified – explicit, to ensure balance
8. Genuine consultation

1. Quality of outcomes is not affected
2. Maintaining diversity
 - Ensure resources to maintain diversity
3. Needs to be adequately resourced
4. Partnerships – working together to maintain outcomes/quality
 - Don't give government power, sector to position itself to build trust and work collaboratively. Don't underestimate CH strength. We should try to work together to achieve outcomes
5. Resources to ensure maintaining diversity for client focus
6. Government to be involved as an equal long-term partner
 - Regulation – partnership discussion
7. Non compliance
 - Process to work towards compliance
 - Not expensive – opportunity for mentoring
 - Process we can take to question outcomes to ensure non-closure of smaller organizations
8. A government funded appeals system
9. Independent regulator
10. Self regulation