



MEDIA RELEASE

Cautious welcome for new approach to social and affordable housing

News that the Federal Government is considering a radical overhaul of the National Affordable Housing Agreement (NAHA) received a cautious welcome from the Community Housing Industry Association (CHIA) today.

"We agree that it is time to take a very critical look at the NAHA," CHIA Chair Michael Lennon said

"There is no doubt that the public housing system is failing to fulfil its promise to deliver affordable rental housing for low income households and people looking for rental accommodation in the private market are finding it harder and harder to find somewhere they can afford. The sharp increase in low income renters experiencing housing stress during the last decade highlights the need for reform.

"The problems with the current public housing model are well-documented. There is simply not enough stock, much of it is 40 or more years old and not in good condition. It is a disgrace that some of it is not even habitable," he said.

Since its inception in 2009, a functioning NAHA should have delivered at least 100,000 more affordable rental dwellings to ease the pressure on low income renters. An additional 50,000 dwellings would have barely kept pace with population growth of 12.3% over the past eight years. In reality, NAHA has added a mere 5,000 new dwellings and all that growth has occurred in the community housing sector.

"It makes no sense to keep tipping \$1 billion a year into a system that delivers worse and worse outcomes, Lennon agreed.

"Right now, Community housing is the only type of social housing which is expanding," he said.

"The sector has borrowed money to build and buy more social and affordable housing. With government support for the sector under a new social and affordable housing model, we are well-placed to add an extra 100,000 dwellings during the next decade



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"As well as increasing the supply of affordable housing for people who are renting, the reform agenda must ensure that people who are homeless and the services they rely are protected and supported. It is critical that the funding provided under the NAHA to support homelessness services continues." Lennon said

Lennon also cautioned that making a real difference to Australia's rental affordability squeeze was likely to require more funding in the short term, not less.

"We welcome the Government's resolve to increase the supply of affordable rental housing, but any new approach should not leave existing social housing tenants worse off. CHIA will oppose any attempts to cut costs on the back of some of the nation's poorest people.

"Some tenants will be very worried about how these changes might affect them and we would encourage the government to provide more detail to allay those fears as soon as possible.

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Contact Michael Lennon on 043 226 6204 for further details.