



**Community Housing**

INDUSTRY ASSOCIATION

**ACT**

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COMMUNITY HOUSING  
INDUSTRY ASSOCIATION  
ACT REGION

**POLICY  
STATEMENT  
2019**

# About CHIA

## About Us

CHIA is the peak industry body for the Australian community housing industry, which provides one in five of Australia's social housing properties, complementing public housing.

Community housing providers manage a \$30 billion-plus portfolio of more than 80,000 rental properties, which are home to people who are on low and moderate incomes who find it hard to access affordable or appropriate housing in the private market.

On behalf of our members, CHIA undertakes research, policy development and advocacy in relation to social and affordable housing issues.

Based on national and international evidence, CHIA's core argument is that the much-needed growth and development of the Australian affordable housing system can only be achieved if the community housing industry is empowered to play a significantly expanded role.

## Our Origins

The clear need for a single independent voice for the community housing industry on national issues led to the establishment of the Community Housing Industry Association in 2015.

CHIA's founders wanted to create a member-funded organisation that could leverage the expertise and resources of the network of state and territory peak bodies to support the sector and improve the quality of housing and other services provided to community housing tenants throughout Australia.

## Our Ethos

Our vision is to foster a world-class community housing industry in Australia.

Our purpose is to lead, represent and advocate for the Australian community housing industry at a national level.

## Working Together

CHIA is led by a board of 12, peopled by committed executives of housing organisations from throughout Australia with extensive experience in affordable housing.

CHIA works closely with peak community housing bodies throughout Australia, creating a united voice to advocate on behalf of the industry. CHIA works together with state community housing peaks CHIA NSW, CHIA VIC, CHIA WA, CHIA QLD and its regional committees in the ACT, Northern Territories, South Australia and Tasmania.

## Meeting the challenge of housing affordability

CHIA has developed a National Plan for Affordable Housing that sets targets to guide investment and action over the next decade.

The four key objectives are:

- *enough housing to meet Australia's needs*
- *housing that is affordable for renters and home-buyers on low to moderate incomes*
- *a national housing market that is efficient*
- *a diverse housing profile that suits people at different stages of life.*

The National Plan can be downloaded <https://www.communityhousing.com.au/national-plan/>

## CHIA ACT

The CHIA ACT Region Committee (CHIA ACT) is a network of diverse ACT-registered community housing providers.

CHIA ACT aims to develop and communicate a shared vision for Community Housing in the ACT and to ensure the ACT has a diverse range of community housing options contributing to affordable, appropriate and accessible housing in the ACT and region.

The nine community housing providers together provide a total of over 1,300 social and affordable housing tenancies across the ACT.

### **CHIA ACT has nine Members:**

- *Argyle Housing*
- *Catholic Care Canberra and Goulburn*
- *Community Housing Canberra (CHC)*
- *Environmental Collective Housing Organisation (ECHO)*
- *Focus ACT*
- *Havelock Housing Association*
- *Northside Community Service*
- *Most Venerable, United Vietnamese Buddhist Congregation of Canberra Inc*
- *YWCA Canberra*

### **The CHIA ACT approach involves:**

- *Developing policy and program priorities based on the evidence-base and experience of members;*
- *Working with the ACT Government to progress these reforms;*
- *Working collaboratively with like-minded stakeholders; and*
- *Communicating information about affordable community housing with the ACT community.*



CHIA ACT has nine members in the ACT who work together to shape social and affordable housing policy and programs. CHIA ACT works collaboratively with like-minded stakeholders, including but not limited to ACTCOSS and ACT Shelter. CHIA ACT also seeks to collaborate with the ACT Government to advocate for improved housing support from the Commonwealth Government.

Our understanding of the scale of the problem, based on recent independent research, is that there is currently a large and growing shortfall of over 5000 social and affordable dwellings within the ACT<sup>1</sup>.

CHIA ACT members are credible and capable deliverers of social and affordable housing, and are a proven low-cost and low-risk complementary solution for government, that provides long term benefits such as through reduced pressure on government services. We are tightly regulated, have efficient operations and our tenants consistently record high satisfaction levels.

The eight policy positions outlined below serve to address the problem.

**1. Set an annual community housing target of a minimum of 100 dwellings per year, with sites made available at a price, or alternatively through a co-investment mechanism, that enables Community Housing Providers to develop and manage properties that are financially viable and sustainable.**

Objective 4A of the ACT Housing Strategy outlines the need to ‘Grow and diversify the community housing sector’. This includes a commitment to ‘Set an annual community housing target to provide additional affordable rental properties managed by registered community housing providers, as part of the commitment to dedicate 15 per cent of the Indicative Land Release Program to public, community and affordable housing’

The 2019-20 ACT Budget outlined a commitment to release sites for community housing to enable the development of 60 new community housing dwellings. This is in addition to the release of sites for 34 community housing dwellings that were committed to in 2017-18 and the release of sites for 20 community housing dwellings that were committed to in 2018-19. To date not a single one of these sites that are part of the current and two prior year commitments have been made available for CHPs to tender or bid for.

CHIA ACT is calling for an annual target of the release of sites enabling a minimum of 100 community housing dwellings per year to be developed commencing 2020-21. It is vital that these dwellings are made available to Community Housing Providers at a price, or alternatively through a co-investment mechanism, that makes them financially viable and sustainable for Providers to pursue.

<sup>1</sup> UNSW City Futures Research Centre, Estimating need and costs of social and affordable housing delivery, Dr L Troy, March 2019, <https://cityfutures.be.unsw.edu.au/research/projects/filling-the-gap/>

**2. Provide land transfers, reduced land cost or a co-investment mechanism that would enable Community Housing Providers to develop viable community housing dwellings, to increase social and affordable housing available to people living in the ACT.**

Objective 4A of the ACT Housing Strategy outlines the need to ‘Grow and diversify the community housing sector’. This includes a commitment to ‘Enhance mechanisms to reduce the cost of land made available to the community housing sector including restrictions on Crown leases, land rent or sale at a fixed percentage of market rate.’

For Community Housing Providers to be able to develop and manage affordable housing for Canberrans, land is required below market prices so that developing community housing is viable and sustainable. However, land transfers and reduced cost land is very rarely made available in the ACT, making it difficult for Community Housing Providers to make more housing available to the increasing number of Canberrans who are at risk of homelessness. Given this difficulty, a co-investment mechanism may provide a pathway forward in terms of enabling Community Housing providers to viably and sustainably develop new community housing, whilst also protecting the ACT Government’s balance sheet. A co-investment mechanism simplistically could comprise of an ACT Government contribution in the form of land, a Community Housing Provider contribution in the form of funding and developing a dwellings/s on the land, and each party holding an equity share in the completed development in accordance with the value of their respective investments. Both parties would share in underlying land price appreciation, and the depreciation of any dwelling/s on the land. Various potential legal structures could be utilized to give effect to such a mechanism.

Land transfers, reduced land cost or a co-investment mechanism would also enable Community Housing Providers to:

- *leverage or better leverage the Commonwealth Government’s National Housing Finance and Investment Corporation (NHFIC) to debt finance new developments, and the affordable rental take-out from such developments.*
- *be more attractive to prospective equity partners, enabling greater leverage and increased social and affordable rental supply.*

CHIA ACT calls for further opportunities for land transfers, reduced land cost or a co-investment mechanism that enables Community Housing Providers to provide more social and affordable rental housing.

**3. Extend the two-year pilot of the provision of land tax exemptions for private landlords for properties being managed by Community Housing Providers.**

The 2019-20 ACT Budget included a two-year pilot to provide private landlords an exemption from land tax for properties being managed by a registered Community Housing Provider and rented at below 75% of market rent. The pilot capped the number of properties that could be part of the scheme at 100. This pilot commenced 1 April 2019.

This pilot was welcomed by CHIA ACT and private property owners are engaging in this scheme through CHC’s HomeGround Real Estate Canberra and YWCA Canberra’s Rentwell. However, the short-term nature of the scheme is deterring some landlords from being engaged in the pilot as they are concerned that it may cease at the end of the two-year period.

CHIA ACT is calling for the two-year pilot to be extended to encourage more private landlords to be engaged and provide an assurance to landlords that the scheme will continue.

**4. Provide a rates exemption for Community Housing Provider-owned social and affordable rental properties.**

Community Housing Providers are required to pay rates on their properties. This is a substantial cost to Providers and as the rates in the ACT rise, this is making it increasingly difficult for Providers to ensure that properties are financially viable and sustainable. Rates exemptions are provided by local governments in other states and territories. For example, in New South Wales (NSW), Community Housing Providers can apply to local governments to have their properties receive a rates exemption.

CHIA ACT is seeking a rates exemption for Community Housing Provider-owned social and affordable rental properties to ensure that they can continue to provide affordable housing to Canberrans. More specifically, Community Housing Providers are seeking a change to the Rates Act 2004 to:

- *change Part 2, Section 9 (2) to delete: “charitable purposes does not include community housing purposes”*
- *replace deleted text with: “charitable purposes does include community housing purposes.”*

**5. Engage with Community Housing Providers to review and update inclusionary zoning requirements to ensure that such zoning appropriately considers property size and placement in a new development and is used to grow community housing for social and affordable rent.**

Inclusionary zoning requirements should ensure that a mix of property size and placement within a development occurs and that properties are not only created for affordable sales, but also for affordable rental properties which can be managed by Community Housing Providers. The challenge for and cost to Governments of growing affordable rental supply is far greater than that of growing the supply of properties for affordable purchase.

CHIA ACT is calling for improvements to inclusionary zoning requirements similar to the approach within NSW under the State Environment Planning Policy (Affordable Rental Housing) 2009, and State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes). The former includes incentives for development projects to include a 10-year term for affordable rental housing dwellings. The latter allows specified Councils to operate schemes that require affordable rental housing provision for all residential developments within the scheme area – Willoughby, Leichardt and City of Sydney Councils currently have such schemes in operation.

With respect to the existing affordable sales obligations imposed on certain private developers in the ACT, if there is insufficient demand from the affordable home ownership register, CHIA ACT is seeking for CHIA ACT members to be provided a first right of refusal to acquire such dwellings, prior to such dwellings being made available for sale (under the affordable sale price constraint) onto the open market. To the extent that there is potential for a windfall gain, a far better policy outcome for the ACT Government is with such a gain going to Community Housing Providers, as opposed to a lucky buyer on the open market.

As announced with the 2019-20 Budget, the introduced concession on the lease variation charge (LVC) for registered CHPs. The Planning and Development (Lease Variation Charges—Affordable Rental Development Concession) Determination 2019, DI2019-229 provides a 25 per cent remission on the LVC payable by a registered CHP in respect of the proportion of land that is developed and used for affordable rental housing. CHIA recommends this be changed to a full exemption (100%) for proposals

for development and hold exclusively for affordable rental housing. This will allow CHP's to provided sustainable long term affordable rental properties in the ACT.

**6. Engage with Community Housing Providers to review zoning, including community use zoning, to enable further opportunities for community housing.**

**7. Provide funding to Community Housing Providers to subsidise landlords of privately owned properties to rent properties below market rates for lower for people on lower incomes.**

In some other states and territories, Community Housing Providers are provided with a quota of private rental properties that can be leased out below market rate with the support of Government funding that covers the gap in the market rate of rent and the subsidised rent. An example of this is the New Rental Developments Program in Victoria, that will result in 680 rental properties being leased from the private sector by Community Housing Providers, to increase the availability of social housing rental stock and facilitate investment in new social housing for the rental market. A similar scheme is in operation in NSW. This results in more affordable rental properties being available for people on lower incomes.

**8. Investigate and implement alternative models for growing community housing from other states and territories across Australia.**

*For further information contact*

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