

# AUSTRALIA'S COMMUNITY HOUSING INDUSTRY IN PROFILE

# 2020



**Community Housing**  
INDUSTRY ASSOCIATION

## HEADLINE PROFILE FACTS



### 118,000 SOCIAL AND AFFORDABLE HOUSING TENANCIES MANAGED

By the 101 largest Community Housing Organisations (CHOs)



### \$1.8 BILLION AGGREGATE REVENUE

61% Revenue from rents (\$1.1B)



### \$9,767 AVERAGE RENT

Per CHO tenancy per annum



### 13% REVENUE SURPLUS

After aggregating all expenditure by CHOs



### OVER 35,500 DWELLINGS OWNED BY CHOs



### \$18 BILLION AGGREGATE CHO ASSETS

Up 11% on previous year  
Includes \$12 billion land and buildings



### 6,362 DWELLINGS IN SUPPLY PIPELINE

Being developed by 55 CHOs



### \$6.3 BILLION LIABILITIES \$11.6 BILLION NET EQUITY

Liabilities include \$1.8 billion borrowings to support dwelling acquisitions

\* DATA FOR 101 CHOs. ALL DATA REFER TO THE 2019/20 FINANCIAL YEAR.

# PART ONE INTRODUCTION



**This report provides the first national picture of the scale of the community housing industry in Australia and its current financial and operating position.**

The report has been compiled from the records of 101 of the largest registered community housing organisations, which together deliver an estimated 95% of all community housing. The data presented are for the 2019/20 financial year. Some comparisons to the preceding financial year (2018/19) are also included.

The report has been prepared by Wendy Hayhurst, Vivienne Milligan and Tom Kehoe for the Community Housing Industry Association (CHIA).

**CHIA is the peak body representing 150+ not for profit community housing organisations across Australia. Community housing offers secure, quality housing at affordable rents to people on low and moderate incomes who find it hard to access affordable and appropriate tenancies in the private market.**

Our community housing members are charitable not-for-profit organisations that re-invest any surplus revenue into new housing, better services or improving our properties – not into dividends for shareholders or executive bonuses. They are required to be registered in a government regulatory regime and are subject to regular assessments of their compliance with service, governance, and financial performance standards.

## ORGANISATIONS COVERED

The starting point for building this first profile of the Australian community housing industry was to include all Tier 1 and Tier 2 (or equivalent) CHOs registered with one or more of the National Regulatory System for Community Housing (NRSCH), the Victorian Housing Registrar or the Western Australian Community Housing Registrar.<sup>1</sup> Together these registries comprised 124 Tier 1 and Tier 2 CHOs in March 2021 (when the project commenced).<sup>2</sup>

Tier 1 and 2 CHOs<sup>3</sup> are the large and medium size organisations in each jurisdiction whose core social purpose is to provide long-term rental housing at rents affordable to very low, low- and moderate-income households. Within this set of registered CHOs there are seven group structures: those comprising more than one registered entity (e.g. a parent and subsidiary entities). For such cases, the data was combined into one record for the group. In addition, 12 registered organisations which were not operational at the time of the analysis or for which adequate data could not be obtained were dropped from the final analysis.

To maintain coverage at around 100 organisations,<sup>4</sup> five larger Tier 3 organisations for which suitable data was available were added to the data base.

The remainder of Tier 3 registered organisations (about 240 across all jurisdictions) are not covered.<sup>5</sup> In total it is estimated these small local CHOs represent less than 4% of the industry in terms of tenancies managed (an estimated 4,000 total tenancies). They also have minimal balance sheets and are not active in property development. Overall, however, their omission means that the financial and non-financial indicators in the report are likely to marginally understate the dimensions of the industry.

BRISBANE HOUSING COMPANY LIMITED, JINGERI, ENOGGERA, QLD



## PART ONE INTRODUCTION

### OPERATING CONTEXT

**Provision of social and affordable rental housing by not-for-profit organisations is an important and growing component of Australia's small non-market housing sector.**

By 2020 official data showed that the share of social housing provided in this sector was one quarter of all social housing provision in Australia, up from a 12% share a decade before<sup>6</sup>. Additionally, 52 % (over 17,500 dwellings) of the ongoing affordable housing rental supply program, the National Rental Affordability Scheme (NRAS), were being provided through charitable not-for-profit organisations.<sup>7 8</sup>

A commitment to expand community housing is supported at both levels of government across Australia to a lesser or greater extent. In 2020, strategies to achieve this growth mainly involved: transfer of former public housing dwellings to long term community housing management (with large scale transfer programs completing in NSW and South Australia); opportunities for CHOs to take on the management of newly developed social and affordable housing on former sites of public housing that have been redeveloped (especially in NSW and Victoria); and investment programs offering land, capital grants or operating subsidies to CHOs to procure additional housing directly (for example, the Social and Affordable Housing Fund (SAHF) in NSW and the Social Housing Growth Fund (SHGF) in Victoria). Nationally, funding under the National Disability Insurance Scheme (NDIS) for the provision for Specialist Disability Accommodation (SDA) was also available to CHOs; 37 CHOs in the data base were registered with the NDIS to provide SDA.

Under the Australian Government's aegis, the National Housing Finance and Investment Corporation (NHFIC) raised \$877m in two social bond issues in 2019/20 to help finance or refinance social and affordable housing procurements and renovations through CHPs.<sup>9</sup> Around \$860m low-cost, long-term loans were allocated among 15 large CHOs in NSW, Victoria, Queensland, WA, SA, Tasmania, and the ACT during the year (NHFIC 2020).

In the last quarter of the 2019/20 year, the COVID-19 pandemic advanced across much of Australia with widespread and diverse impacts in the housing system. However, measurable impacts of the pandemic on the operating environment of CHOs will not become apparent until future financial years.



# PART TWO HOUSING PROFILE

## TENANCIES

The final set of 101 CHOs included in the analysis managed 118,073 housing tenancies<sup>10</sup>

This incorporated general social housing tenancies, medium term/fixed term tenancies, specialist tenancies (for example for tenants with disabilities) and affordable rental tenancies. It did not include places designated for and managed as crisis housing, where these were separately reported. Although tenancy type could not be enumerated because of data limitations, it was evident that most tenancies managed were social housing (estimated at least 75% i.e. circa 90,000 homes).

Eighty four percent of all tenancies (98,975) were managed by 40 Tier 1 organisations, an average of 2,474 tenancies per CHO. The remainder of CHOs (61) managed 16% of all tenancies, at an average of 313 tenancies each.

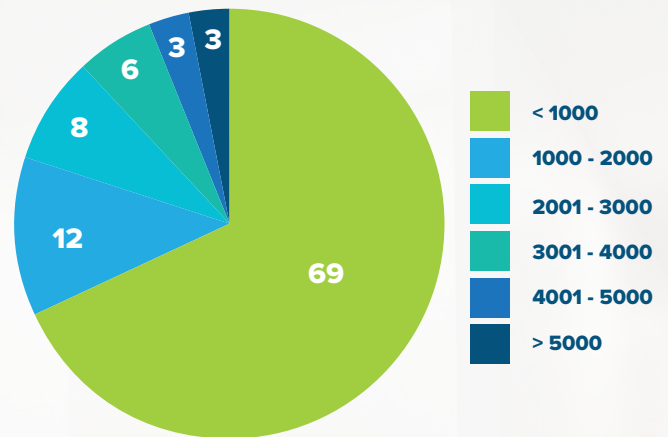
CHOs vary significantly in scale. The distribution of the number of tenancies managed across the set of CHOs is shown in Figure 1. Two thirds of CHOs (69), composed of eight Tier 1 and 61 Tier 2/3, manage fewer than 1,000 tenancies. The largest CHO managed over 11,000 tenancies, while eight had fewer than 100 tenancies. Many of the smallest CHOs were self-managed housing cooperatives, a distinctive part of the industry, particularly in Victoria.

Table 1 and Figure 2 each show the proportion of tenancies managed by organisations of different scales. Sixty-nine CHOs manage 21% of all tenancies, while 32 Tier 1 CHOs manage 79%. Over half of the tenancies (58%) are managed by the 29 organisations each responsible for 1,000-5,000 homes (see Figure 2).

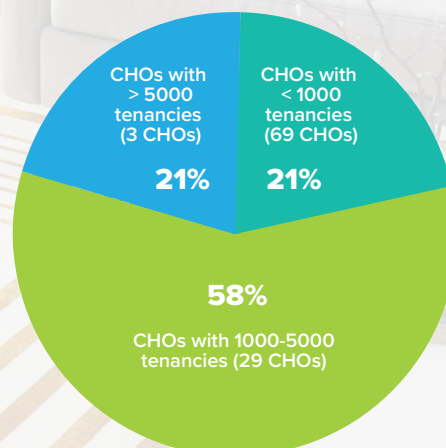
**TABLE 1: SHARE OF TENANCIES MANAGED BY SCALE OF ORGANISATION**

NO. TENANCIES	NO. CHOS	% TENANCIES
< 1,000	69	20.8
1,000-2,000	12	14.1
2,001-3,000	8	16.0
3,001-4,000	6	17.2
4,001-5,000	3	10.9
> 5,000	3	21.0
<b>Total</b>	<b>101</b>	<b>100</b>

**FIGURE 1: NO. MANAGED TENANCIES PER CHO JUNE 2020**



**FIGURE 2: DISTRIBUTION OF COMMUNITY HOUSING TENANCIES ACROSS CHOs, ACCORDING TO CHO SIZE CATEGORY, JUNE 2020**



## PART TWO HOUSING PROFILE

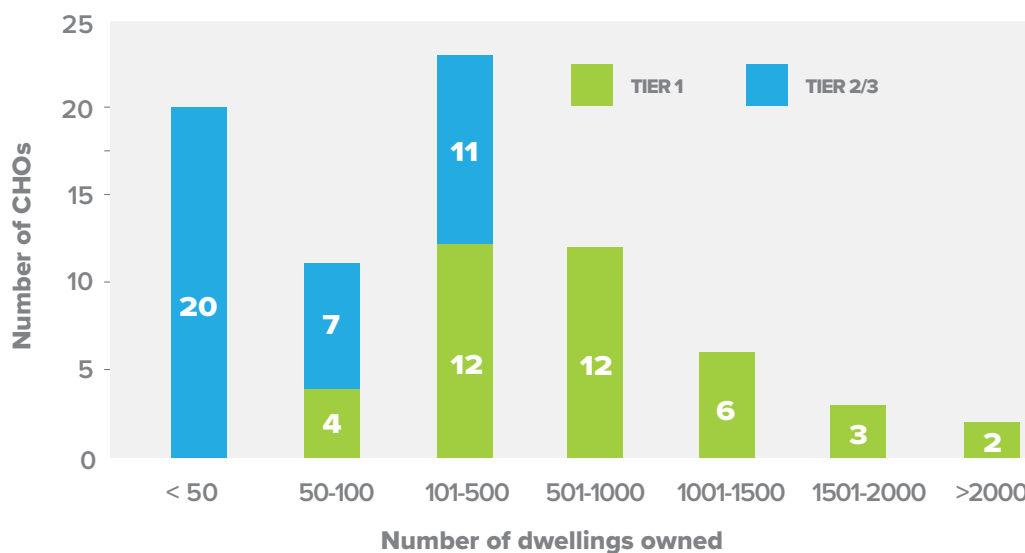
### DWELLINGS OWNED

Seventy-seven CHOs reported their dwelling ownership – i.e. homes owned by the CHO rather than those being managed on behalf of another party. Collectively, these CHOs owned 32,635 dwellings. Tier 1 organisations (39) owned 93% of these, at an average of 753 dwellings per CHO. The remainder of CHOs (38) owned an average of 86 dwellings each.

Tenancy and property data cannot be directly compared because some dwellings have more than one tenancy (e.g. rooming houses). For the most part, however, dwellings and tenancies correspond. We estimate, therefore, that upwards of a quarter of all tenancies are in dwellings owned by CHOs. Other dwellings are, in the main, owned by state or territory governments. A minority are privately owned properties managed by CHOs on a headlease or fee-for-service basis.

The number of dwellings owned by a CHO varied from two to over 2,300. Grouped data on the number of dwellings owned is shown in Figure 3. Nearly 50% of owned dwellings were held by just 10 organisations, indicating that property holdings are quite concentrated. The opportunity for CHOs to own property is determined in the main by Commonwealth and state/territory government policies (both historic and current) concerning leasing versus ownership transfer of dwellings acquired with public funding and by the functions of the CHOs - especially whether they are developer organisations or not.

**FIGURE 3: CHO-OWNED DWELLINGS, JUNE 2020**



## PART TWO HOUSING PROFILE

### DEVELOPMENT PIPELINES

An increasing number of CHOs are active in developing their own social and affordable housing, taking up public subsidy incentives and raising co-financing contributions to enable this. This measure, therefore, gives one growth metric for the industry.

Fifty-five organisations reported development pipelines as at 30 June 2020. In aggregate this comprised 6,362 dwellings, defined as having achieved development approval<sup>11</sup>. Both larger and smaller organisations are investing in growing community housing: 4,627 (73%) of the dwelling pipeline had been initiated by Tier 1 CHOs and 1,735 (27%) by Tier 2/3 CHOs. Development pipelines per organisation averaged 129 dwellings for Tier 1 CHOs and 91 dwellings for Tier 2/3 CHOs. The top ten developer CHOs were delivering 59% of the pipeline. Five of these bigger developers were successful bidders within the NSW SAHF, a program pursuing private supply of social housing (see below). Figure 4 shows the spread of CHO pipelines. Typical pipelines for Tier 1 organisations that have an ongoing development program are between 50 and 200 dwellings.

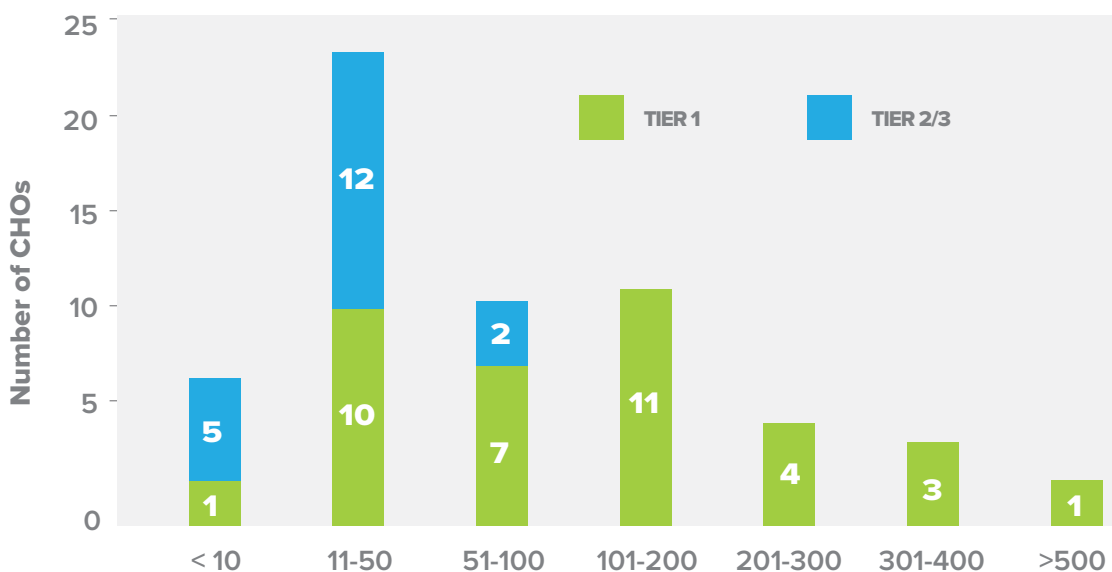
Capacity to invest in housing development depends on factors both internal to and external to community housing organisations. Among the former, project development skills and experience and financial strength – the scope to leverage balance sheets and cash flows – are critical. Key external factors include access to development sites (such as made available under planning provisions) and the financial incentives for additional supply that are offered in each jurisdiction and how these are targeted.

In the reporting period, the major incentives that had contributed to development pipelines included:

- **revenue subsidy** available for building SDA under the National Disability Insurance Scheme
- **state-based programs**, such as the SAHF in NSW and SHGF in Victoria, that make annual recurrent payments for non-government suppliers of social and affordable housing;
- **community housing innovation funds** or other miscellaneous funds (e.g. regional development funds) which offer capital grants (equity) for development.

The scale of these opportunities varies considerably across jurisdictions and over time, in the absence of a national incentive<sup>12</sup>. Hence, growth opportunities for developer organisations may be ad hoc and patchy.

**FIGURE 4: DWELLINGS UNDER DEVELOPMENT BY CHOs, JUNE 2020**



## PART TWO HOUSING PROFILE

### LOCATION OF COMMUNITY HOUSING SERVICES

Community housing is provided in most parts of Australia.<sup>13</sup> Table 2 shows the number of CHOs operating in each Australian jurisdiction.<sup>14</sup> The distribution of CHOs reflects both population levels across the states and territories and the varied historic approaches that have been taken to the development and growth of community housing in each jurisdiction.

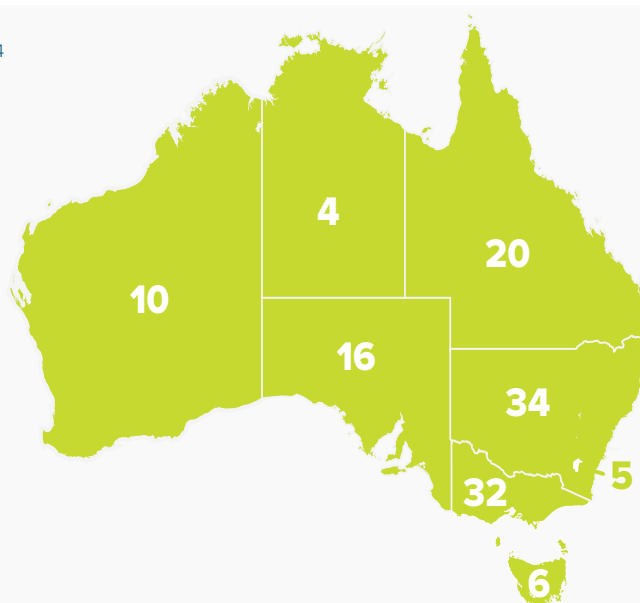
Fifteen CHOs offer tenancies in multiple jurisdictions (Table 2) and manage one third of all tenancies between them.<sup>15</sup> Four of these CHOs are among the largest organisations in the industry and have significant asset holdings in several jurisdictions, often resulting from merging with or taking over a pre-existing local CHO.

Other large CHOs contain their service to a single jurisdiction and, often, to regions or cities within those. The small CHOs tend to be limited to one town or suburb or to a sub-region.

**TABLE 2: NO OF SURVEYED CHOs OPERATING IN EACH JURISDICTION, 2020**

JURISDICTION	TOTAL NO. CHOs	TIER 1 CHOs	TIER 2/3 CHOs	MULTI-JURISDICTIONAL
New South Wales	34	23	11	2
Victoria	32	11	21	3
Queensland	20	6	14	6
South Australia	16	8	8	3
Western Australia	10	4	6	3
Tasmania	6	4	2	5
Australian Capital Territory	5	3	2	3
Northern Territory	4		4	1
<b>Total no. CHOs operating</b>	<b>127</b>	<b>59</b>	<b>68</b>	<b>15</b>

#### NO. SURVEYED CHOs<sup>14</sup>



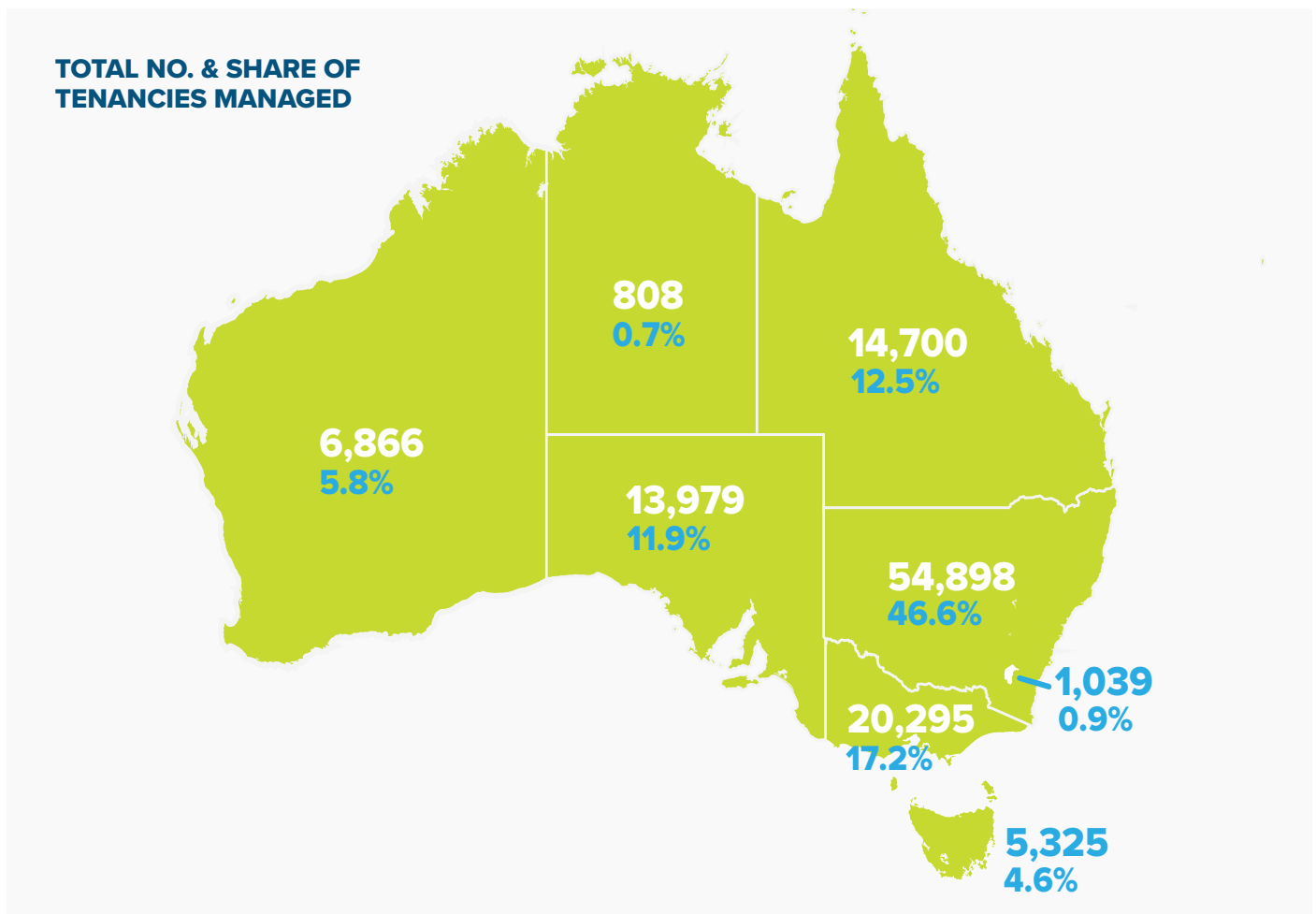
## PART TWO HOUSING PROFILE

### LOCATION OF COMMUNITY HOUSING SERVICES

The distribution of tenancies managed by jurisdiction is shown in Table 3. New South Wales, South Australia and Tasmania have larger shares of community housing tenancies compared to their household share. Community housing is underrepresented in all other jurisdictions.

**TABLE 3: TENANCIES MANAGED BY CHOs BY JURISDICTION, 2020**

JURISDICTION	NO OF TENANCIES	% ALL COMMUNITY HOUSING TENANCIES	HOUSEHOLD SHARE (%) <sup>16</sup>
New South Wales	54,898	46.6	31.5
Victoria	20,295	17.2	26.0
Queensland	14,700	12.5	19.9
South Australia	13,979	11.9	7.3
Western Australia	6,866	5.8	10.3
Tasmania	5,325	4.5	2.3
Australian Capital Territory	1,039	0.9	1.7
Northern Territory	808	0.7	0.8
<b>Total no. CHOs operating</b>	<b>117,910<sup>17</sup></b>	<b>100</b>	<b>100</b>





# PART THREE FINANCIAL PROFILE

## OPERATING PERFORMANCE

### A. TOTAL REVENUE

Total revenue primarily comprises revenue from rents, public grants, other business activities, investments, and donations.

The total revenue the 101 CHOs received in 2019/20 was \$1.78b, a 5.4% increase on the 2018/19 amount. Seventy eight percent of the revenue (\$1.4b) was collected by the 40 Tier 1 CHOs and 22% by the remainder. On average, Tier 1 CHOs were in receipt of \$34.8m and the remainder of CHOs \$6.3m in total revenue (Figure 7 below). There are wide variations within the tiers, however, reflecting the diversity in CHO scale and business.

### B. RENT REVENUE

Revenue from rents – \$1.1 b – is the largest component of CHO revenue, comprising 61% of all revenue received. As shown in Figure 5, Tier 1 CHOs received significantly more of their revenue from rent (66%) than Tier 2/3 CHOs (41%), which are more reliant on grant income.

On average, CHOs received \$9,767 per annum in rent for each tenancy they managed. Variations around this average level, shown in Figure 6, largely reflect differences in household profiles (numbers of smaller or larger households and very low, low or moderate incomes), and the mix of social, affordable and other housing<sup>18</sup> held in each CHO's portfolio<sup>19</sup>.

Aggregate rent revenue increased by nearly 20% between 2018/19 and 2019/20. This increase was driven by growth in tenancies and, to a lesser extent, by increases in income-based rents and market rents.

### C. EXPENDITURE AND OPERATING POSITION

Aggregate expenditure across all CHOs was \$1.55b in 2019/20, an increase of \$241m (18%) on the previous year. Thus, across the two years covered by the data, expenditure increased at a greater rate than revenue. However, the rent revenue component of total revenue increased faster than expenditure, indicating a small overall decline in other income sources, such as grants.

Comparing annual revenue to annual expenditure revealed a net surplus across the industry – 13% of total revenue was retained after accounting for all expenditure in 2019/20. The surplus for larger organisations is greater than that of smaller organisations, suggesting some economies of scale are being achieved – see Figure 7.

FIGURE 5: RENT REVENUE AS PROPORTION OF TOTAL REVENUE (\$M) BY CHO TIER 2019/20

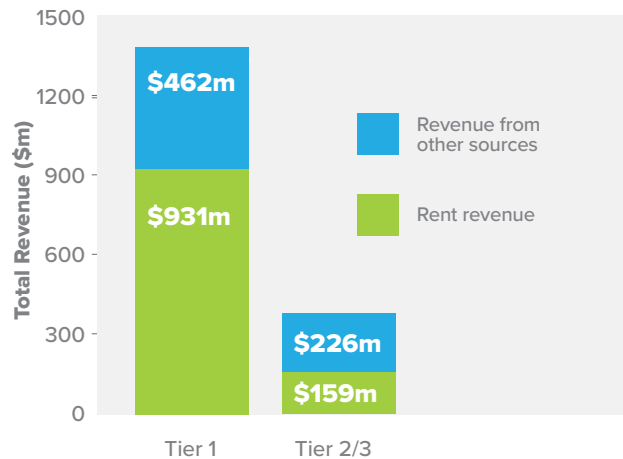


FIGURE 6: AVERAGE ANNUAL RENT REVENUE PER TENANCY (\$) ALL CHOs, 2019/20

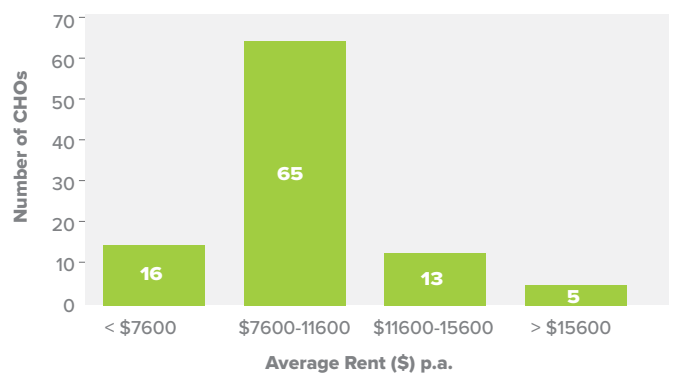
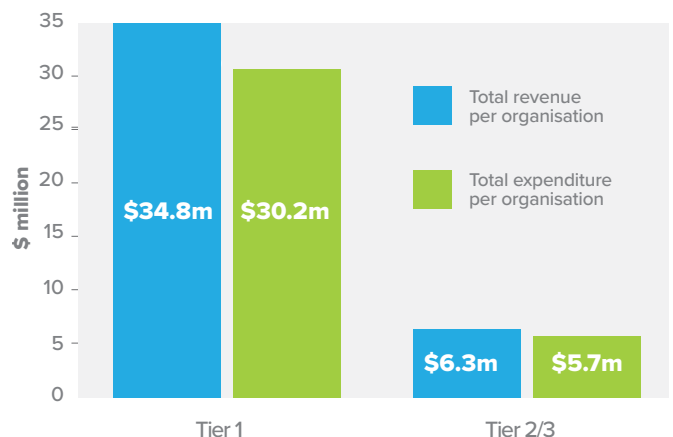


FIGURE 7: TOTAL REVENUE AND TOTAL EXPENDITURE PER CHO (\$M), 2019/20



## PART THREE FINANCIAL PROFILE

### BALANCE SHEET

The community housing industry had total assets valued at over \$18b in 2019/20, an increase of 11% on 2018/19. Changes in asset value reflect both business growth and asset revaluations.

Two thirds of total asset value was held by Tier 1 CHOs. The average asset holding of CHOs in the Tier 1 group was \$293m. However, most Tier 1 CHOs (72.5%) had total assets less than the average which was boosted by a few very large CHOs. Figure 8 shows the distribution of asset values by organisation for the Tier 1 group.

The smaller CHOs had asset holdings valued at \$103m on average. Much of this group had assets well below this average, which was skewed by a few large faith-based organisations for whom housing is a relatively small component of their total business and not separately reported.

### LAND AND BUILDINGS

Land and buildings comprised the largest share of asset value, being 66% of the value of all assets held. Tier 1 CHOs held 82% of their total assets in land and buildings but for Tier 2/3 CHOs this share was only 38%, with much more value held as grants in reserve – see Figure 9.<sup>20</sup>

FIGURE 8: VALUE OF TOTAL ASSETS (\$M) TIER 1 CHOs, JUNE 2020

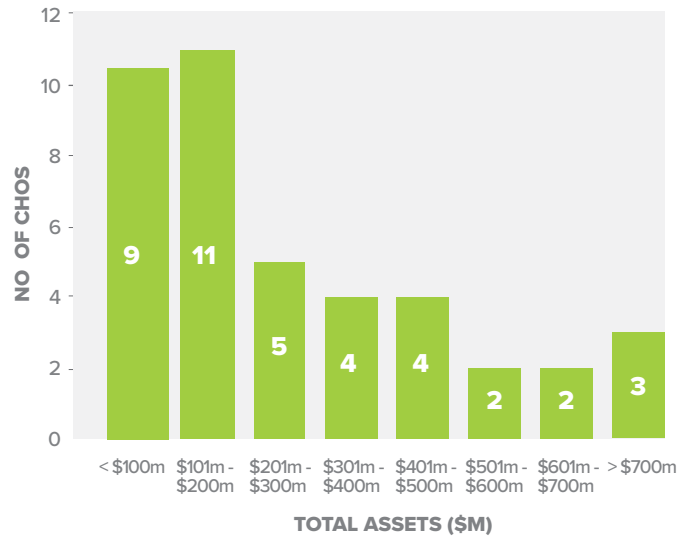
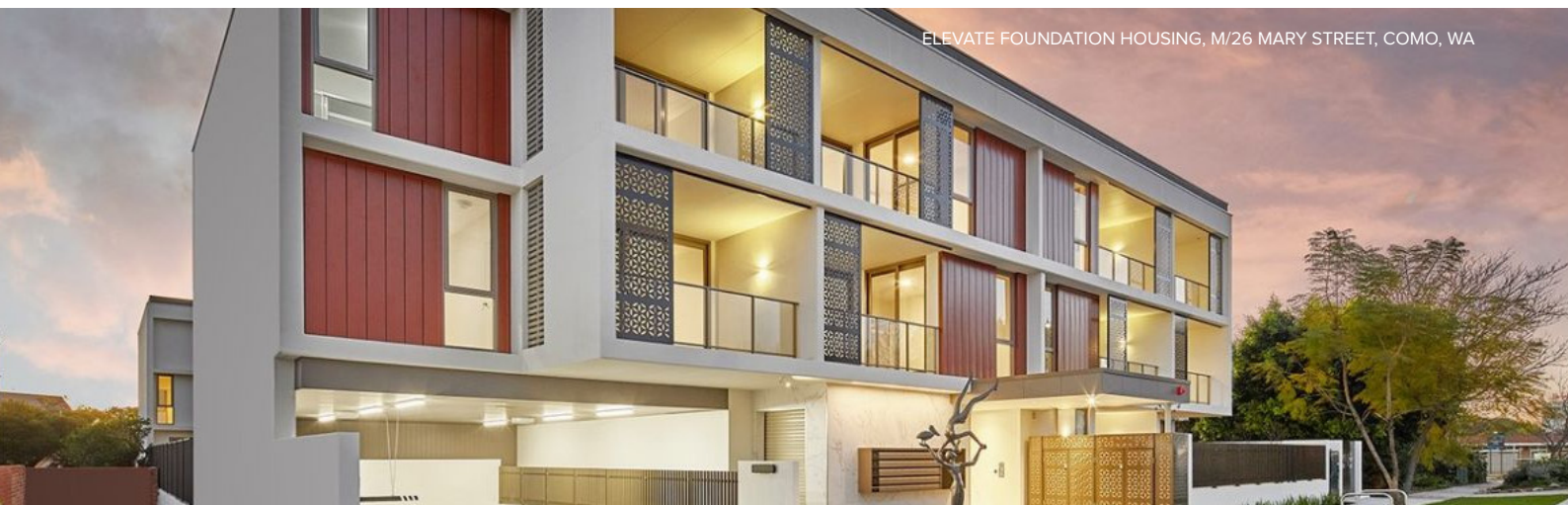
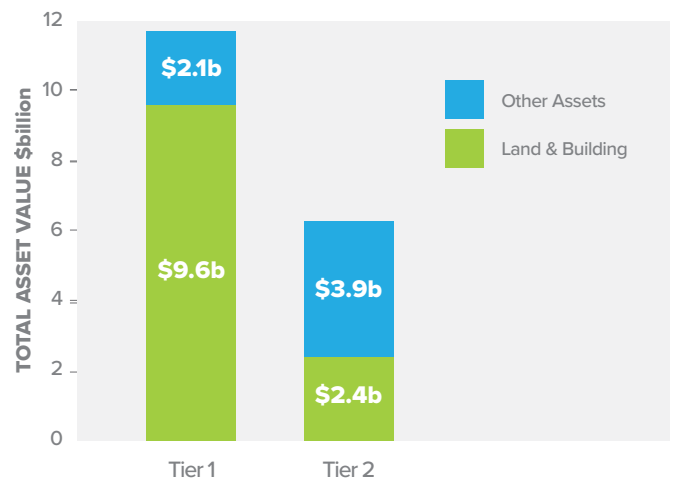


FIGURE 9: LAND AND BUILDINGS (\$B) AS SHARE OF TOTAL ASSETS (\$B) BY CHO TIER, JUNE 2020



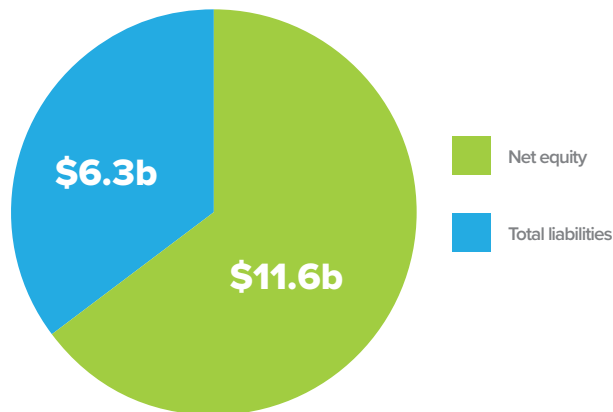
ELEVATE FOUNDATION HOUSING, M/26 MARY STREET, COMO, WA

## PART THREE FINANCIAL PROFILE

### TOTAL LIABILITIES

Total liabilities of CHOs were \$6.3b in 2019/20, 35% of the value of total industry assets. Figure 10 displays liabilities and net equity as components of total asset value (\$18b) in the industry.

**FIGURE 10: COMPONENTS OF TOTAL INDUSTRY ASSETS (\$B), ALL CHOs, JUNE 2020**



Total liabilities as a share of total assets for Tier 1 CHOs is shown in Figure 11. The average ratio of liabilities to assets for this group of CHOs is 23%. The trend line shows most CHOs clustered around the average leverage rate. A small number of larger CHOs, however, appear relatively under-leveraged.

### BORROWINGS

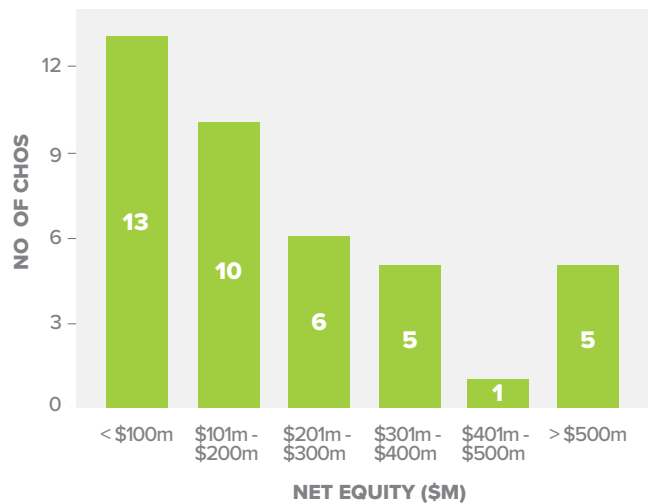
Total liabilities included \$1.8b (29%) in borrowings to support development and acquisitions. Fifty-six CHOs had borrowings for this purpose. Borrowings of CHOs increased by over 50% between 2018/19 and 2019/20. This jump largely reflects increased lending into the industry by the National Housing Finance and Investment Corporation (see above).<sup>21</sup>

### NET EQUITY

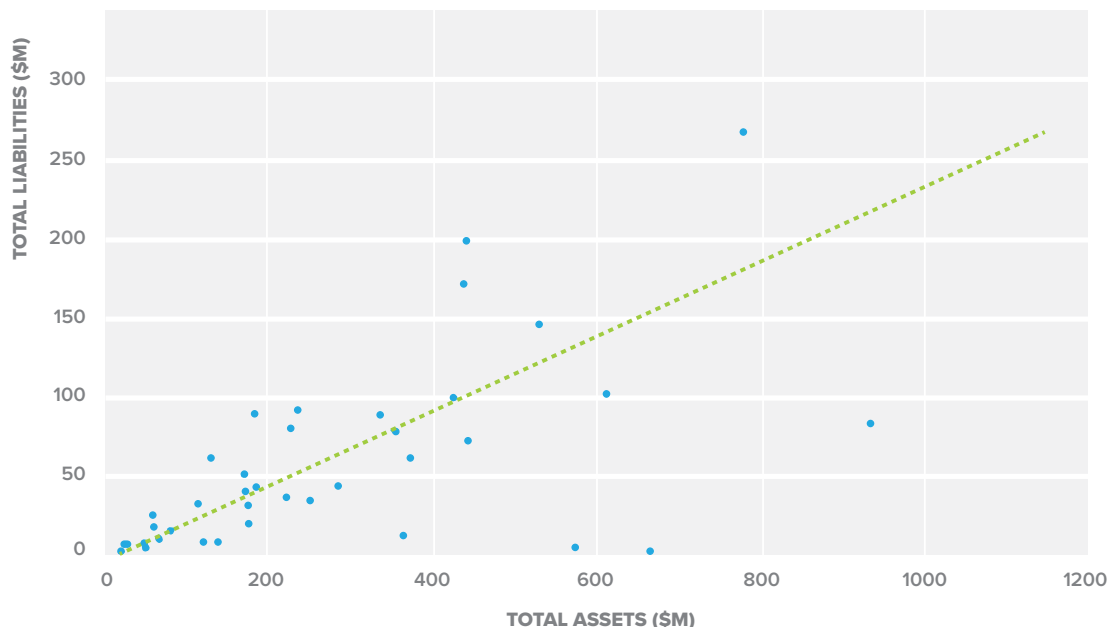
After liabilities are deducted, net equity in the community housing industry amounted to \$11.6b at the end of June 2020 (see Figure 10).

Tier 1 CHOs held 77% of the industry's net equity, at an average of \$225m per CHO. Figure 12 displays the spread of net equity among Tier 1 CHOs. The Tier 2/3 CHOs had average equity of \$43m.

**FIGURE 12: NET EQUITY (\$M) TIER 1 CHOs, JUNE 2020**



**FIGURE 11: TOTAL LIABILITIES AGAINST TOTAL ASSETS, TIER 1 CHOs, 2020**



# SURVEY SUMMARY

Table 4 provides an overview of the metrics contained in the report.

**TABLE 4: INDUSTRY METRICS 2019/20 AT A GLANCE**

METRIC	ALL CHOs (101)	TIER 1 CHOs (40)	TIER 2/3 CHOs (61)
Tenancies managed	118,073	98,975	19,098
Dwellings owned	32,635 <sup>1</sup>	29,349 <sup>2</sup>	3,286 <sup>3</sup>
Dwelling pipeline	6,362 <sup>4</sup>	4,627 <sup>5</sup>	1,735 <sup>6</sup>
Total revenue	\$1,778m	\$1,393m	\$385m
Rent revenue	\$1,090m	\$931m	\$159m
Total expenditure	\$1,552m	\$1,207m	\$345m
Total assets	\$18,022m	\$11,720m	\$6,302m
Land & building assets	\$11,979m	\$9,568m	\$2,411m
Total liabilities	\$6,272m <sup>7</sup>	\$2,589m <sup>2</sup>	\$3,683m
Total borrowings	\$1,789m <sup>8</sup>	\$1,501m <sup>2</sup>	\$288m <sup>9</sup>
Net equity	\$11,588m	\$8,971m	\$2,617m

Due to missing or inaccurate data, not all CHOs were included in the analysis of some variables, as indicated below.

<sup>1</sup>77 CHOs; <sup>2</sup> 39 CHOs; <sup>3</sup> 38 CHOs; <sup>4</sup> 55 CHOs; <sup>5</sup> 36 CHOs; <sup>6</sup> 19 CHOs; <sup>7</sup>100 CHOs; <sup>8</sup>90 CHOs; <sup>9</sup> 51 CHOs.

## DATA COLLECTION METHODOLOGY

As there is no national record of the aggregate dimensions of the community housing industry, compilation of the industry profile relied on painstaking analysis of individual CHO records.

The primary data sources were the 2019/20 annual reports and annual audited financial statements of the selected organisations.

Data from those sources has been triangulated with information drawn from CHO websites, community housing registrar reports and CHIA member records. Where necessary further information and data have been obtained directly from individual CHOs.

**Twelve variables have been analysed for each organisation. These comprised:**

- **Tenancies managed**
- **Dwellings owned**
- **Development pipelines**
- **Service locations**
- **Operating position** – measured by total revenue, rent revenue, total expenditure
- **Balance sheet** – measured by total asset value, land and building asset value, total liabilities, borrowings and net equity

Definitions for these variables are provided on the right. Financial data collected generally covered two financial years, 2018/19 and 2019/20.

The selection of variables was guided by the customary reportage in organisational annual reports. It was intended to complement other sources of information on CHO performance and tenant outcomes such as that already provided by community housing registrars, national and state peak bodies or in government reports<sup>22</sup>.

The main limitation affecting data quality and coverage is the lack of standardisation of property and tenancy data reported in annual reports. Standard national definitions of housing services (social housing, specialist housing, affordable housing, transitional housing etc) have not been developed. There is also no requirement for CHOs to publish a specific minimum set of property indicators. Hence, CHOs choose and define their own measures to report. This contrasts with reported financial data which is standardised and audited. As a result, the property and tenancy data analysed for this report is inevitably less reliable than the financial data. That said, considerable effort has been taken to check the data presented in this report.

Where it was not possible to reach an acceptable standard of reliability, we have not included the information. This was the case for the breakdown of tenancies managed by type (i.e. social, affordable housing)

The range of activities conducted by CHOs varies and this has impacts on some of the metrics used. For instance, some registered entities may be a division of a larger welfare conglomerate (for example faith-based organisations) or they may operate other services alongside their housing function. In these cases, financial data may include revenue, expenditure, assets and liabilities related to other (non-housing) functions. Wherever the data allowed, however, the analysis has been limited to the organisation's community housing functions.<sup>23</sup>

## A NOTE ON INDUSTRY STRUCTURE

As the property and financial data presented in the report display, the community housing industry's structure is asymmetric.

First, a small number of often multi-jurisdictional CHOs are particularly large and second NSW has by far the largest community housing sector. Thirdly there is considerable diversity between CHOs of a similar size in terms of their geographical footprint, the population cohorts they target, and the activities other than tenancy management they deliver.

## DEFINITIONS OF VARIABLES

VARIABLE	DEFINITION
<b>Managed Rental Tenancies</b>	Count of rental tenancies managed by the CHO on June 30. Includes affordable rental housing, social rental housing, specialist accommodation (e.g. disability), and medium or fixed term tenancies (referred to as transitional housing in some jurisdictions). Excludes crisis housing places, market rentals and residential aged care.
<b>Dwellings Owned</b>	Count of all residential dwellings owned by the CHO on June 30
<b>Dwelling Pipeline</b>	Count of all dwellings under construction by the CHO or for which DA approval had been received on June 30
<b>Service Locations</b>	State/territory and local government areas (or localities) where housing services are provided
<b>Total Revenue</b>	Total revenue reported in Profit & Loss Statement June 30
<b>Rent Revenue</b>	Revenue from rent reported in Profit & Loss Statement June 30
<b>Total Expenditure</b>	Total expenditure reported in Profit & Loss Statement June 30
<b>Total Assets</b>	Value of total assets on Balance Sheet June 30
<b>Land &amp; Building Assets</b>	Value of land and building assets on Balance Sheet June 30
<b>Total Liabilities</b>	Value of total current and non-current liabilities on Balance Sheet June 30
<b>Borrowings</b>	Total borrowings (financial liabilities) on Balance Sheet June 30
<b>Net Equity</b>	Total assets minus total liabilities June 30

**1** Registration is required for community housing organisations to receive public subsidies to support their provision of housing services.

**2** It is important to note that many Indigenous Community Housing Organisations (ICHOs) were not registered within these regulatory systems in 2019/20. The profile therefore does not include ICHOs unless they are registered under the mainstream community housing regulatory systems. It is intended that this omission be rectified in future reports.

**3** Under the NRSCH, registered CHOs are registered in one of three tiers according to the scope, scale and complexity of their business activities:

Tier 1: housing providers with asset procurement and development functions (and the ability to grow social and affordable housing supply through construction, purchase or acquisition) and/or complex tenancy and property management functions that operate at scale

Tier 2: housing providers typically involved in moderately complex asset and tenancy management activities

Tier 3: housing providers typically involved in small-scale tenancy management activities.

Western Australian uses a similar classification to the NRSCH. Under the Victorian housing register, the equivalent of a Tier 1 provider is a 'housing association'. Other organisations in Victoria are registered as 'housing providers'. For simplicity and comparability, we have recorded Victorian housing associations as T1 and the housing providers as T2/T3

**4** Due to missing or inaccurate data, not all CHOs were included in the analysis of some variables (see Table 4 for more information)

**5** The analysis was confined to large and medium sized organisations because of the laborious manual data collection necessitated by reliance on each individual organisation's annual report and financial statement.

**6** Steering Committee for the Review of Government Service Provision (2021) Report on Government Services, Part G: Housing and homelessness [Internet], Canberra: Productivity Commission. Available from: <<https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/housing-and-homelessness#attachables>>

**7** Australian Government (2020) National Rental Affordability Scheme Quarterly Performance Report, June

**8** This supply is expected to decline significantly in future years as the 10-year duration NRAS subsidies that help finance discounted rents progressively expire

**9** National Housing Finance and Investment Corporation (NHFIC) (2020) Social Bond Report 2019-20, Canberra: Australian Government.

**10** Until now, the main source of information on the number of community housing tenancies has been the annual Report of Government Services. In that record, total dwellings (tenantable and non-tenantable) offered by CHOs on 30 June 2020 was 101,008 dwellings (Steering Committee for the Review of Government Service Provision (2021), op. cit. Table 18A.7). This figure is compiled from jurisdictional returns that use different definitions of a community housing dwelling.

**11** Social housing development being progressed by state/territory governments to generate homes for CHO management under contract (e.g. as in the NSW Government's Communities Plus program) would be additional to this.

**12** The last national financial incentive scheme available to community housing organisations was the 2008 National Rental Affordability Scheme (NRAS). Allocation of new funding under that scheme ceased in 2016.

**13** Remote Australia is largely served by Indigenous Community Housing Organisations which would be additional to this number - see also note (2)

**14** This count includes multi-jurisdictional CHOs in each jurisdiction that they operate.

**15** An interstate or multi-jurisdictional CHO is one which has its head office and primary registration in one state or territory and provides services in one or more additional jurisdictions.

**16** Australian Bureau of Statistics, Household and Family Projections, Australia 2016 – 2041, Series 1 projections June 2020

**17** 163 tenancies managed in New Zealand have been excluded from this data

**18** Rent setting varies according to the type of rental product and jurisdictional policies. Typically, social housing rents are limited to a proportion of income (normally around 25% of assessed household income) and affordable housing rents are discounted market rentals (normally around 75% of the market rate). CHOs may also receive rents from market rate properties which they manage.

**19** Inaccuracies in the recording of number of tenancies managed could also affect the reliability of this result.

**20** Other assets include NHFIC loans - see note (21)

**21** NHFIC loans to finance new housing acquisitions appear in CHO balance sheets in their entirety on approval and are drawn on by the recipient CHO progressively as procurement costs are incurred.

**22** Complementary resources include: the annual performance reports on registered entities that are provided by the NRSCH and the Victorian Register of Housing; data bases of the Community Housing Industry Associations and other peak bodies in each jurisdiction and PowerHousing; and the Report of Government Services (Part G: Housing and Homelessness) published annually by the Productivity Commission.

**23** Where a data entry for a particular variable had the potential to be misleading it was removed from the analysis.