

Members Bulletin – 27 June 2022

A week in Canberra

The week started with two days at the **Local Government National General Assembly**, attended by 1000 delegates (mainly councillors and senior officials) from across the country. Housing affordability, and particularly the lack of affordable housing, featured prominently throughout the two days. Even the emergency services Minister, Senator Murray Watt included, tackling housing affordability in his address. There were over 20 motions put on housing from city, regional and remote Councils. The Assembly uses a fairly complicated voting process with similar topics being grouped together and a vote for one motion taken as acceptance of the rest. Passed was the Whitsundays motion below:

This National General Assembly calls on the Australian Government to host a national affordable housing summit to identify the regional, state, and national issues to be addressed to deliver housing solutions to communities through local, state, and federal government in a whole-of-government response to be tailored for respective community needs.

Other [motions](#) in the same bucket call for a housing strategy, investment and funding for support services.

I got the opportunity to speak at a plenary session on ‘partnerships’, in my case those between community housing and Councils and highlighting some positive examples - thanks to Housing Plus, Coast to Bay and Link Wentworth for providing case studies.

We will be working with ALGA (the national peak body) to build on the positive feedback and what seemed to be an appetite amongst at least some to use council land. CHIA VIC has recently released [resources](#) to support joint working between councils and CHOs which could serve as a template for other jurisdictions too.

During the rest of the week, I met with **officials in DSS, Treasury and PMC** both in their offices and out and about visiting community housing developments. Things are still taking shape and plenty to influence. Here are a few impressions:

- The Minister has a busy schedule of meetings with stakeholders to get their views on the Fund etc. Some colleagues are suggesting she convenes a round table / summit on housing
- There is debate about where Housing Australia is located. DSS are keen to retain housing policy and programs with the Minister comfortable about remaining in the DSS ‘portfolio’. However, Treasury retain home ownership and housing finance and seem to be arguing that Housing Australia would be more logically located there (as NHFIC currently is). The infrastructure option seems to be off the table at the moment.
- NHFIC / Housing Australia is identified to run HAFF but there are dissenters so we need to make our position clear. There are no preconceptions on its design and understandably concerns about how many homes the HAFF can deliver. Some states have already made their submissions on how it should be delivered. CHIA has shared the paper we prepared. CHIA is hosting a members’ briefing with Power Housing on 14 July to share our ideas and review progress. One of our hopes is that the program design is one that can be extended and become ongoing and thus attract institutional investment.

- We should not take for granted that CHOs will be the preferred / exclusive delivery vehicle. I've been asked to explain why we should and that there is capacity to deliver
- Legislation to set up the Fund should be in place by the end of the year - it the government's third priority after the regional home buyers and Help to Buy schemes. Housing Australia, the Council and the plan come afterwards in that order. We have an opportunity to put forward our ideas about Housing Australia
- A decision on whether to proceed with the Safe Places Program (noting that a similar program is included in the HAFF) hasn't been made but seems likely.

I think we have established constructive relationships with Commonwealth officials beyond NHFIC which gives us the opportunity and capacity to influence developments. Next week the NHFIC / CHIA / CHP Sounding Board meets and will consider initial thoughts on the HAFF.

The Social and Green Benefits Calculator - Update

We have secured funding to enhance the tool, i.e., to include a means of estimating energy savings associated with constructing new social and affordable housing to different NatHERS Band levels (0.5-10) and a means of estimating the upfront/embodied carbon associated with the development (construction materials and transport) of new social and affordable housing.

Testing of the first module for calculating social benefits will take place in August with four CHOs who are subscribers to the Australian Social Value Bank.

Infrastructure Australia have indicated they will make a contribution to the work too which may go towards another a module to calculate the benefits from well located housing - essentially putting the case for key workers housing.

ESG Project Update

The consultants have completed consultations with CHOs and financial institutions. A workshop with a small number of CHOs from across Australia, NHFIC and Lighthouse Infrastructure was held to discuss the feedback and a first rough outline for the standard.

The main points from the industry workshop report back were that there is broad support for the ESG from the financial industry but a caution that it is not the gamechanger in respect of enabling institutional investment. It has an important role in potentially reducing finance costs by around 5 -10 basis points which in the context of a possible changing role for NHFIC could be useful. To achieve credibility the standard needs to be adopted by and reported on by CHOs. NHFIC as the sectors main lender will hopefully endorse the standard. We will need to prepare a clear implementation plan.

The next steps are as follows:

- A user-friendly draft version of ESG Reporting Standard will be produced the next stage of wider external consultation,
- Feedback on draft ESG Standard will sought over July - a written submission process will be set up but will include a virtual briefing for CHOs who have contributed to the project
- We will launch the standard at the [Affordable Housing Development & Investment Summit](#) in September.