

COMMUNITY HOUSING A TRUSTED PARTNER FOR HOUSING AUSTRALIANS

THE CASE FOR MORE SOCIAL AND AFFORDABLE HOUSING SUPPLY IS STRONG

Australia is among the world's wealthiest nations. Despite this, families with full-time workers are living in tents. Women and children who fear for their safety are forced into an impossible choice between violence and homelessness. Economic shockwaves are being felt in entire regions and suburbs where there isn't enough affordable housing for workers.

Swinburne University's Centre for Urban Transitions calculates the affordable and social housing shortfall will cost the economy \$1.286 billion in lost social and economic benefits by 2036. The Australian Housing and Urban Research Institute (AHURI) says an additional 727,300 social housing dwellings are required by the same year. It is time to invest in this essential social infrastructure.



SOCIAL HOUSING DWELLINGS AUSTRALIA, 2021



ADDITIONAL SOCIAL HOUSING REQUIRED BY 2036



SOCIAL AND ECONOMIC BENEFITS LOST BY 2036



HOUSING AUSTRALIA FUTURE FUND - A KEY FOUNDATION STONE FOR INVESTMENT

The Housing Australia Future Fund is a permanent, structural response to Australia's most difficult social and economic challenge.

The \$10 billion in establishment funding is a significant foundation stone. This will generate sufficient return to construct 20,000 new social and 10,000 affordable homes over five years without eroding the fund's capital base, while fostering investment from other levels of government and private sector. The Fund will support successful projects for 25 years.

Providing adequate housing to Australians can unlock powerful social, climate, and economic dividends. Every dollar Australia invests in social and affordable housing delivers \$2 in benefits and will deliver an overall economic benefit of \$110 billion. By requiring the new homes to be at least 7 stars the Fund can also help cut Australia's carbon footprint.

COMMUNITY HOUSING DELIVERS

Community housing organisations (CHOs) are trusted to provide the safe, affordable homes people need to realise their potential. They are widely recognised for delivering quality, environmentally sustainable designed homes, and high level management performance. They place a high priority on community development and have strong partnerships with support services. In NSW, for example, community housing has achieved 83 per cent overall satisfaction among tenants, while delivering more than \$172 million in savings to the government.

By partnering with community housing organisations governments public resources go further, because any margin is reinvested to reduce housing stress and homelessness. Concessions for land tax and GST also significantly reduce the cost of development.

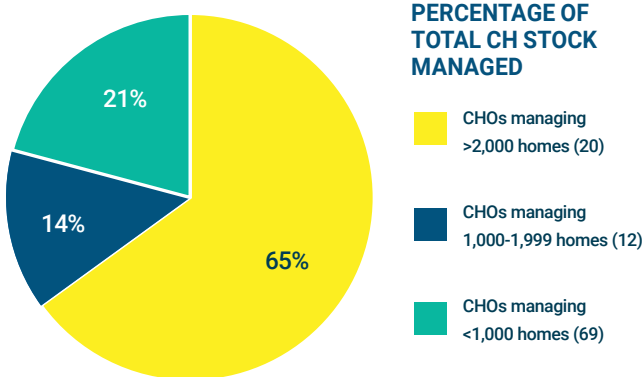
AHURI has shown that holding 1,000 properties in state government management and ownership would result in a \$30 million deficit after 30 years, whereas transferring the same number of properties to community housing would realise \$40 million over the same period, which will be reinvested to produce additional social and affordable housing or better services.

Community Housing Organisations (CHO) in Australia



NUMBER OF CHO-MANAGED SOCIAL AND AFFORDABLE HOUSING TENANCIES

*The 101 largest CHOs



CHO-OWNED DWELLINGS AUSTRALIA



BUILDING THE FUND

Australian community housing organisations stand ready to partner with all levels of government to deliver this game-changing reform. Based on real world experience we recommend:

- Housing Australia should lead the commissioning process and involve the community housing sector in its design
- Tenders should only be open to not for profit registered community housing organisations or partnerships that they lead
- The tender process should be simple, low cost and provide community housing organisations with flexibility to put together proposals to meet local needs. Housing will be delivered more quickly if Housing Australia work with preferred tenderers to finalise a proposal
- State/Territory and local governments could be encouraged to contribute land, property, grant and offer planning concessions to enhance outcomes from the fund
- There is a huge opportunity to design the fund so that it unlocks investment from superannuation funds. There is recent practical experience to learn from.

ENHANCING OUTCOMES

Given the scale of unmet need for social and affordable housing the Housing Australia Future Fund should be annually topped up to support an ongoing pipeline of projects. This would mainstream superannuation investment in this critical social infrastructure.

Over the longer term, State/Territory Government contributions could be negotiated as part of the new National Housing and Homeless Agreement. The agreement could also incentivise governments to introduce planning policies such as inclusionary zoning that allow community housing organisations to acquire land at nil or discounted cost.

We support establishing a new national housing agency, Housing Australia, and within it a National Housing Supply and Affordability Council. Together they can provide the market and needs analysis underpinning a national housing and homeless plan that addresses Australia's deep rooted housing affordability.