

What's next?

All community housing organisations are invited to start reporting their ESG credentials against this Standard, commencing in the 2023/24 financial year.

The ESG Reporting Standard, instructions for how to use it, and Final Report are available [here](#).

What to look out for?

During the first stage of implementation (April 2023-September 2024), CHIA will appoint an implementation lead to:

- Facilitate an annual program of seminars and events to share information and updates with adopters, endorsers and supporters.
- Hold online briefings and seminars to develop sector capacity and consistency in using and reporting against the Standard.
- Gather feedback on the Standard as part of its ongoing review and refinement.



Acknowledgments

This initiative was funded by NHFIC, private sector organisations, and predominantly by contributing community housing organisations.

The ESG Reporting Standard for Australian community housing is loosely based on the Sustainability Reporting Standard (SRS) for social housing in the UK, and has been fine-tuned to the Australian context in consultation with 28 contributing housing organisations and over 20 stakeholders in the finance and investment domain. Thank you to all involved.

The ESG Reporting Standard is available here on CHIA's website.

“NHFIC is proud to support the ESG Reporting Standard and partner with CHIA to promote a better understanding of the value that well-built and managed social and affordable rental housing can bring to the community and the economy. This initiative will encourage deeper investor interest, providing further foundations to build social and affordable housing as a viable asset class in Australia.”

Nathan Dal Bon, NHFIC CEO

The development of the ESG Reporting Standard was led by SGS Economics and Planning, Paxon, and RITTERWALD Consulting.



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AN ESG REPORTING STANDARD FOR AUSTRALIAN COMMUNITY HOUSING

MARCH 2023



In 2022, CHIA commissioned a standard tool for measuring, managing, reporting and interpreting community impact generated by the Australian community housing sector.

The result is the first edition of the ESG Reporting Standard for Australian community housing, developed for, and by, the sector.

Background

Lenders and investors worldwide are increasingly requiring that the assets they invest in provide both a sound commercial return and positive environmental, social and governance (ESG) outcomes.

To tap into institutional investment, the community housing sector needs to deliver appropriate risk adjusted returns, as well as have a positive impact on sustainability, to people's lives and livelihoods, to liveable places, and to productive economies.

What the Standard does

- ✓ Expands and diversifies available funding sources
- ✓ Provides access to financial benefits: lower borrowing cost and favorable loan covenants
- ✓ Helps the sector consistently and credibly report on the social and environmental impact it creates

What the Standard needs

- ✓ Alignment with existing global frameworks and standards
- ✓ Regular feedback from different stakeholders: community housing organisations, lenders and investors, government (regulatory bodies), and other stakeholders
- ✓ Focused and well-defined quantitative and qualitative ESG criteria to report

Principles

- ✓ Addresses risk, return and impact for lenders and investors
- ✓ Is transparent, consistent, and comparable
- ✓ Contains quantitative and qualitative criteria that can be independently verified
- ✓ Avoids unnecessary bureaucracy (recurring readily available good quality data)
- ✓ Is usable by all community housing organisations
- ✓ Includes financial and non-financial metrics

Structure of the ESG Reporting Standard

There are 41 criteria represented under 12 themes:

ESG DIMENSION	THEME
Environmental	E1 Climate Change
	E2 Ecology
	E3 Resource Management
Social	S1 Affordability and Security
	S2 Building safety and quality
	S3 Resident Voice
	S4 Resident Support
	S5 Placemaking
Governance	G1 Corporate and Governance
	G2 Board and Trustees
	G3 Staff Wellbeing
	G4 Supply Chain

Success Factors

- ✓ Growth of the number of adopters and endorsers over time
- ✓ Transition of voluntary to recommended use over time
- ✓ Transition of self-certifying to external verification over time
- ✓ The reporting standard stays current by raising the bar periodically
- ✓ A governance structure to demonstrate stewardship of the reporting standard