

A FOUR YEAR GROWTH PLAN (July 2008 - June 2012)

Current Commitments and Growth Targets

| | <u>Funding</u> | <u>Dwellings*</u> |
|------------------------------|----------------|-------------------|
| NRAS funding (May 2008): | \$0.6bn | 50,000** |
| Growth fund (Dec 2008): | \$0.4bn | 2,000*** |
| Stimulus package (Feb 2009): | <u>\$6.0bn</u> | <u>20,000****</u> |
| | \$7.0bn | 72,000 |

Notes:

* Growth targets but not necessarily cumulative ?

** Allocations, not necessarily completions. About 10,000 completions by December 2010 ?

*** Completion by June 2010

**** Completion of 15,000 by December 2010.

KEY ELEMENTS OF IMPLEMENTATION

1. Define an over-arching category of Affordable Housing Program (AHP) dwellings which includes Band A, Band B and Band C housing – see "Examples of possible definitions" on next slide.
2. Conduct a benchmark audit of current government and non-profit dwellings (including data on key profiles of the kind listed below).
3. Adopt an overall growth target for AHP dwellings of at least [20,000] dwellings by December 2010, of which
 - at least [40%] should be Band A dwellings;
 - at least [40%] should have NRAS funding.
4. Allocate AHP funding and growth targets to States on a per capita basis.
5. Fix indicative limits on capital contributions from the Commonwealth's growth funding, with scope for variation in individual years subject to eventual compliance over the full four-year period. The contribution limits could be
 - no more than [75%] for Band A dwellings;
 - no more than [25%] for Band B dwellings.
6. Fix indicative key profiles for the growth stock (offset against changes in the benchmark stock), with scope for variation in individual years subject to eventual compliance over the full four-year period.
7. Encourage States to allocate a substantial proportion of the grants by seeking Expressions of Interest in large, broadly-defined portfolios of AHP dwellings to be completed over a multi-year period.
8. Finalise negotiations for an Operating and Replacement Costs Subsidy by the Commonwealth on a per dwelling basis for all AHP dwellings.

Some key definitions

"Affordable housing programs" include public housing, non-profit housing, other housing subsidised under NRAS and some home purchase assistance programs. They must comply with proposed profiles relating to occupants, owners, managers and rent levels.

"Band A" dwellings are those for which, except in specified circumstances, rents must not exceed [25%] of residents' incomes for at least [25] years (although rents may be set by other criteria provided they are below the specified income ratio).

"Band B" dwellings are those for which, except in specified circumstances, rents must be kept at least [20%] below market rent for at least [10] years.

"Band C" dwellings are those in approved types of home purchase program for low- or moderate-income households.

"High-need households" have gross incomes below [50%] of the State/Territory median income for their type of household composition and/or have other defined types of special need (eg, Indigenous people, homeless people and people with mental illness or disabilities).

Some Key Profiles

Occupants

- [50-75%] of Band A to be high-need households
- [25-50%] of Band B to be high-need households.

Location

- at least [30%] in non-metropolitan areas;
- no more than [40%] in outer ring suburbs;
- no more than [10%] in high-concentration suburbs.

Ownership

- no more than [25%] by State housing authority.

Management

- no more than [25%] by State housing authority;
- [100%] by managers registered under nationally consistent scheme.

Dwelling type

- no more than [50%] 1-2 bedroom units;
- at least [20%] 3+ bedroom houses.

Design and access

- at least [80%] meet specified design standards, including environmental;
- at least [80%] meet specified standards for access to transport, work, services.

GOVERNMENT FUNDING

TYPE OF HOUSING

GROWTH TARGET

Stimulus Package and Growth Fund

Some NRAS

CRA

Some Stimulus Package and Growth Fund

NRAS

CRA

First Home Owner Grant

Home Saver Accounts

Band A
(rent below 30% of income)

Band B
(rent at least 20% below mkt rate for 10 yrs)

Band C
(designated home purchase programs)

72,000 dwellings

