

## **THE NATIONAL AFFORDABLE HOUSING SUMMIT**

**Australian Council of Social Service  
Community Housing Federation of Australia  
National Shelter**

**Australian Council of Trade Unions  
Housing Industry Association**

# **Round Tables on a National Affordable Housing Agreement**

## **Background Paper 3**

# **Objectives and Targets**

**July 2008**

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**This draft Background Paper seeks to stimulate discussion about some of the objectives and outcomes which could be included in a National Affordable Housing Agreement. It is based on suggestions from a range of experts and *does not necessarily represent views of Summit group members*. It will be progressively updated in light of suggestions from the Round Tables and other sources**

## **A Definition of Affordable Housing**

The following definition could be considered for inclusion, together with the associated notes on terms. Detailed definitions of these terms might also be needed.

### **A DEFINITION OF AFFORDABLE HOUSING**

#### **"Affordable housing"**

- **is of an *adequate standard* and *adequate location* for a *low- or moderate-income household*;**
- **does not cost so much that the household is unlikely to be able to meet *other basic needs*; and**
- **provides *reasonable security of tenure*.**

### **NOTES ON TERMINOLOGY**

#### ***An adequate location of housing***

- includes a safe and healthy environment as well as reasonable access to work opportunities and services that are relevant to that household.

#### ***An adequate standard of housing***

- includes compliance with broadly-acknowledged codes of standards relating to construction, space and design for the size and composition of household which might reasonably be expected to occupy it.

#### ***Low- and moderate-income households***

- have gross incomes below the State/Territory median level for households of their size and composition.

#### ***Other basic needs***

- include reasonable costs of food, clothing, transport, energy, health, education and recreation for the particular type of household.

#### ***Reasonable security of tenure***

- involves adequate lengths of lease and other protection of continued occupancy, as well as avoidance of unreasonable workforce disincentives.

## **A Principal Objective and A National Goal**

The following draft wording is for a Principal Objective and a National Goal which could be considered for inclusion in the NAHA in relation to affordable housing. It is envisaged that other Principal Objectives and National Goals would also be needed.

### **A PRINCIPAL OBJECTIVE FOR AFFORDABLE HOUSING**

**A Principal Objective of the Agreement is to substantially increase the proportion of low- and moderate-income households who are living in affordable housing.**

**The Agreement seeks to do so in ways which help households to improve their economic and social circumstances and which provide environmental benefits.**

### A NATIONAL AFFORDABLE HOUSING GOAL

The National Affordable Housing Goal aims by 2020 to [halve the proportion] of [low- and moderate-income] households who have housing costs exceeding [30%] of their incomes, as measured by the Australian Bureau of Statistics.

### Some Key Growth Targets

The following suggestions relate to a category of housing which is for present purposes called "registered housing". This includes public housing, community housing, other non-profit housing, and housing which is subsidised under the new National Rental Affordability Scheme or specified home purchase programs. *The words and numbers in square brackets are provided simply to help focus and stimulate discussion, not as firm proposals.*

#### SOME GROWTH TARGETS FOR REGISTERED HOUSING

- 1. In order to help achieve this Goal, the overall supply of registered housing should increase by at least [120,000] by 2015.**

*Registered housing* is housing for which assistance is provided under the Agreement on condition that

- it is occupied by low- or moderate income households; and
- rents or purchase costs are at or below specified levels (eg relative to income or market rates); and
- tenancy managers are appropriately registered.

- 2. This increased supply of registered housing should include at least [40,000] Band A dwellings, at least [60,000] Band B dwellings and possibly some Band C dwellings.**

*Band A* includes all registered housing for which, except in specified circumstances, rents must be kept at or below [25%] of residents' incomes throughout the life of the dwelling.

*Band B* includes all registered housing for which, except in specified circumstances, rents must be kept at least [20%] below market rates for at least [10] years.

*Band C* includes registered housing under approved types of home purchase programs.

- 3. High-need households should occupy [50-75%] of the additional Band A dwellings and [25-50%] of the additional Band B dwellings.**

*High-need households* are those with gross incomes below [60%] of the State/Territory median income for their type of household composition and/or with other defined types of special need (eg, Indigenous people, people with mental illness or disabilities).

- 4. (1) As a proportion of overall housing supply, housing owned and managed by State/Territory governments should [not be reduced].  
(2) As a proportion of all new supply per annum, housing managed by governments or non-profit organisations should be increased to at least [10%] by 2015.**

- 5. The cumulative total of additional investment and other resources provided for registered housing from investors and other non-government sources should exceed [\$10 billion] by 2015.**

The Agreement could also include

- targets for specific types of households (eg, Indigenous people, formerly homeless people);
- progress targets to be achieved by a particular date in each State;
- template targets for which each State could set its own figures (eg, for types of residents or locations of dwellings) or agree them with the Commonwealth.