

Community Housing

Unlocking social and affordable housing supply by partnering with the community housing sector.

Community Housing (CH) consists of dwellings owned or managed by not-for-profit, non-government providers. Community Housing Organisations (CHOs) provide a range of housing options, with a focus on property and tenancy management for people on low and moderate incomes, including supported and specialist accommodation.

CHOs have the ability to attract private finance and federal concessions and financing mechanisms that are unavailable to public housing agencies. CH tenants are also eligible for Commonwealth Rent Assistance (CRA) which is unavailable to public housing tenants.

CH tenants consistently report higher levels of satisfaction with dwelling amenity, comfort, and tenancy management than public housing.¹ The sector is therefore well-placed as a key delivery partner with government to increase social and affordable housing supply.

The Commonwealth Government has supported the CH sector through the establishment of the National Housing Finance and Investment Corporation (NHFIC), which provides finance and grants, along with a range of tax concessions. While many of jurisdictions have actively grown their Community Housing sector over the last decade via large-scale asset transfers of public housing, this has not been the case in WA.

As of June 2021, Western Australia has around 150 CHOs², who own or manage approximately 17 percent (or 7400) of the state's social housing dwellings.

Shelter WA supports National Shelter's advocacy for a national housing and homelessness strategy with a target to **progressively lift the role of Community Housing providers to owning and managing a minimum of 50 per cent of all social and affordable housing by 2036.**

To achieve this goal, there is an opportunity for the WA Government to build on the strengths of the CH sector via increased partnership and co-investment to increase the supply of social and affordable housing. This could include grants to the sector as well as greater use of mechanisms such as planning concessions and/ or inclusionary zoning targets, with new supply being owned or managed by CHOs.

Shelter WA also supports the transfer of income-generating housing assets to the CH sector. Recent modelling found that transferring the management of 8,000 properties to CHOs (with ownership remaining with the State Government) would inject between \$797 million and \$879 million of funding from Commonwealth Rent Assistance payments into the service system over 20 years. In addition, the stock transfer would facilitate housing stock growth ranging between 206 and 413 dwellings.³

There are several additional reform opportunities that would enhance CHOs ability to deliver flexible and responsive housing, including a shift from the social housing waitlist model to a housing needs register, and removing policy barriers to growth.

¹ Productivity Commission (2022). Report on Government Services. Part G: Housing and Homelessness.

² This includes LGAs, boarding and lodging houses, and smaller providers who have bespoke properties.

³ Shelter WA (2021) Western Australian Community Housing: leveraging the sector for better housing outcomes.

Community Housing

CHOs in WA require more contemporary, fit for purpose and commercially sound contracting arrangements to replace existing agreements, including the Community Housing Agreement (CHA) and head lease templates. Reform of these contracts, along with changes to key CH policy around the income and asset limits, rent setting and allocation and long-term maintenance provision allocation are necessary to enable the CH sector to efficiently and strategically manage their assets.

Shelter WA recommendations:

- That the Commonwealth Government develop a national housing and homelessness strategy, with specific growth targets for community housing (50% by 2036).
- That the WA Government supports the CH sector to develop and implement a community housing strategy for WA, with growth targets and strategies for achieving them. This would include a plan to transfer income-generating social housing assets to the community housing sector and optimise the sector as a key growth and delivery partner for social and affordable housing.⁴
- That the WA State Government establish permanent, adequate, rolling funding and financing mechanisms to deliver and maintain a pipeline of social housing in line with evidence-based need. These mechanisms should work proactively to leverage federal investment and facilitate growth of the community housing sector.⁵
- That the WA State Government provide ongoing and appropriate partnership opportunities with registered CHOs to deliver social and affordable housing on government-owned land.
- That the WA State Government utilise and embed registered CHOs in the delivery of social and affordable housing via the planning system including through developer bonuses and concessions, and through the implementation of mandatory inclusionary zoning in private multi-residential development.⁶
- That the WA State Government adopt the National Regulatory System for Community Housing (NRSCH) to improve consistency with other jurisdictions and support CHOs to transition to the new system.
- That the WA State Government provides increased support and/or incentives for CHOs to become and remain registered.
- That the WA State Government formalise the removal of the requirement for properties to be tied to specialised programs and enable CHOs to flexibly match joint waitlist applicants with dwellings based on best fit.
- That the WA State Government prioritise reform of CHAs and head lease arrangements to maximise the growth and development of CH sector in WA and allow CHOs to more strategically manage their assets.
- That the Commonwealth Government and WA State Government provides new investment to support and grow the Aboriginal Community Housing Organisations (ACHO) sector.
- That the WA State Government reform the social housing allocation process, including shifting from a waitlist approach to a housing needs register that prioritises applicants based on greatest need rather than length of wait.

⁴ For more detail about how to optimise CHOs as key delivery partners, please see report: Paxon Group (2022) Community Housing Sector Growth Opportunities Collaboration between Government and Industry to Drive Supply, Shelter WA. <https://www.shelterwa.org.au/wp-content/uploads/2022/08/220728-Shelter-WA-Sector-Growth-Opportunities.pdf>

⁵ For example, a Housing Capital Aggregator and/ or a Housing Future Fund as recommended by the National Affordable Housing Alliance (NAHA) and the Grattan Institute, and a state Growth Fund (similar to the Victorian Government example).

⁶ See Policy Position on Planning and Development.