

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 are the natural delivery partner for government in the delivery and management of social and affordable housing. They have the ability to attract private finance and federal concessions and financing mechanisms that are unavailable to public housing agencies. Community housing 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 Commonwealth Government supports the CH sector via Housing Australia, which facilitates cross-sector partnerships and provides finance and grants to support CHOs to increase the supply of social and affordable housing. It is critical that the WA State Government partner with and support the WA community housing sector to leverage funds from the Commonwealth Government's \$10b Housing Australia Future Fund (HAFF) established in 2023.

Western Australia has around 150 CHOs^[2], who own or manage approximately 17 percent (or 7400) of the state's social housing dwellings. While many 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.

[1] Productivity Commission (2024), Report on Government Services. Part G: Housing and Homelessness.

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

Shelter WA is calling for the progressive transfer of 50 per cent of all new or spot purchased social housing assets to the CH sector. Management transfers offer better value for money than direct government investment. Modelling suggests that over a 25-year period, management transfers can deliver approximately \$86,000 per dwelling to the CHO sector and deliver a 14 per cent uplift in the number of dwellings that can be delivered.^[3] In addition, the recurrent costs of operation are transferred to the CHO sector, which translates to significant savings to the government.

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. 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 is calling for a WA community housing growth strategy and commensurate funding to increase the capability and capacity of the sector. There are several additional reform opportunities that would enhance CHOs ability to deliver flexible and responsive housing, including removing the requirement for dwellings to be tied to specialised programs.

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.

[3] Shelter WA modelling. Please see [Shelter WA pre-budget submission 2024-25](#) for more detail.



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Shelter WA recommendations:

- That the WA State Government, in partnership with the CH sector, develop and implement a community housing growth strategy for WA, with specific targets and resources to achieve them.^[4] This would include investment in capacity building programs to facilitate sector growth.^[5]
- That the WA State Government progressively transfer 50 per cent of all new and spot purchased social housing to registered CHOs.
- 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, in partnership with the sector, develop processes to embed registered CHOs in the delivery of social and affordable housing via the planning system. For example, 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 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 provide new investment to support and grow the ACHO sector, including the development of an ACHO peak body, support for organisations to become registered, and a commitment to transfer income generating public housing stock to the 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.
- That the WA State Government review and reform income eligibility limits for social housing to remove tenant disincentives to employment and create pathway options out of social housing, while protecting against homelessness.

[4] *The Northern Territory Community Housing Growth Strategy 2022-2032* is a good example of what is possible.

[5] 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>.

[6]. The delivery of social and affordable housing requires government subsidy to 'stack up'. Therefore, streamlined funding and finance arrangements will be necessary for successful policy implementation.