

SUMMARY OF CONSULTATION

Registered community housing providers

Date of consultation:	23 August 2017
Group consulted with:	Registered community housing providers
Number of attendees:	15
Name of organisations:	Argyle Community Housing, Common Ground, CatholicCare, Focus ACT, St Vincent de Paul, CHC Affordable Housing, Havelock Housing, ACT Human Services Registrar, Toora Women, Everyman

Key themes arising from the consultation

- There needs to be a number of headwinds removed in the ACT to enable existing community housing providers (CHPs) to grow and provide more affordable housing for households earning the lowest 40% of income. CHPs need clear missions and values to articulate to government.
- Providing below market rent housing while paying market prices for land, building, rates and fees means there is not much left to enable growth for CHPs. A strategic policy to develop community housing in the ACT would help identify the policy settings needed.
- Social housing provisions in the Residential Tenancy Act (for individuals paying 25% of income) could allow CHPs to better support tenants, perform more regular inspections, relocate tenants to different properties as their situation changes and improve asset utilisation.
- Rates and fees should be waived for CHPs – removing these taxes (only for providers that are providing affordable rental/ownership for the lowest 40% of income earners) could result in increasing the viability of projects by about 2-3% - this would also not be a direct upfront revenue hit to the ACT Government as it would only be claimed when products were delivered.
- Review of the Housing Asset Assistance Program model is needed – providers are being charged a percentage of market rent from Housing ACT which is increasing, but there is no growth in rents or Centrelink payments (main source of income). CHPs' margins are being squeezed.
- Lease Variation Charge remission for CHPs to facilitate development, especially as CHPs do not charge market rates for affordable rent/purchase.

- Access to suitable land at concessional prices – would provide an incentive for CHPs to expand and may encourage additional investment in the ACT from interstate CHPs.
- Inclusionary zoning for developments should be explored to ensure that affordable stock is kept affordable – for example, 5 to 10% of all property developments could be handed to CHPs to manage as affordable rental, in exchange for other benefits such as planning restrictions.
- Stock transfers/title transfers should be explored as in all other jurisdictions – would build the balance sheet of CHPs and enable them to leverage to deliver outcomes for low income h/holds.

Key quotes

- “There needs to be an appetite in the ACT for social housing to be a streamlined service between public housing and community housing – it is not on the agenda to look at outsourcing but it should be, like in other jurisdictions.”
- “There may be scope for organisations that are delivering homelessness services, if they make money on the rental for those properties, to try and get economies of scale through joining together, with separate provision of support.”
- “Affordable products, especially innovative designs, need to be assessed on their merits, not just an arbitrary “tick box” that would otherwise result in an unsuitable product.”
- “When we talk modular, think of MacDonald’s in Gungahlin or Majura Park – modular isn’t shipping container houses – it is a fast and efficient method of construction.”

What is working well?

- Affordable housing and social housing is now receiving the attention that it deserves.
- Land rent is an effective way of helping people transition to affordable home purchase.
- Common Ground has put in place Housing First principles and wrap around services and support - this is working well with 14 out of 20 service users now in employment.
- Good working relationships between people in the sector leads to good outcomes for people, particularly for Aboriginal and Torres Strait Islander people, if there are good liaison officers.
- OneLink is an improvement on what we used to have – far more proactive and taking a more holistic approach. There are still large numbers of people, however, who don't know or haven't heard about OneLink –places like the Early Morning Centre and Safe Shelter could better advertise the services of OneLink.
- Housing ACT Rental Bond Loans and Commonwealth Rent Assistance are good.

What could be improved?

- There are no concessions for CHPs to purchase land from the ACT Government (only full market purchase).
- Inclusionary zoning needs to be considered for all new Government land releases.
- Banks and lenders will want to have shared equity risks addressed before they consider a scheme.
- Designs for affordable products should be assessed on their merits, not just on whether they meet existing codes.
- Developments need to consider efficiencies in utilities and energy usage to ensure people don't slip out of affordable living.
- A social housing provision in the RTA would allow for greater support for people who are having difficulty in maintaining their tenancy.
- Currently, all community housing providers receive is 25% of a person's income as rent plus Commonwealth Rent Assistance – approximately \$133 per week for people on benefits (largest client group). Out of that we have to pay wages, running IT systems, building land and buying – there isn't much left to enable growth

New ideas

- Feasibility study (costing approximately \$66,000) into what stock transfers to CHPs could achieve in the ACT.
- Rent to buy could be a good option to explore in the ACT, especially if it can be done in conjunction with Land Rent.

- Potential to look at the way Crown leases are structured for CHPs, for example whether concessional leases or purpose clauses would assist in ensuring assets are retained for CHPs and remain within the affordable housing market.
- Modular housing options may assist in lowering construction costs.
- More flexibility is required in planning and design to allow the development of real size dwellings on small blocks such as 'Lightsview' in SA (145 m², three storey building on a 55 m² footprint) – a garage footprint under \$300,000.
- Further discussions with banks and lenders may be required about 'prescribed assets' and how these can be aggregated to allow better interest rates, etc.
- A percentage of people who live in Ainslie Village also do maintenance – public housing could do a similar project with leverage from the Total Facilities Maintenance contract to get some support for tenants to do maintenance and gardening and develop skills (and possibly get a rent discount).