



**ACT**  
Government  

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Community Services

ACT Government Response to the ACT Shelter  
Discussion Paper  
**Community Housing in the ACT: Options for Growth and  
Viability**

**June 2014**

## FOREWORD

I would like to take this opportunity to thank ACT Shelter for the discussion paper on *Community Housing in the ACT: Options for Growth and Viability* which was released on 13 November 2013.

The ACT Government is committed to supporting Community Housing in the Territory. The ACT Government also recognises the important contribution of specialist community housing providers in responding to the housing needs of tenants who may have unique needs, such as people with disability, the elderly, Aboriginal and Torres Strait Islander people and those from other cultural groups.

The government will work collaboratively with the community housing sector to develop an ACT Strategic Plan for Community Housing to ensure that quality housing options are available to people in need now and in the future.

In the development of the Strategic Plan, sector capability to deliver modest growth will be considered, as well as the improvement of social, economic, health and wellbeing outcomes for tenants.

The Strategic Plan will include a focus on the role of community housing as a vibrant and innovative component of the broader housing continuum capable of achieving growth. Further focus will be placed on better utilising social housing stock to meet the need of tenants and maximising relationships to achieve both service system and individual outcomes.

The Strategic Plan, will in this way, position community housing to operate as part of one human services system with links to allied programs and plans.

The ACT Government's commitment to supporting community housing in the Territory presents an opportunity for us to all work collaboratively to contribute to the further development of the sector. I look forward to being a part of this important journey.



Shane Rattenbury MLA  
Minister for Housing

## **INTRODUCTION**

ACT Shelter released its discussion paper on Community Housing in the ACT: *Options for Growth and Viability* (the Paper) on Thursday 13 November 2013.

ACT Shelter negotiated with the Community Services Directorate (the Directorate) to undertake a discussion paper into the options for growth and viability of community housing in the ACT. The paper outlines the benefits of Community Housing and the national target to grow the community housing sector, of up to 35 per cent of all social housing stock by 2014.

The ACT Government is committed to community housing as a dynamic and innovative component of the broader housing continuum capable of achieving growth consistent with the size of the sector. The Government is also committed to ensuring the sector provides positive outcomes for tenants.

### Community Housing in the ACT

Although Community Housing in the ACT comprises a small percentage of total social housing stock, it provides a valuable alternative to private and public housing allowing approximately 600 households in the ACT to have a greater choice in their housing options.

The ACT has the highest proportion of social housing in Australia relative to the total housing stock, with just above 8% of households living in public housing. Of the total social housing stock, community housing in the ACT comprises about 5% of households.

The ACT community housing sector has traditionally been diverse and it has been characterised by small not-for-profit organisations such as cooperatives, niche providers meeting the needs of low income earners, people with disabilities and older people and multi-funded agencies providing a spectrum of services, where housing is considered as a part of holistic service delivery. Due to the specialist nature of providers and the diversity of the sector a range of operational arrangements are in place according to rent charging and funding arrangements.

The community housing sector has mainly relied on small scale property transfers from public housing or funding grants in order to remain viable both as a sector and at an organisational level.

Historical ACT Government funding has contributed to some modest growth of the community housing sector; however a restructure in the mid-2000s resulted in a reduction of the number of providers due to amalgamation and mergers and better cost-effectiveness of larger providers. This rationalised the sector to an

extent but it still remained small. The low number of providers, their capacity and insufficient scale of community housing in the ACT have presented major limitations to its viability and ability to deliver additional properties of any scale without government support.

However the ACT has experienced some recent growth in community housing as a result of the Nation Building Economic Stimulus Plan and the National Rental Affordability Scheme. As part of the 2009-10 Nation Building and Jobs Plan, the ACT constructed 421 properties under the Social Housing Initiative. The Commonwealth required up to 30% of properties to be transferred to community housing with either management or title. This initiative encouraged new providers into the ACT and delivered a period of relatively high growth into the sector.

As part of the National Affordable Housing Agreement (NAHA) a range of reforms have been agreed with a key focus on the growth and enhancement of the community housing sector capacity, the introduction of a nationally consistent regulatory framework, which has led to the development of the National Regulatory System for Community Housing (NRSCH) and a National Industry Development Framework (NIDF).

A regulatory framework for community housing in the ACT was established in 2009, the ACT Office of Registrar – Not for Profit Housing Providers, to ensure that not for profit housing providers comply with eligibility criteria, operate within acceptable levels of risk and meet minimum performance standards. A central goal of regulating the not for profit housing sector in the ACT is to support the ACT Community Housing providers to build their capability and capacity to meet these new standards and enable the sector to grow sustainably.

There are currently 11 registered community housing providers in the ACT. It is expected that the majority of these providers would also register under the National Regulatory System for Community Housing during 2014, which aims to contribute to a well governed and managed community housing sector. It is also likely new providers would enter the market, particularly as multi-funded agencies delivering wraparound services consolidate their role also as community housing providers.

Due to the NAHA reforms there has been a significant growth within the community housing sector across Australia and it is now a vibrant and innovative sector seen as a vehicle to achieve additional affordable housing options and community renewal outcomes. Jurisdictions have largely taken different approaches to growing the community housing sector. A number of public housing stock transfer programs have taken place in Queensland, New South Wales, South Australia and Tasmania ranging in size and title options.

As a result of this intensified community housing sector development and the potential impact of a national operating environment, jurisdictions have agreed to adopt a consistent community housing development program that fosters a nationally consistent approach, intelligent cooperation and communication and information sharing. The ACT is very much a part of this program and the ACT Government work on the Community Housing Strategic Plan will be informed by

national trends. This work will also be aligned to existing ACT Government policy initiatives.

### Development of a Strategic Plan for Community Housing

The ACT Shelter Paper makes seven recommendations for the ACT Government to consider. Broadly the Paper calls for a clear strategic plan by government to support the development of the community housing sector. The ACT Shelter Paper recommends that this plan would need to consider:

- support and capacity development for providers;
- the role of government and the community sector in building community housing capacity;
- planning and development levers;
- innovative partnering across sectors; and
- issues crucial for positive tenant outcomes.

The ACT Government agrees with four of the recommendations of the ACT Shelter Discussion Paper and agrees in principle with three.

The ACT Government accepts the report and will work with the community housing sector to develop a Strategic Plan for community housing in the context of the role of community housing within the broader housing continuum. The proposed Strategic Plan would need to:

- acknowledge the difference between affordable housing, usually represented by larger growth providers with the capacity to undertake housing development activities in a financially sustainable manner, such as Community Housing Canberra Limited, and community housing at the other end of the scale mainly represented by smaller specialist service providers charging rent most frequently set at 25% of income;
- recognise that, in recommending the development of a Strategic Plan for community housing, the ACT Shelter Paper does not make a clear distinction between the two sectors; and
- clarify these sector differences because objectives between different providers will vary.

The community housing landscape in the ACT, although small in scale, is very diverse based on the type of funding arrangements, tenancy type, rent levels, client group, size and potential for growth, and it may present a challenge in the development of an over-arching Strategic Plan for community housing. The Strategic Plan will consider the development of policy frameworks that recognise this diversity and manage it in an integrated way.

The small number of community housing providers in the ACT presents an opportunity for the sector to work with Government to do a stocktake of the sector to develop a comprehensive snapshot of the capacity of community housing providers in the ACT and identify areas or elements which could be strengthened and where this is best facilitated by Government or by the sector.

In accepting these recommendations the proposed two phases for the development of the Strategic Plan are:

- the first phase will clarify policy outcomes and objectives for community housing articulating clear expectations and outcomes for the rebated rental sector including a sector profile. This profile will consider:
  - the capacity of the rebated organisation to improve organisational and tenant outcomes; and
  - the capacity to deliver sector growth.
- the second phase will use this profile to establish a clear framework to identify sector development priorities and improved outcomes for tenants.

ACT Shelter Discussion Paper Recommendations – Government Response  
Community Housing in the ACT: options for growth and viability

Recommendation	Government Response	Details
<p><b>1. Develop a whole-of-government strategic plan for community housing</b>            The ACT Government should develop a strategic plan for the future development of community housing sector in the ACT. This would include improvements in organisation capacity and viability along with tenant outcomes.</p>	<p><b>Agreed</b></p>	<p>The ACT Government is committed to the community housing sector and agrees to the recommendation to work with the sector to develop a Strategic Plan for community housing. This Whole-of-government (WOG) Strategic Plan will be developed in the context of the role of community housing within the broader housing continuum.</p> <p>It is proposed the Strategic Plan will include two phases of work:</p> <ul style="list-style-type: none"> <li>• The first phase will clarify policy outcomes and objectives for community housing in the ACT including for tenants. A sector profile using the following criteria: funding, maintenance, title, tenant profile, point of access and growth opportunities will be developed as the basis for community housing providers to identify areas for service and sector development.</li> <li>• The second phase of the plan will use the capacity profile to establish a clear framework to identify how government can assist sector development and improved outcomes for tenants. It will also develop a framework for how growth opportunities are potentially undertaken and the objectives and outcomes for government and community housing.</li> </ul>

<p><b>2. Identify needs for capacity development and sustainability of the sector</b></p> <p>The strategic plan should help to build capacity in the community housing sector in particular through better coordination of training and networking between providers.</p>	<p><b>Agreed</b></p>	<p>The CSD agrees to work with the sector to do a stocktake of the sector. This stocktake will help to develop a comprehensive snapshot of the capacity of community housing providers in the ACT and identify areas or elements which could be strengthened and where this is best facilitated by government or by the sector.</p> <p>The small number of community housing providers in the ACT presents an opportunity for the sector to identify needs to coordinate training to build organisational and sector capacity and build strong working relationships across the sector. Sector development work will be consistent with the ACT Community Sector Development Program which will support capacity building, leadership development, sustainability and direction of community organisations.</p>
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<p><b>3. Further develop innovative partnerships options with community housing organisations to increase social housing in public housing redevelopments and city master plans</b></p> <p>Innovative partnerships with public-private-partnerships should be explored.</p> <p>The large scale redevelopments of the multi-unit complexes in Civic should make the most of skilled and experienced community housing providers and involve them in the development of the new areas.</p> <p>Incorporation of social housing into master plans of the city will strengthen the potential role of community housing throughout the ACT.</p>	<p><b>Agreed in principle</b></p>	<p>The ACT Government agrees to explore innovative partnership opportunities between community housing providers and private investors within the context of government priorities for housing redevelopments and in line with the <i>Guidelines for Public Private Partnership</i> found at <a href="http://apps.treasury.act.gov.au/partnerships-framework">http://apps.treasury.act.gov.au/partnerships-framework</a>.</p> <p>Planning work is currently underway for a number of sites across the City. Innovative partnerships with community housing organisations and private sector investors will be further considered during this detailed planning phase.</p> <p>The Strategic Plan will establish a clear set of criteria on how decisions may be made by government, the evidence and outcomes necessary for these decisions and which agency will take the lead on initiatives.</p> <p>The inclusion of social housing in new estates is supported by providing CHC Affordable Housing with opportunities to purchase suitable sites for social and affordable housing in greenfield developments.</p>
<p><b>4. Incorporate innovative planning and rezoning approaches in strategic plan</b></p> <p>Existing strategies outlined in the Government's Affordable Housing Action Plan will be incorporated into the plan.</p> <p>Social housing inclusionary zoning</p>	<p><b>Agreed in principle</b></p>	<p>The range of planning and rezoning approaches under the Affordable Housing Action Plan (AHAP) will continue to ensure improved outcomes for the ACT. However, the inclusion of these initiatives is not considered necessary to progress these planning outcomes further. The Strategic Plan will, of course, be developed in the context of existing ACT Government policies.</p> <p>The Government has a long standing requirement that 20 per cent of dwellings in greenfield estates must be sold within affordable housing thresholds. In 2012, the requirement was adapted to encourage further</p>

<p>Planning concessions in relation to higher density developments should also be developed.</p> <p>Strategic land acquisition.</p>		<p>innovation, flexibility and diversity in the affordable housing sector, without being prescriptive or overly complicated.</p> <p>The Government's Land Rent Scheme includes provisions that allow registered community housing providers to rent residential land with payments charged at a concessional rate thereby reducing the capital required to provide community housing in greenfield areas.</p> <p>As part of its stimulus package released in March 2014, the Government has introduced concessions that promote construction in infill locations. Codified Lease Variation Charge fees and remissions has been frozen at current levels for the next two years and the remission rate for non-codified variations is increased from 25% to 50% for the next two years.</p> <p>The Government can and does strategically acquire land from time to time to enable housing development, and envisages that such acquisitions will continue to take place in the future as suitable opportunities arise.</p>
<p><b>5. Ensure quality of tenant experience</b> Recognise and encourage the importance of transparent, accountable and accessible policies, procedures and regulations to ensure quality of tenants' experience.</p>	<p><b>Agreed</b></p>	<p>The ACT Government is committed to its current allocation policies for social housing to be targeted to those most in need.</p> <p>The Social Housing Register which integrates public and community housing waiting lists has provided consistent and transparent single allocation for both public and community housing.</p> <p>Through the provision of stable housing, Social Housing in the ACT should promote social and economic participation outcomes for tenants and their movement into the private rental market and other housing options, where appropriate.</p>

		<p>Housing ACT recognises the importance of these quality tenant outcomes and agrees to work with the community housing sector to articulate an agreed outcomes framework for the community housing sector and tenants.</p> <p>This work will inform ongoing tenancy management and other community housing reviews and provide evidence and advice to government about future directions of community housing.</p>
<p><b>6. Investigate stock transfer and management outsourcing as a means to increasing social housing</b> A thorough investigation into stock transfers and management outsourcing should be conducted by the ACT Government resulting in a policy position on this issue.</p>	<b>Agreed</b>	<p>Government agrees to undertake a range of work to build the evidence base, objectives and outcomes for the potential community housing growth through the transfer of stock and management outsourcing. This work will inform any future government consideration of this issue.</p>
<p><b>7. Provide input into national policy initiatives that see a direct benefit to the ACT</b> The ACT Government should support national moves for the allocation of both a growth fund and on operational fund for social housing.</p>	<b>Agreed in principle</b>	<p>The ACT Government acknowledges the National Shelter position to provide a national growth fund, however this is not a current national policy position of the National Affordable Housing Agreement (NAHA).</p>