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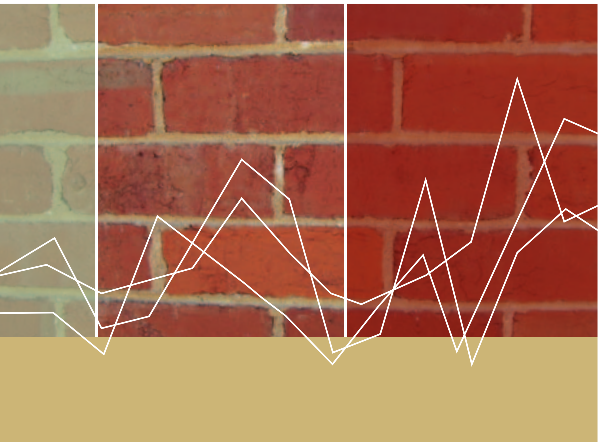
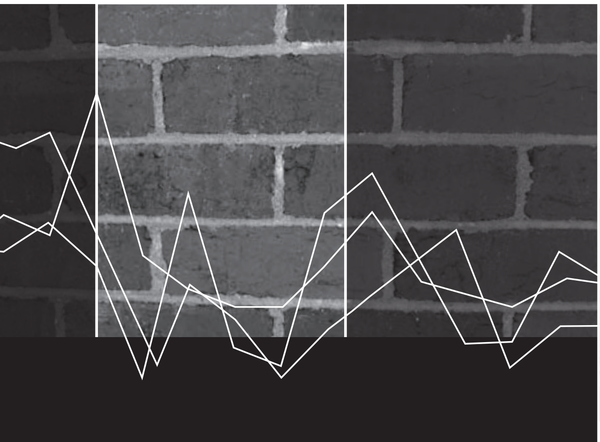


Regulation and Growth of the Not-For-Profit Housing Sector

Discussion Paper
April 2010

Australian Government




Regulation and Growth of the Not-For-Profit Housing Sector

Discussion Paper

Foreword

There is no issue more important to Australians and their families than having a safe and secure home.

Over the past two years the Australian Government has been working with State, Territory and Local Governments, the not-for-profit sector and private industry to increase the supply of affordable rental homes. We have made an historic investment in social housing and established a whole new way of financing using the National Rental Affordability Scheme.

Our current programs will increase the stock of affordable housing by more than 80,000 affordable rental homes. As well as building more homes, we are exploring more innovative models of providing social and affordable housing. In the future we will see a small number of larger, commercially sophisticated, not-for-profit housing providers operating alongside the existing State and Territory-run housing authorities.

The community housing sector has grown rapidly over the past five years, increasing by a third between 2003 and 2008. Not-for-profit providers have shown that they are able to build more homes by working with banks, developers and other commercial partners, than they would have been able to do through government grants alone.

For not-for-profit housing providers to play a bigger role we need a regulatory system that gives us all confidence. Tenants need secure and stable housing. Investors need confidence that they can partner with a viable and well-managed sector. Housing providers themselves need simple regulations which give them the opportunity to expand across State and Territory borders and to enter into solid commercial relationships.

This discussion paper canvasses the shape of future regulation of the not-for-profit housing sector. While this paper has been written by the Australian Government, many people have provided feedback on this paper including State and Territory Governments. I am grateful for their assistance.

I welcome a robust public debate on the growth and regulation of a not-for-profit housing sector that can contribute more effectively to growth in affordable housing supply and that delivers high-quality services to tenants.

I encourage everyone with an interest in affordable rental housing and the role of the Community Housing Sector to contribute to this discussion by providing a written or online submission to the Department of Families, Housing, Community Services and Indigenous Affairs or by attending one of the public forums that will be held across Australia in May 2010.

I look forward to receiving your comments.

Tanya Plibersek

The Hon Tanya Plibersek MP

Minister for Housing

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The Shortage of Affordable Housing

CHAPTER 1

1 The Shortage of Affordable Housing

Key Issues:

- Australia has an under supply of housing, particularly for rental housing that is affordable for low and middle income earners.
- The undersupply of affordable rental housing has been looming for over a decade and directly impacts on affordability for renters and home buyers.
- We need to see affordable rental housing growing at the same rate as population growth to avoid worsening of housing stress.
- Government policy is focused on increasing housing supply and ensuring that a proportion of the increased stock is available to rent to low and moderate income earners.

1.1 Defining the problem

Australia urgently needs to expand the stock of affordable rental housing. The housing supply gap is having a direct impact on housing affordability for both renters and home purchasers. Most of this impact is on low and moderate income earners who were not home purchasers before the housing boom commenced in the late 1990s.

The affordability of the private rental housing market has declined in the last 12 years, particularly for those households on low or fixed incomes.[1] Between September 2006 and September 2009, real rents increased by 12 per cent.[2] Key workers and households on moderate incomes are having difficulty saving with rising rents and increasing house prices.

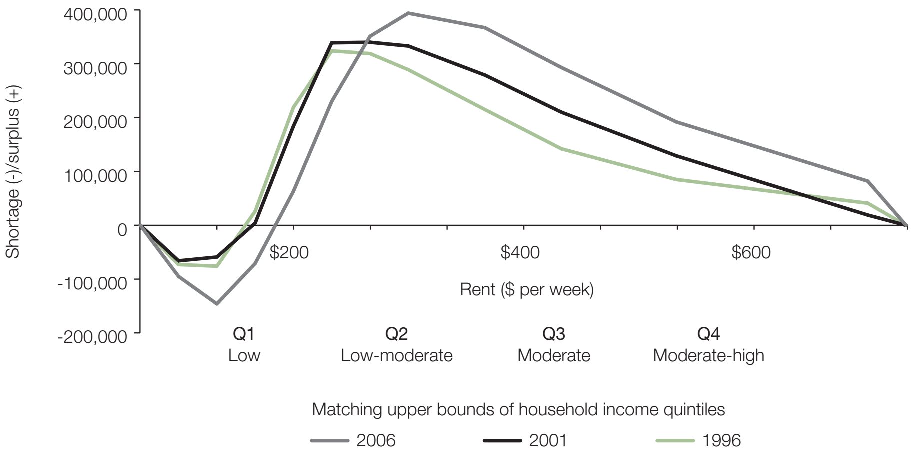
This is not a new problem – the shortage of affordable housing and the pressure on renters has been building for over a decade. In 2009, the National Housing Supply Council reported that the supply of affordable rental dwellings for lower income households fell in both absolute and relative terms in the ten years to 2006, despite a 20 per cent growth in the total number of private rental properties (Figure 1). In 2006, the estimated shortfall in the supply of affordable rental housing was around 251,000 dwellings.

1 Australian Government (2009) National Housing Supply Council – State of Supply Report, Canberra p91

2 Australian Bureau of Statistics, Consumer Price Index, Australia, Table 7. CPI:Group, Sub-group and expenditure Class, Weighted Average of Eight Capital cities, ABS cat. no. 6401.0, Canberra, 2009

In 2006 there was a shortage of 146,000 dwellings in the private rental sector with rents below $115 per week (affordable for those with gross household incomes below $20,000 per year). This represents a worsening of the absolute shortage of private rental dwellings that are affordable for low income households in 2006 compared with 2001 or 1996.

Figure 1: Shortage and/or surplus of affordable private rental dwellings, 1996-2006



Notes:

1. Of the dwellings affordable for lower income private renters in the lowest two quintiles of the income distribution, 481,000 of these were occupied by households in the top three quintiles of the income distribution. This reduced an 'apparent surplus' of 230,000 affordable dwellings to a shortage of 251,000 affordable and available dwellings.[3]

2. Rents are in real terms as at 2006.

Source: Australian Government (2009) *National Housing Supply Council – State of Supply Report*, Canberra p97.

Public housing has traditionally been a safety valve for the private rental market and a stepping stone to home ownership for low and moderate income earners. However, at 4.5 per cent of Australia's total housing stock,[4] public housing cannot provide a realistic alternative to the private rental market for all low income earners. Public housing stock has necessarily become increasingly rationed to the most disadvantaged and, while private rents remain high, demand for public housing will continue to grow.

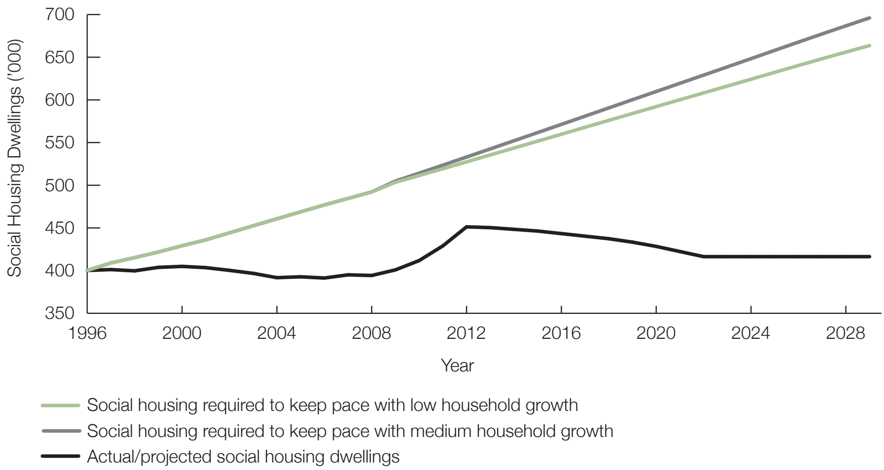
Demand for public rental dwellings is projected to increase over the next twelve years, and will be felt most keenly in Melbourne (37 per cent), Perth (53 per cent) and all of South Australia – Adelaide (24 per cent) and rest of the state (29 per cent).[5] Figure 2 shows that while recent initiatives will increase the supply of social and affordable housing up to 2012, without continuing strong investment, stock will reduce over time to 2023, and the supply-demand gap will continue to increase.

3 Australian Government (2009) National Housing Supply Council – State of Supply Report, Canberra p99

4 Australian Bureau of Statistics, *Housing Occupancy and Costs 2007–08*, cat.no.4130.0, ABS, Canberra, 2009

5 P McDonald & J Temple, *Projections of Housing Demand in Australia 2006–2021*, report prepared for the National Housing Supply Council with additional projections to 2028, Australian Demographic and Social Research Institute, Australian National University, Canberra, August and November 2008, accessed at http://www.fahcsia.gov.au/sa/housing/pubs/housing/housing_demand_australia/Documents/sec6.htm

Figure 2: Social housing demand and supply projections[6]



Source: A Progress Report to the Council of Australian Governments from Commonwealth, State and Territory Housing Ministers – Implementing the National Housing Reforms, November 2009 published by the Victorian Government Department of Human Services on behalf of the Housing Ministers Conference available at www.coag.gov.au p.16

1.2 Growing affordable rental housing

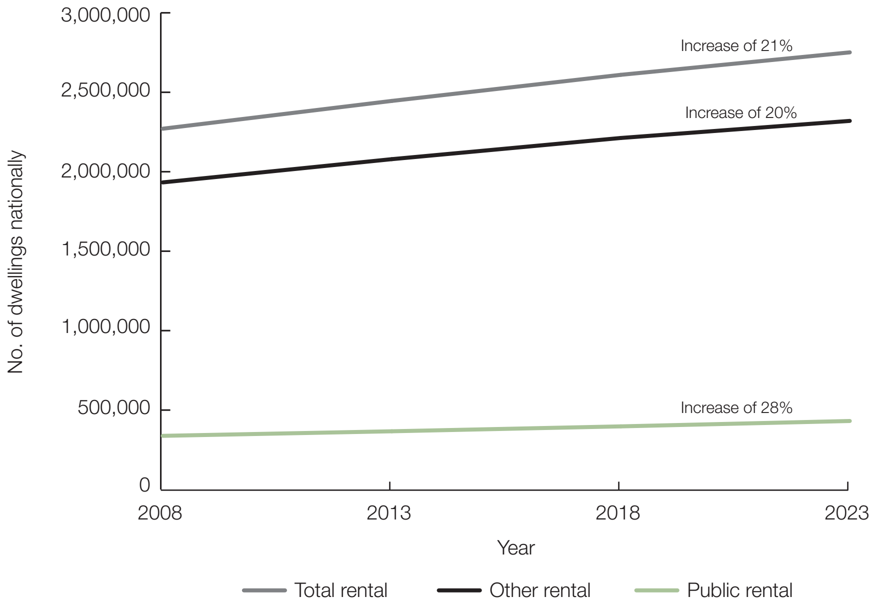
Over the 15 years to 2023, demand for rental accommodation is forecast to increase by 21 per cent. Overall, the highest demand will be at the lower end of the housing market. Based on the current mix of public and private dwellings, 93,000 additional public rental dwellings and 387,000 private rental dwellings will be needed by 2023.[7] Queensland and Western Australia are under particular pressure, while the combined rental demand of the two largest states, New South Wales and Victoria, will amount to over 270,000 dwellings.

6 **Assumptions:**

1. Household growth projections are from the National Housing Supply Council's 2008 State of Supply Report
2. 35,000 National Rental Affordability Scheme (NRAS) dwellings (based on an assumption that 70 percent of 50,000 dwellings have not-for-profit organisations or endorsed charities as tenancy managers) and 19,300 Nation Building and Jobs Plan Social Housing Initiative dwellings are distributed across years 2009–2012
3. 600 A place to call home dwellings are distributed across years 2009–2013
4. 1,700 National Partnership Agreement on Social Housing dwellings are distributed across years 2010–2011
5. The projection does not take into account the trend in actual stock from 1996 to 2006
6. NRAS dwellings exit affordable housing stock as they leave the scheme
7. The projection does not consider the proportion of NRAS dwellings tenanted by households eligible for social housing

7 Unpublished estimates based on Peter McDonald and Jeremy Temple medium household growth scenario (assuming 180,000 annual net overseas migration) for public and private rental dwellings from the report at http://www.nhsc.org.au/housing_demand/summary_results.pdf, extended to 2028 and broken down for tenure type (see Appendix A)

Figure 3: Underlying demand for rental tenure Australia, 2008, 2013, 2018 and 2023[8]



1.3 The Government's response

Government policy is focussed on increasing housing supply and ensuring that a proportion of this is available for rent to low and moderate income earners. The Australian Government has recently made a significant investment in affordable housing through the Nation Building Economic Stimulus Plan, the National Affordable Housing Agreement and the National Rental Affordability Scheme (NRAS). Over the next four years these measures will support the building of more than 80,000 affordable rental homes.

All Australian governments, through the Council of Australian Governments, have committed to a number of significant reforms through the National Affordable Housing Agreement and the Nation Building Economic Stimulus Plan. Under these agreements, governments are committed to pursuing reforms to expand the social and affordable housing sector including increasing the capacity of the not-for-profit housing sector.

8 Unpublished estimates based on Peter McDonald and Jeremy Temple medium household growth scenario (assuming 180,000 annual net overseas migration) for public and private rental dwellings from the report at http://www.nhsc.org.au/housing_demand/summary_results.pdf, extended to 2028 and broken down for tenure type (see Appendix A)

The current policy environment has created new opportunities for not-for-profit housing organisations to increase their stock and asset base. A significant proportion of stock built under the stimulus program is expected to be owned by not-for-profit housing associations. Some States have been transferring existing stock to community housing providers so that they may leverage against the asset. Many not-for-profit housing providers have successfully attracted NRAS incentives to build or manage new homes.

It is likely that in the future Government funding will be supplemented by new private investment to deliver more affordable housing and keep pace with population growth. This will mean substantial reform to the social housing sector so that this asset base can be opened up to not-for-profit organisations with the capacity to leverage equity to increase supply.

Reshaping Australia’s Social Housing Sector

CHAPTER 2

2 Reshaping Australia's Social Housing Sector

Key issues:

- The number of houses owned or managed by not-for-profit housing associations is increasing.
- A number of larger not-for-profits that engage in more commercial activities are emerging through growth and merger.
- Not-for-profit housing providers who are able to attract new sources of funding will contribute to an increased supply of affordable rental housing.
- Growth in social housing will occur if large not-for-profit housing providers increase in both scale and number.
- There must be greater private institutional investment in affordable rental housing.

2.1 A bigger role for the not-for-profit sector

Australian Housing Ministers agreed in May 2009 that jurisdictions and the Commonwealth develop, over time, a large scale not-for-profit sector comprising up to 35 per cent of social housing by 2014.[9] A not-for-profit sector that leverages private finance against its assets as well as attracting Government subsidies may play an important role in achieving growth in stock to address forecast need. Governments should only responsibly assist not-for-profits to expand their asset base if those providers are well-governed, financially sound and able to operate at scale.

The not-for-profit sector could play a part in building a social housing market that includes strong operators who can deliver growth in affordable rental housing supply. This could occur through the emergence of new models of financing and management through the consolidation and expansion of housing portfolios.

9 A Progress report to the Council of Australian Governments from Commonwealth, State and Territory Housing Ministers – Implementing the National Housing Reforms, November 2009 published by the Victorian Government Department of Human Services on behalf of the Housing Ministers Conference available at www.coag.gov.au p.26

2.2 The changing face of community housing in Australia

Currently there are 930 community housing providers in Australia.[10] They include housing associations, cooperatives, tenancy managers and not-for-profit organisations such as welfare organisations that provide housing as an adjunct to other services.

Community housing has grown rapidly, mainly as a result of transfers of dwellings from State and Territory housing authorities. In the decade up to 2008–09 community housing has almost doubled, from 6 per cent to 10.8 per cent of social housing stock.[11]

The not-for-profit sector will also receive a significant boost through NRAS and the transfer of stock funded under the Social Housing Initiative of the Nation Building Economic Stimulus Plan and the Social Housing National Partnership Agreement. These programs are expected to take the proportion of social housing stock in the not-for-profit sector's hands to around 15 per cent of all social housing, providing a solid base for further expansion of the sector.

A small number of not-for-profit providers have pursued an active growth strategy, and the largest organisations (approximately 45 providers) manage 63 per cent of all tenancies.[12] Increasingly, the most entrepreneurial parts of this sector are showing potential to boost the supply of affordable housing.

This growth could create potential for a larger affordable housing sector, with diversity in the mix of tenants, which helps meet the overall demand for housing, reduces homelessness, and supports the Government's agenda for social inclusion.

Other not-for-profit organisations have chosen not to pursue more commercial activities, specialising in tenancy management for particular groups or local communities.

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10 Australian Institute of Health and Welfare, *Community Housing 2008–09*, Executive Summary, AIHW, 2010

11 Based on data sourced as follows:
- Housing Assistance Act Annual Reports, 1999–2000 to 2006–07;
- Australian Institute of Health and Welfare, Commonwealth–State Housing Agreement national data report: *Community housing 2007–08*, AIHW, 2009;
- Australian Institute of Health and Welfare, Housing assistance data development series: *Community housing 2008 –09*, cat. no. HOU 217, viewed 28 January 2010, http://www.aihw.gov.au/publications/index.cfm/title/11419

12 Australian Institute of Health and Welfare analysis of Housing assistance data repository 2008–09, provided to FaHCSIA, 12 February 2010

2.3 Leveraging social housing assets for growth

Achieving additional funding for affordable housing from the private sector could be facilitated if social housing assets were held by private organisations that are able to enter commercial arrangements. This means looking at ways that new debt and equity funding can be raised by developing an affordable housing market that is open to new private investment.

This approach will need to consider:

- increasing the overall supply of affordable housing by leveraging off the existing asset base and government capital funding
- promoting efficiency in the social housing sector through fostering greater competition between housing providers
- addressing the labour force marginalisation and social exclusion now experienced by many public housing tenants
- improving ageing, often poorly located, public housing stock and concentrations of social disadvantage through urban renewal, and
- through these reforms, addressing disadvantage, supporting national economic development and delivering better choices and outcomes for tenants.

Snapshot of Australia's social housing situation

- As at 30 June 2009 there were 177,652 households on public housing waiting lists,[13] 50,000 applicants on community housing waiting lists[14] and just over 10,500 households on waiting lists for State owned and managed Indigenous housing.[15]
- Over $2.64 billion of Commonwealth government funding is invested in the social housing system each year.[16]
- The social housing system holds over $80 billion of assets, very few of which are leveraged for growth.

13 Australian Institute of Health and Welfare *Public Rental Housing 2008–09,* published 28 January 2009, Canberra

14 Australian Institute of Health and Welfare, *Community Housing 2008–09,* published 28 January 2009, Canberra

15 Australian Institute of Health and Welfare, *State Owned and Managed Indigenous Housing 2008–09,* published 28 Jan 2009, Canberra

16 COAG Intergovernmental Agreement on National Affordable Housing and National Partnership Agreements on Social Housing, Homelessness and Remote Indigenous Housing accessed at http://www.coag.gov.au/intergov_agreements/federal_financial_relations/index.cfm

State and Territory Governments are already introducing new programs that increase supply through various forms of leverage.

Leveraging government investment – some early results[17]

New South Wales – The NSW Government has invested $49.8 million in funding for an Affordable Housing Innovations Fund (AHIF) under which registered community housing providers will deliver 356 new dwellings using a mix of grant funding, debt financing and equity contributions. This will contribute 214 dwellings more than government funding alone could deliver. These providers will contribute equity and debt of $55.5 million to these projects.

Victoria – Registered housing agencies contribute at least 25 per cent of total project costs to new dwelling construction, via debt funding, other monetary contributions and land. This means that the Victorian Government's $300 million investment in housing growth for low income Victorians will result in approximately $400 million of affordable housing.

The challenges of developing social and affordable housing have been faced by other countries over the past 25 years. While Australia is not yet at a point where we could easily adopt these approaches, we can learn from these experiences to inform future directions for Australian housing policy.

In the USA, the Low Income Housing Tax Credit (LIHTC) program is the largest generator of new affordable housing. The LIHTC is popular among investors primarily because it enables those who invest in affordable housing developments to have a dollar-for-dollar reduction in their federal tax liability. Owners obtain tax-credit equity through a syndicator, direct placement, or a combination of these. Development financing sources include tax-credit equity, below-market-rate debt, market-rate debt and various other public and private resources.

Since its establishment in the Tax Reform Act of 1986 the LIHTC is credited with the production of over 1.9 million affordable rental units nationwide and has stimulated the engagement of the not-for-profit sector in affordable housing construction. An estimated 25 per cent of new rental apartment construction has been attributed to the not-for-profit sector.[18]

17 A Progress report to the Council of Australian Governments from Commonwealth, State and Territory Housing Ministers – Implementing the National Housing Reforms, November 2009 published by the Victorian Government Department of Human Services on behalf of the Housing Ministers Conference available at www.coag.gov.au p.29

18 Lawson J. and Milligan V. 2007, International trends in housing and policy responses, Final report No 10, AHURI, Sydney Research Centre, p.78 and www.catholiccharitiesusa.org and http://www.huduser.org/portal/publications/affhsg/lihtcsurv.html

In the United Kingdom, Government created robust regulatory structures for not-for-profit housing associations that provided strong institutional safeguards. The Housing Corporation had a primary role in the registration and regulation of all housing associations as well as allocating public investment funds to these associations. By 2007, private investment in social housing had risen to over £30 billion[19] with around 150 lenders including large financial institutions, providing debt finance to not-for-profit housing associations.[20] The contribution of the regulatory system was assessed as reducing the cost of this debt by some £125 million per year.[21] The combination of grant funding combined with private loans raised in financial markets (which in 2007 was in the ratio of £1 of public money for £2 of private finance) permitted the acquisition or construction of 30,000 additional homes each year.[22]

19 Housing Corporation (2007) The Future of Housing Regulation, Housing Corporation response to the consultation http://www.housingcorp.gov.uk/server/show/ConWebDoc.11990

20 Berry m. et al (2006) Financing Affordable Housing: a critical comparative review of the United Kingdom and Australia, AHURI Research and Policy Bulletin Issue 84 October 2006

21 Housing Corporation (2007) The Future of Housing Regulation, Housing Corporation response to the consultation http://www.housingcorp.gov.uk/server/show/ConWebDoc.11990

22 Cave, Martin (2007) *Every Tenant Matters: a review of social housing regulation*, Communities and Local Government Publications www.communities.gov.uk

2.4 Financing affordable housing

Competitive rates of return on residential housing mean there are opportunities to attract private investors and commercial developers to affordable housing. Residential real estate has had lower volatility than other asset classes and provides a sound opportunity for diversification of an investment portfolio. Over the last ten years residential property has generated average returns of 13 per cent.

Table 1: Comparitive Analysis

Asset Sector Historical Returns	Average 10 year return 1998A to 2008A	Source
Residential Property	13.0%	IBISWorld[1]
Office	10.6%	Property Council/IPD
Industrial	12.1%	Property Council/IPD
Retail	12.5%	Property Council/IPD
Australian Equities	6.5%	USB
A-REITS	0.8%	USB
Australian Unlisted Property Trusts	11.2%	Mercer Unlisted Property Trust Index
International Equities (MSCI Index)	0.7%	MSCI World Index
Australian Government Bonds	6.3%	Bloomberg/IBIS World

Notes:

1 IBISWorld reports gross yields (inclusive of expenses); therefore we have notionally adjusted this yield to exclude general expense such as property management, Council rates, insurance and repairs and maintenance. All other returns are generally reported on a net basis.

Source: *Comparative Analysis, National Rental Affordability Scheme*, May 2009. Ernst and Young for the Department of Families, Housing, Community Services and Indigenous Affairs.

Private investment in residential property has traditionally been from individual investors with low levels of investment activity, usually owning one or two dwellings. Provision of rental accommodation at a scale to meet the forecast shortage requires large scale institutional investment in new rental housing.

Many organisations in the not-for-profit housing sector are well placed to participate in the growth and management of affordable rental housing. Apart from their expertise in tenancy management and tenant support services, such organisations have the ability to utilise both government capital grants and non-government finance to deliver significant increases in stock.

A new class of not-for-profit housing organisations is emerging with providers that have strong management capability, the ability to attract capital funding, and the potential to progress to developer/provider models of delivery. A review of some larger not-for-profit providers is at Appendix B.

More sustainable growth will require greater participation by institutional investors in a more developed and accessible market. There is strong potential for commercial operators to emerge within the affordable housing market either as partners with not-for-profit organisations or in their own right.

Questions

Q How many not-for-profit organisations that currently exist in Australia are in a position to grow? What are the main obstacles to growth for these organisations?

Q How could not-for-profit organisations currently not providing community housing be encouraged to expand into this field? Are providers of aged care and disability services particularly well suited to provide not-for-profit housing?

Q Is it realistic to attract providers into this sector, where they haven't previously been housing providers?

Q What lessons have been learnt from the growth of the not-for-profit housing sector in Australia to date?

Q What is the likely path of structural reform of the existing not-for-profit housing sector?

Q Is there an appetite among many small-medium organisations to merge/partner and what, if any, assistance would they require to enable this?

Q Since government focus is inevitably on growth providers to increase the amount of community housing stock, what will be the future role of smaller providers?

The Role of Regulation in Growing the Not-For-Profit Housing Sector

CHAPTER 3

3 The Role of Regulation in Growing the Not-For-Profit Housing Sector

Key issues:

- A national system of regulation and prudential supervision is essential to protect government investment, increase investor confidence in the sector and protect the interests of tenants.
- The current systems of state regulation are fundamentally sound but are not consistent. This restrains the emergence of national not-for-profit housing organisations.
- A national regulatory framework is necessary for the growth of a strong national not-for-profit housing sector. National regulation will support growth and enhance the sector's capacity to operate across multiple jurisdictions.
- Good regulation will help to attract greater private institutional investment in the not-for-profit housing sector.
- Diversity across the community housing sector warrants a targeted, risk based approach to regulation.

3.1 The need for national regulation

A robust national affordable housing market needs an effective regulatory framework that is flexible enough to accommodate the diverse needs and structures of both existing and emerging housing providers.

Regulation must support growth, maintain high standards of tenancy management and enhance the sector's capacity to operate across multiple jurisdictions. Regulatory controls must be proportionate to the level of risk, encourage the adoption of optimal business models, and develop a market that suits large-scale institutional investors.

State-based regulatory systems seek, among other objectives, to protect the funder's interests in respect of operations in the individual jurisdiction. The need for not-for-profit housing organisations to be able to operate across State and Territory borders raises the problem of developing effective national regulations that protect the interests of all jurisdictions.

The potential exists for growth providers (both not-for-profit and for-profit) to control a significant share of the affordable housing market, increasing the risk to the sector should these providers become financially unstable. National regulation has the potential to act more effectively in cases where organisational failure becomes a cross-jurisdictional problem.

Effective regulation will be particularly important as governments' relationships with not-for-profit housing providers changes over time, particularly where their funding derives from a broader range of government and non-government sources.

3.2 Current regulatory systems

Current regulatory systems that operate in States and Territories are fundamentally sound and capable of forming a basis for a national system if linked to a national framework that reflects the interests of all jurisdictions, balances risk with the need for innovation and removes cross-border disincentives.

Regulatory systems now in place cannot on their own support a national, not-for-profit housing system that will contribute significantly to national supply. Their focus is on individual jurisdictional interests and they lack portability across State borders.

Harmonisation of regulation between jurisdictions has not occurred, even among recently developed systems. There are marked variations in State/Territory approaches to regulation of the community housing sector as summarised at Appendix C. All jurisdictions but Tasmania and the Northern Territory have legislation regulating the community housing sector, however there are differences in the scope and subject of the legislation. Differences include the powers and sanctions available to the regulator, including the extent to which it can intervene in the operations of a registered housing provider.

The independence of the Community Housing Registrar from the Housing Authority varies between State systems. There are differences in the definition of a registered entity from the very broad, for example a body corporate which provides community housing (NSW) to specifications around company type and purpose (Victoria and ACT) and charitable status (ACT). Most jurisdictions have different tiers with different monitoring requirements and some have special provisions for growth providers and/or those seeking to leverage public assets. Some establish minimum standards while others seek to promote continuous improvement with assessment tools ranging from external inspections to self assessment.[23] The government's interest in funded property is provided for in some legislation while other jurisdictions rely on enforcement of funding agreements to protect public assets.

23 V Milligan, N Gurran, J Lawson, P Phibbs & R Phillips, Innovation in affordable housing in Australia: Bringing policy and practice for not-for-profit housing organisations together, Australian Housing and Urban Research Institute, Melbourne, 2009.

3.3 Regulation to build capacity and manage risk

Not-for-profit housing providers and governments agree that strong regulation is required in order to manage risk, protect against failure, bring down the cost of finance and help create an expanded community housing market.

The role of regulation is to set the benchmarks for governance and viability against financial and commercial performance. There are inherent risks associated with an expansion of not-for-profit housing organisations' roles, including the housing of many disadvantaged households and billions of dollars in government funded assets.

A national regulatory system will manage risks to governments, taxpayers, private investors and tenants by

- encouraging the sector to deliver high quality and value-for-money services through continuous improvement,
- setting benchmarks for high quality governance, board capability, accountability and financial management skills,
- providing assurance for government that its social and economic objectives are met, including standards of tenancy management.

3.4 Good regulation can attract greater investment in the sector

Institutional investors are more likely to contemplate large-scale involvement in the sector if they are convinced of the financial strength and management capabilities of not-for-profit housing providers.[24] International experience similarly suggests that private investment is more likely to occur in not-for-profit housing if a regulatory framework is in place. For example, the UK regulatory regime is directly credited with reducing the cost of funds lent to the social housing sector.[25]

Strong regulation and prudential supervision practices can help provide a level of confidence and assurance for investors, as well as provide the finance industry with the benchmarks and performance data necessary to determine suitability of financing individual operators.

24 SGS Economics and Planning, A Vision and Plan for Social Housing in Australia, report commissioned by PowerHousing Australia, 2009, p. 25

25 C. Barbato, R. Clough, A. Farrar, P Phibbs 2004, *Could regulating community housing make a difference to affordable housing?* AHURI Research and Policy Bulletin Issue 34, Sydney Research Centre

3.5 Prudential supervision

Good prudential practice for not-for-profit housing is crucial to ensure that investment occurs on a manageable and affordable scale, thus protecting the financial continuity, and performance of the entity.

Advice from the Australian Prudential Regulation Authority (APRA) identified key elements of prudential regulation, appropriate for the social housing sector as follows:

i. **Setting minimum standards**
Financial viability; management (including governance, strategic management and asset management); risk management and operational standards

ii **Ongoing monitoring of providers**
Periodic reporting (financial and non-financial) and operational reviews (e.g. on-site reviews or discussions with management)

iii **Legal / statutory framework**
A legal framework with compliance requirements and effective sanctions.

While prudential regimes exist in some States and Territories under regulatory systems, these approaches are varied and include the use of Performance Standards, Regulatory Codes and Prescribed Requirements.

A review of good prudential practice characteristics across other comparable sectors including the Office of the Registrar of Indigenous Corporations (ORIC), Aged Care Approved Providers (Department of Health and Ageing), and the Early Childhood Education and Care (ECEC) services identified key commonalities:

- one national system with common standards across all providers
- registration with ASIC as a company limited by guarantee in order to receive government assistance
- meeting minimum standards to become a registered approved provider with regular reporting and compliance checks
- suitability of key personnel / criminal history checks
- ASIC registration of all business trading names
- minimising multiple compliance requirements
- mutual recognition of standards to reduce barriers to entry.

3.6 How national regulation can attract increased private investment

To achieve a new class of affordable housing providers attractive to new investment, regulation needs to operate at the national level to support a national market, introducing regulation where none exists and removing duplication and differing standards that restrict national operators.

Institutional investors with the capacity to make substantial contributions to affordable housing finance do not want the inefficiencies of multiple regulatory systems. The lack of an efficient, government-assured national market will hold back this source of capital investment.

Importantly, any new regulatory system should not impose an undue burden on a growing sector, nor discourage investment. Investors might well regard an over-regulated sector as a virtual arm of government, unable to operate independently, flexibly and entrepreneurially.

Regulation can provide investor confidence in a viable and well-managed sector and is particularly important in attracting new investors to unfamiliar investment spheres, particularly if the benchmarks for prudential supervision, governance, management and financial competence are set against commercial standards.

Importantly, where effective regulation lowers risk to investors, it may also lower the costs of borrowing for the not-for-profit housing sector.

3.7 A proportional approach to risk and regulation that minimises red tape

Diversity across the community housing sector warrants a targeted, risk-based approach. Many small providers will have no desire to expand or change, and a national regulatory framework will need to minimise regulatory burden on these providers.

Most State and Territory regulatory systems in place now differentiate between small, medium and growth providers, although they differ on definitions. A national regulatory system should establish consistency in this regard, and ensure appropriate, risk-based regulations.

A national regulatory system needs particular focus on risks associated with organisations who wish to expand beyond the role of contracted tenancy managers to more complex business models that include capital raising, debt financing, property development and large-scale asset management. Risk indicators change over time as organisations grow, and the regulatory framework needs to be broad enough and seamless enough to reflect a range of operational size and growth trajectories.

Questions

- Q Should national regulation apply to all not-for-profit housing providers, or only those operating at a large scale, with developer/owner capacity?
- Q Smaller community housing organisations may not wish to merge with others, build houses or manage a larger volume. What then is the role of the federal government with regard to smaller organisations?
- Q Using a risk based approach to regulation, what should be the thresholds for greater levels of regulation?
- Q Is national accreditation, combined with the existing prudential safeguards in corporate regulation, sufficient for prudential supervision?
- Q Could a national accreditation scheme that incorporates State/Territory regulation work effectively as a national scheme? What are the lessons from cross-referral approaches in other sectors of the economy?
- Q Should the regulator have a role in supporting industry adjustment – for example, resources to grow, restructure, merger or enter the market? Is such support necessary? Are recommendations on this best made by an advisory council at arms-length to government?
- Q Is there one State or Territory, or aspects of laws from different States and Territories, whose current community housing regulation would be ideal for application at a federal level, or substantially fit for purpose?
- Q Should State Housing Authorities be regulated in the new national framework so that public housing does not fall out of step with national standards?

A Model for National Regulation

CHAPTER 4

4 A Model for National Regulation

Key issues:

- Current regulatory systems in some States and Territories are fundamentally sound and could be a basis for a national system.
- There is a range of possible frameworks for national regulation.
- There are different elements of regulation that may be appropriate for different levels of government. These include accreditation, setting minimum standards, ongoing monitoring of providers and prudential requirements.
- Minimum standards that must be regulated include standards of Governance, Financial Management, Asset Management and Tenancy Management.
- Time frames and transitional arrangements must ensure the not-for profit sector is supported through a period of restructure and growth.

4.1 Options for national regulation

While State and Territory regulatory systems are not consistent and do not provide national coverage, their features are fundamentally sound and have been based on extensive community and sector consultation. Achieving national regulatory coverage should build on this experience and expertise, while providing the underpinning for the growth of a national market.

Options for national regulation that allocate different elements across levels of government should be considered, where they are capable of delivering a seamless system that ensures standards of governance, financial management, asset management and tenancy management are met.

The option of accreditation, connecting to a consistent regulatory system that ensures ongoing standards are maintained, should also be considered. In the context of this discussion, accreditation is defined as independent evaluation of performance against agreed national standards. Eligibility for accreditation could include compliance with appropriate prudential systems.

4.1.1 Option 1: National accreditation combined with State/Territory regulation

This model would aim to add value to existing regulatory and prudential systems, with specific provisions relevant to the delivery of affordable housing and support for growth across state borders.

The Commonwealth could accredit affordable housing providers against standards that ensure:

- governance, financial management and viability standards, according to scale and nature of operations
- effective information systems and transparency in reporting
- compliance with other regulatory and prudential systems.

States and Territories would retain responsibility for regulations that relate to:

- asset management and upkeep
- codes of practice
- tenant rights and support
- specific program compliance
- jurisdictional interest in property.

Under this approach, a national accreditation body would provide accreditation for all not-for-profit housing providers with the requirement that they are compliant with appropriate State and Territory regulations. Accreditation would provide eligibility for Commonwealth funding and, through mutual recognition, relevant State and Territory funding.

It is expected that the accreditation standards would be determined to give confidence to financial institutions. It is likely that financial institutions would only lend to organisations that have achieved accreditation.

This would require the development of Commonwealth legislation and funding to create a new national accreditation body. It would also require States and Territories to adopt regulations and codes of practice where none currently exist and agree to mutual recognition of those standards and regulations.

The benefit of this approach would be realised through a universal accreditation system, prudential controls and compliance with State and Territory regulations. Possible drawback could occur with a system split between levels of government and consideration would need to be given to whole-of-government mechanisms to provide effective coordination.

4.1.2 Option 2: Commonwealth regulation of national housing associations

This model would provide Commonwealth support for large-scale affordable housing organisations that can operate across jurisdictions. The aim of this model would be the creation of a new class of providers derived from current growth providers, mergers within the community housing sector and/or new entrants from the not-for-profit and private sectors. With adequate support and investment, these organisations could grow to operate on a par with providers such as Defence Housing Australia and the State and Territory Housing Authorities.

The Commonwealth would provide for accreditation as for Option 1, but for growth providers only, as well as:

- ensuring compliance with new national standards for asset protection and management standards specific to these providers
- protection for investors and tenants against the risk of organisational failure
- eligibility for direct Commonwealth investment – for example through the National Rental Affordability Scheme and the National Affordable Housing Agreement.

States and Territories would retain all regulatory responsibility for those providers that do not seek Commonwealth accreditation. While this means there would be no comprehensive or consistent regulation of small and medium providers at the State and Territory level, the practical problems of this would be considerably reduced, as almost by definition small and medium providers do not operate interstate.

This option would provide support for the development of large-scale national providers, allocating responsibility for these to the Commonwealth. Agreement between the Commonwealth, States and Territories would focus on the pre-eminence of Commonwealth regulation of these providers and the implications of this for States and Territories in their own dealings with them.

The advantage of this approach would be in reducing the time taken to develop the regulatory and prudential supports for a large-scale national market. Possible disadvantages could arise from dividing the sector on the basis of size and capacity and consideration would need to be given to how organisations continue to interact and how they transition between the two levels of regulation.

4.1.3 Option 3: Referral of all regulatory powers to the Commonwealth

This option would provide for all accreditation and regulation to be undertaken at the national level, building on the best features of current State and Territory systems.

This approach would require:

- referral of State and Territory powers
- the development of national regulatory and prudential standards for all levels of operations under a tiered system that is proportional to size and risk
- a single, national regulatory body that has both a national and regional presence.

The advantages of this option would be derived from the certainty and clarity of a single national system and consistency across jurisdictional borders. Disadvantages may arise in the complexity of introducing the system, as well as the time required to put such a system in place.

4.1.4 Option 4: Harmonised State and Territory regulation

Harmonised regulation across jurisdictions would provide a nationally consistent approach to regulation.

This model would require:

- cooperation between jurisdictions to amend legislation, regulation and contractual terms in line with a national regulatory model
- implementation of regulation in those jurisdictions that do not currently have such a system
- mutual recognition of regulatory legislation and other administrative arrangements.

The advantage of this approach would derive from continuity of regulation in those jurisdictions where regulations are now in place and gradual harmonisation over time of key principles. Disadvantages could arise in the length of time taken to achieve a consistent national system including the development of regulatory legislation in those States where there are none at present. Unless this option included agreement on mutual recognition, the multiple systems would require organisations to register separately in each jurisdiction in which they wished to operate, albeit under substantively identical conditions.

4.1.5 Option 5: A State – hosted national regulator

This option would see either Option 1 or Option 3 implemented through a host State rather than the Commonwealth, building on experience and expertise already developed by the jurisdiction.

The model would require:

- nationally agreed regulations and standards
- agreement between jurisdictions on referral of authority
- Commonwealth support and assurance for the host State
- the need for a cross-jurisdictional management process.

This option provides greater ownership of the delivery of regulation by States and Territories and may be a timely process for achieving national consistency. Disadvantages could be encountered through the jurisdictional barriers to a harmonised approach as has been the past experience in this area.

4.2 Transitional arrangements to be considered

The community housing sector in Australia is largely composed of small providers with 90 per cent of providers managing less than 49 dwellings.[26] Of the larger organisations, the top 4 per cent manage 43 per cent of all tenancies.

Only a select number of providers have pursued an active growth strategy. The emerging industry view appears to be that the ideal size for sustainable growth is 5000 dwellings per housing provider. No organisation in Australia has yet reached their full potential using this measure, however there is scope to manage the future transfer of properties or develop business models to maximise the capacity to upscale existing organisations.

If the trends already apparent in the sector continue, further aggregation and consolidation will occur without additional intervention. The current drivers of this restructuring are, however, jurisdiction-specific and will not provide for the emergence of large-scale national providers. Transitional support for sector consolidation and growth is therefore likely to be needed to address:

- the costs of merger and up-scaling
- the challenges of acquiring expertise in large commercial enterprises and more complex financial management
- implementation of new information and reporting requirements.

26 Australian Institute of Health and Welfare, *Community Housing 2008–09*, published 28 January 2010, Canberra

Consideration could be given to establishing a government supported and funded advisory council and a development fund for affordable housing providers. This could take the form of a 'centre of excellence' to advise on leveraging models, development partnerships, availability of finance and financial models and/or a development agency to provide both expertise and funding for the costs of restructure and growth.

Questions

- Q What is the optimal scope of national regulation? Should it be limited to governance and prudential standards, or extend to tenant management standards?
- Q Should the national framework include industry standards on matters already provided for by most States? How should the standards to be applied at national level be determined?
- Q What does national regulation mean for existing relevant state regulation?
- Q What are the best yardsticks/KPIs for (1) governance and (2) organisational health?
- Q Should a national regulatory framework include accreditation? What is the minimum size or value of not-for-profit housing organisations that the Australian Government should seek to accredit?
- Q Is accreditation just as important as regulation? Does accreditation cut down on the scope of legislation necessary?
- Q What is the optimal balance between accreditation and regulation?
- Q What developmental support would organisations require to support growth? How could this be delivered?

Protecting the Interests of Tenants in Community Housing

CHAPTER 5

5 Protecting the Interests of Tenants in Community Housing

Key Issues:

- A key function of community housing providers is tenancy management and tenant support.
- As new, larger not-for-profit housing providers emerge we must ensure that tenants continue to enjoy high standards of housing management. National regulation could give a high quality of tenancy management, provide assurance to tenants about the security of their tenure and give tenants a voice in the delivery of services.
- State tenancy laws give clear rights and obligations to community housing tenants and providers.
- The National Community Housing Standards have the potential to contribute to quality assurance in a national regulatory system.

5.1 The core functions of community housing – the tenants' perspective

In 2009, approximately 930 mainstream community housing organisations were managing around 42,000 dwellings. Most of these organisations (88 per cent) were managing less than 50 dwellings. There were nearly 50,000 applicants on community housing waiting lists, with 45 per cent of these applicants being high needs households. In 2008–09, 75 per cent of new allocations in community housing were to those in greatest need.[27]

While a number of community housing organisations are emerging that have capacity to become large owner/developers, the core business for most community housing organisations will continue to be tenancy management, asset management and the coordination of support services for disadvantaged households. Tenancy management includes maintaining waiting lists, making allocations, administering tenancy agreements, responding to enquiries, bond administration, rent setting and collection, ending tenancies and attending to complaints and disputes.

27 Australian Institute of Health and Welfare, *Housing assistance data development series: Community Housing 2008–09*, Cat. No. HOU 217, 28 January 2010

Most community housing organisations have strong connections within their local communities and some have a particular focus on tenant support services, for example for older people or tenants with disabilities. For the most disadvantaged tenants, care and support services can include coordination of medical and mental health services, disability support services and assistance for the aged. A 2007 AHURI report reinforced the view that good local partnerships and collaboration between housing and support providers create much better outcomes for people with complex needs.[28]

As larger not-for-profit housing providers emerge, it will be important that tenants continue to enjoy high quality housing services with no loss of community connection or specialist tenant support.

5.2 Protecting tenants' rights

State and Territory residential tenancy laws and regulations apply to tenants of not-for-profit housing organisations. These laws provide for the protection of tenants' rights as well as the processes for terminating tenancies. They also include systems of appeals and access to tribunals to resolve disputes.

The administration of community housing programs by States and Territories includes provision for appeals processes for tenants on issues such as allocations, rental payments and standards of service. Where community housing regulations are in place, the regulator may require providers to comply with tenants' rights as part of the regulatory code and may intervene in complaints from tenants.

A national regulatory system must ensure continued compliance with States and Territories' residential tenancy legislation and make certain that tenant rights now incorporated in regulatory codes are not compromised.

The regulatory system also needs to provide assurance to tenants in the event of organisational failure. This may involve specific intervention strategies that protect government funded housing assets and tenancies through wind-up and reallocation processes.

28 Bleasdale M 2007, *Supporting the housing of people with complex needs*, AHURI Research and Policy Bulletin Issue 90 November 2007

5.3 The National Community Housing Standards

The National Community Housing Standards were developed to protect the interests of tenants. The Standards cover most elements that make a high quality housing service for community housing tenants and contribute to a well managed organisation. These Standards have been recently reviewed and the third edition will be released in 2010 after extensive consultations with stakeholders across Australia.

The standards cover:

- tenancy management
- asset management
- tenants rights and participation
- working with the community
- governance and organisational management
- management systems
- human resource management.

While the Standards are designed to be used by all jurisdictions, their application differs across all States and Territories. In most cases, the Standards are voluntary and as such are not an effective vehicle to guarantee protection of tenant's rights.

A national regulatory system needs to provide assurance to tenants about the security of their tenure, high quality of tenancy management and a voice in the delivery of services. The National Community Housing Standards have potential to serve as the basis for a quality framework in a national regulatory system to ensure protection of tenants' interests as well as good provider governance and performance.

Questions:

Q State and Territory legislation and regulation provide coverage for protecting tenant's rights. How would the national regulation of not-for-profit housing providers ensure compliance with these protections?

Q Should the adoption of National Community Housing Standards by providers be mandatory in a nationally regulated system?

Q As the not-for-profit housing sector grows, how do we retain the focus on local community connection and the coordination of tenant support services?

Commercial Activities of the Not-For-Profit Housing Sector

CHAPTER 6

6 Commercial Activities of the Not-For-Profit Housing Sector

Key issues:

- Sustained and cost effective private finance at scale is critical to building affordable housing in the longer term.
- The challenge is creating a long-term affordable housing investment class.
- Leverage for growth is a function of tenant profile, cost of finance, organisational sophistication and quality of housing stock.
- The challenge for not-for-profit housing providers is balancing their role of providing housing to low income, special needs tenants with the need to optimise rental income.
- The government is concerned to protect existing assets as supporting stock growth.

6.1 Raising and allocating funding

Social housing in Australia has traditionally been built through capital programs fully funded by Government.

Access to capital funding is a key consideration, but not all funding needs to come from government. Social and affordable housing growth can, and is, increasingly funded by a mix of public and private investment. NRAS has shown that investors can be attracted to housing developments through participating as partners with developers, builders or not-for-profit organisations.

Following the introduction of a robust regulatory system, the United Kingdom has seen a remarkable growth of private investment in social and affordable housing (AUD$93 billion equivalent in 2003). In 2006 there were around 150 lenders engaged with not-for-profit housing associations. The establishment of the Homes and Communities Agency in 2008 centralised the management of capital and investment programs, including the development of national tools such as joint ventures to access private finance and promote development.

A robust, well regulated not-for-profit sector will of itself be more attractive to greater investment. Regulation and prudential supervision will increase confidence in the sector and may also help lower loan-to-value ratios for the sector as a whole.

6.2 The role of cost-effective private financing at scale

Institutional activity in residential property has been limited in part by the disincentives of high-cost property and tenancy management compared with commercial and industrial portfolios. A 2009 study[29] found that limited institutional activity is also caused by the absence of an efficient entry point into this market, combined with a lack of understanding of the advantages and disadvantages of investing in residential property. Institutional investors also require large scale investment opportunities that would be difficult to deliver with the current operating scale of not-for-profit housing organisations.

Financial institutions are receptive to new debt finance for new property and have shown a commitment to owner-occupier housing loans. To encourage lending to not-for-profit housing organisations, it may require these organisations to work with the finance sector to reassess risk in the context of a national regulatory system. It may also require that financial institutions adopt a preferential risk-weighting to these organisations, as they currently do for individual home buyers.

In Australia, despite an average return on residential property of 13 per cent over the 10 years from 1998 to 2008, institutional investment in residential property remains tentative. This suggests a need for greater engagement with the sector, to better understand the incentives and assurances required to encourage private investment.

While the Australian experience in raising private finance for social housing is limited, there are some emerging examples. In NSW, through the Affordable Housing Innovations Fund, registered community housing providers will deliver 356 new dwellings. This is 214 dwellings more than the NSW Government could deliver alone. Registered not-for-profit providers will contribute equity and debt of $55.5 million to these projects. In Queensland, the Brisbane Housing Company has received a total of $128 million from the Queensland Government and the Brisbane City Council. It now has 707 dwellings in inner-Brisbane with an estimated asset value of $167 million and access to $30 million in bank debt and has $8.2 million in liability.[30]

Some Australian not-for-profit organisations now achieve leverage rates of between 15 and 40 per cent.[31] Not-for-profits also have competitive advantages in the development industry, benefitting from GST exemptions on the supply of housing and land tax and payroll exemption in most jurisdictions.

29 Ernst and Young for FaHCSIA, Comparative Analysis, National Rental Affordability Scheme 2009

30 Brisbane Housing Company, *Annual Review 2008–09*

31 SGS Economics and Planning for PowerHousing Australia, *A Vision for Social Housing in Australia 2009,* p.25

6.3 Rental income

Private investors want a return based on good rental income and capital appreciation.[32] While capital growth alone may be sufficient for some individual investors, it is not sufficient for many institutional investors.

Improved rental returns for not-for-profit housing providers could be achieved through a tenant mix that optimises rental income while maintaining provision for disadvantaged households. It may mean moving to some degree from income-linked rents to rents based on the quality and location of dwellings (while maintaining affordability benchmarks). While improving overall rental returns, this would also have the advantage of sending market signals to existing and prospective tenants about the value of the housing, and help to remove workforce disincentives. Community housing tenants are already prepared to pay rents that are higher than for public housing and demand for this type of housing has remained high, indicating some scope for improved returns for providers.

Affordable housing operators may need to offset their provision for very low income tenants with a proportion of tenancies that can deliver an overall operating surplus.

6.4 Protecting government investment in social housing assets

It is important that policies not work against each other. The prospect of raising debt against social housing assets must be considered along side the strong desire to protect government investment.

The transfer of public housing stock to the not-for-profit sector is currently controlled by State and Territory Governments who attach conditions to protect the right of social housing tenants and the value of public assets. The conditions used vary in each jurisdiction.

Across jurisdictions there are a variety of protective mechanisms for government investment including caveats, director's interest and mortgages (see Appendix C). It is unclear what impact these approaches have on raising private investment.

In establishing a national regulatory system, the Australian Government seeks to identify a common approach that would provide for leverage within an acceptable risk management framework.

32 Australian Financial Review, 19 November 2009

6.5 Competitive allocation of funding

Competitive allocation of funding can drive improvement in the performance of not-for-profit housing organisations. Some options for future consideration that could help deliver more efficient allocation of available funding include:

- providing public housing and not-for-profit housing organisations with access to capital funding on the same conditions
- mandatory regulatory requirements as a pre-condition to accessing capital funding from government
- funds allocated on a regional or sub-regional basis in response to housing market pressures.

Questions

Q What would help to attract greater private investment in the Australian affordable housing market?

Q What financial vehicles for investment would be appropriate in the Australian context? What partnerships need to be developed to attract private investment? How and by whom could major joint ventures be brokered in Australia?

Q Is there a role for a national broker for large scale affordable housing investments?

Q What level of mortgage is acceptable on social housing assets? Who will carry the risk and how can we protect stock levels as well as achieving growth?

Q By how much is it possible to leverage? What barriers are there to leveraging? What is a reasonable debt to value ratio to enable leveraging? Is asset transfer required or does tenancy management provide sufficient income to leverage?

Q What interest should States and Territories retain in transferred properties?

Q Are pre-existing State Government asset protection measures a significant barrier to leveraging?

Q What would be the outcomes of competitive allocation of funding?

Strengthening Indigenous Community Housing

CHAPTER 7

7 Strengthening Indigenous Community Housing

Key Issues:

- Indigenous community housing is of a significant size compared with non-Indigenous community housing, making up 34 per cent of all community housing dwellings, but has specific challenges in the areas of organisational size and capacity, housing standards, remoteness and tenancy management.
- Indigenous community housing cannot be left behind in a national effort to improve, grow and regulate affordable housing provision.
- Asset and tenancy management arrangements must be consistent with mainstream social housing norms, to realise governments' efforts to improve living conditions in Indigenous communities.
- Tenancy management arrangements must deliver a stable income stream to support effective and ongoing property maintenance.
- The delivery of housing services provides opportunities for more local Indigenous employment in the fields of property and tenancy management.
- Indigenous Community Housing Organisations need secure tenure over the housing they manage, of a standard that would facilitate private sector finance.
- There are opportunities for effective partnerships between Indigenous and non-Indigenous community housing organisations.
- Effective governance of Indigenous community housing may require separation of housing management functions from representational, advocacy and/or other functions.

7.1 Indigenous community housing – a situational analysis

According to the 2007 Community Housing and Infrastructure Needs Survey (CHINS) undertaken by the Australian Bureau of Statistics, 496 Indigenous Community Housing Organisations were managing 21,850 dwellings, nationally. Two thirds of these are in remote and very remote areas. The apparent decrease in the number of Indigenous Housing Organisations recorded in the 2006 survey is largely attributed to the exclusion of inactive organisations from that count and to regionalisation and amalgamations across the sector.

Table 2: Indigenous Community Housing Organisations

	2001		2006	
Remoteness	ICHOs	Dwellings	ICHOs	Dwellings
Non-remote	292	7048	243	7510
Remote	79	2522	64	3616
Very Remote	245	11717	189	10728
Total	616	21287	496	21854

Source: Australian Bureau of Statistics, Community Housing and Infrastructure Needs Survey 2007.

Governments have provided funding for Indigenous housing through both the public and community housing systems through various arrangements. The Commonwealth provided funding for Indigenous community housing through the Community Housing and Infrastructure Program and Australian Remote Indigenous Accommodation Program where housing was managed mainly by Indigenous Community Housing Organisations.

A review of these funding programs examined the efficacy of the funding and delivery model and sought to clarify Australian and State/Territory Government roles and responsibilities for funding, delivery and accountability and reporting of remote Indigenous housing.

In November 2008, the Council of Australian Governments entered into the National Partnership Agreement on Remote Indigenous Housing (NPARIH), which sets out the responsibilities of the Commonwealth, State and Territory Governments.

The revised arrangements negotiated through the NPARIH provide for:

- appropriate and clear accountability for housing provision to Indigenous communities
- service provision to a standard that is consistent with broader social housing
- funding for ongoing repairs and maintenance with funding to be supplemented by normalised rent collection arrangements
- a contribution to State and Territory Governments towards the administrative costs of delivering property and tenancy management.

State and Territory governments are also responsible for housing delivery in urban and regional areas.

States and Territories have commenced a transition process for Indigenous Community Housing Organisations where the housing is being brought under direct jurisdictional management or where Indigenous Community Housing Organisations are being supported to adopt regulations and standards set for mainstream community housing.

7.2 Size and locational factors

The bulk of Indigenous community housing is in remote and very remote areas where organisational size is relatively small. The 209 Indigenous Community Housing Organisations in very remote areas (42 per cent of all organisations) managed 57 per cent of all dwellings in 2006. These organisations managed an average of 59 dwellings. For all of Australia, around 367 (74 per cent) of organisations manage fewer than 50 dwellings, 80 manage between 50 and 99 and 50 manage over 100 dwellings.[33]

Remoteness combined with the relatively small scale of operations in this sector place limits on resources, access to expertise and, due to low income rental streams, the capacity of operators to maintain and grow stock.

A report from the Australian Housing and Urban Research Institute in 2008[34] found that the degree of remoteness has a direct impact on the viability of Indigenous Community Housing Organisations. This is in the main due to fewer opportunities for skills development and networking as well as higher repair and infrastructure costs impacting on financial viability. One of the key factors in strengthening Indigenous community housing will be to support the development of this sector so that organisations are supported to merge, expand and achieve better economies of scale.

Regulatory requirements, setting financial and housing management standards, have potential to influence this future scenario. To ensure effective service delivery we may need to see the development of larger, regionally based Indigenous housing organisations combined with local tenancy support services.

7.3 The range of non-housing activities in the Indigenous housing sector

The Australian Housing and Urban Research Institute[35] found that only 17 per cent of Indigenous organisations delivering housing were specialist housing operators. The remainder provided multiple services and often had a broader community representational role. This was most concentrated in remote organisations. While this enables coordination of housing with other services, it also leads to resources being stretched across a wide range of responsibilities, a particularly problematic situation for many small organisations that already experience resource and governance challenges. For smaller organisations it would be efficient to outsource some of the housing management role.

Transition towards regulatory compliance in this sector will aim for growth in capacity and improved housing outcomes. Impacts on the sector, particularly on the smaller organisations, will need to be carefully monitored and addressed.

33 Australian Bureau of Statistics, Community Housing and Infrastructure Needs Survey 2007

34 K. Eringa, F. Spring, M. Anda, P. Memmott, S. Long, M. West 2008, *Scoping the Capacity of Indigenous Community Housing Organisations*, Final Report No. 125, AHURI, Perth

35 Ibid p.52

7.4 Universal community housing standards

Governments have agreed that the provision of Indigenous housing must be consistent with broader social housing standards and that the investment in Indigenous housing must be supplemented by normalised rent collection and improved tenancy management.

Under the National Affordable Housing Agreement jurisdictions are responsible for social housing standards for all social housing including regularised property and tenancy management standards. This will put robust and standardised tenancy management arrangements in place so that fair rents are set and collected and regular and ongoing repair and maintenance programs deliver longer asset life. These services may be delivered directly by jurisdictional housing authorities or though contracted Indigenous Community Housing Organisations.

7.5 Capacity building and good governance

Capacity building across the Indigenous community housing sector must address governance, financial and management viability, as well as consolidation of housing providers.

Many Indigenous Community Housing Organisations require support to strengthen their administrative capacity. The Australian Housing and Urban Research Institute report[36] recommended the following specific development needs of Indigenous community housing:

- training to develop staff skills and expertise in asset management plans, business plans, housing management standards, policies and systems
- stronger accounting practices and compliance standards (separate accounts for member organisations to assist in financial tracking; financial controls adherence and accurate reporting)
- improved human resource management
- ensure accountability and reporting obligations are met
- regional housing-related employment strategies to support the employment and development of local Indigenous people
- career pathways for Aboriginal housing officers.

36 K. Eringa, F. Spring, M. Anda, P. Memmott, S. Long, M. West 2008, *Scoping the Capacity of Indigenous Community Housing Organisations*, Final Report No. 125, AHURI, Perth, p.10

7.6 Secure tenure of housing assets

Indigenous Community Housing Organisations need to have secure tenure over the housing assets they manage. Often, the housing is community owned and key management decisions about the maintenance and repair of dwellings, construction and allocation of new dwellings is hampered by a lack of delegation of powers to the housing provider. These situations also restrict the ability of the housing provider to secure private finance for repair and new construction.

Some remote communities have agreed to lease residential land to government in order that major investments in repairs and new dwellings can be secured. There are options for other communities struggling to manage their housing to lease these assets to State governments for reallocation to Indigenous Community Housing Organisations that have met the relevant regulatory requirements.

7.7 Partnerships across the broader not-for-profit housing sector

Successful partnerships with Indigenous communities and non-Indigenous community housing providers have already led to improvements in the delivery of housing through the outsourcing of housing operations in consultation with affected communities.

For example, Community Housing Limited, one of Victoria's largest community housing providers has developed partnerships with four Aboriginal communities in regional Victoria. Under these arrangements, Community Housing manages the assets and tenancies and in consultation with the communities acts as developer for new properties. Importantly, these arrangements have led to employment opportunities for community members in administrative, building and maintenance operations.

These and other successful partnership models have potential for incorporating Indigenous community housing into mainstream standards and regulatory systems quickly and effectively, with timely impact on the housing services provided to tenants.

Questions

Q How can we build on current efforts to bring standards for Indigenous community housing in line with universal community housing standards?

Q How would a national regulatory system provide for the specific needs of Indigenous housing organisations?

Q How could Indigenous Community Housing Organisations access private finance more effectively?

Q How can we provide greater opportunities for partnerships between Indigenous and non-Indigenous housing organisations?

About the Consultation and Submission Process

CHAPTER 8

8 About the Consultation and Submission Process

On the 25 September 2009, Housing Ministers agreed to the development of a public discussion paper to consider community housing regulation and growth. Advice from State and Territory governments and other key stakeholders informed the development of this Discussion Paper.

The Paper puts forward options for potential reforms of not-for-profit housing in Australia, looking at ways to better support and sustain the future growth of the sector. The release of the Paper marks the start of a comprehensive public consultation process. Individuals and groups are encouraged to provide their views on the issues raised. All feedback will be carefully considered in the development of the Government's response.

Consultation sessions

Consultation sessions will be held in locations across Australia. For more information about the timing and venues for the consultation sessions go to www.fahcsia.gov.au.

Consultation questions

We want your input on the issues included in this Discussion Paper. You may want to use the Section themes and questions provided to guide your responses. Please also tell us about any other ideas or proposals that you think merit consideration.

Making a submission

You can make a submission by:

- visiting www.fahcsia.gov.au, selecting the 'Housing and Homelessness' link and following the prompts to make an online submission.
- participating in public consultation sessions – for information about locations, timing and venues, go to www.fahcsia.gov.au.
- Writing to:
  Regulation and Growth of the Not-For-Profit Housing Sector
  Submissions
  PO Box 7101
  CANBERRA BC ACT 2610

Written submissions will need to be accompanied by a ‘submission cover sheet’ (at Appendix D).

The closing date for receiving submissions is **Friday, 4 June 2010**. Submissions sent by post are to be postmarked 4 June 2010 or they will not be accepted.

For additional copies of the Discussion Paper please contact 1800 919 511.

Important: Please indicate clearly if you want your submission to be treated as confidential or anonymous.

Confidentiality Statement

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as ‘confidential’.

Public submissions may be published in full on the website, including any personal information of authors and/or other third parties contained in the submission. If your submission contains the personal information of any third party individuals, please indicate on the cover of your submission if they have not consented to the publication of their information. A request made under the **Freedom of Information Act 1982** for access to a submission marked confidential will be determined in accordance with that Act.

Glossary

Glossary

Affordable housing: housing that is affordable for low to moderate-income households. When housing costs are low enough to enable the household to meet other basic and long-term living costs. It includes public, community, social, and high needs housing.

Community housing: rental housing provided for low to moderate-income or special needs households, owned and/or managed by community-based organisations or local government. It includes Indigenous community housing organisations.

Community housing associations: community housing organisations which both own and manage community housing.

Community housing tenancy managers: community housing organisations with primarily property and tenancy management functions.

Growth provider: not-for-profit housing provider which owns and manages a portfolio of affordable housing and which has the capacity for self-generated growth.

Housing stress: when a household's housing costs are greater than 30 per cent of their income for occupants in the bottom 40 per cent of household incomes.

Leveraging: in the context of this discussion paper means the ability to borrow funds to develop affordable housing using equity in existing housing stock as security.

Social Housing Initiative of the Nation Building Economic Stimulus Plan:
In February 2009, the Commonwealth announced the provision of additional funding for social housing under the Nation Building – Economic Stimulus Plan. This initiative will provide funding of $5.238 billion over three and a half years from 2008–09 to 2011–12 for the construction of new social housing (in two stages) and a further $400 million over two years for repairs and maintenance to existing public housing dwellings. This initiative is being conducted in partnership with State and Territory governments. It will provide a boost to public housing and housing administered by the not-for-profit community sector and is designed to assist low income Australians who are homeless or struggling in the private rental market. Housing Ministers have agreed that up to 75 per cent of housing stock constructed under Stage Two will be transferred to community housing providers by 30 July 2014.

National Affordable Housing Agreement: The National Affordable Housing Agreement provides the framework for the Commonwealth, State and Territory governments to work together to improve housing affordability and homelessness. Alongside the NAHA are three National Partnership Agreements to respond to priority need groups. Under the National Partnership Agreement on Social Housing a Social Housing Growth Fund has been established to provide capital funding to increase the supply of social housing.

National Partnership Agreement on Social Housing: The National Partnership Agreement on Social Housing came into effect on 1 January 2009. The Agreement provides $400 million over 2008–09 and 2009–10 to fund State and Territory governments to increase the supply of social housing.

National Rental Affordability Scheme (NRAS): An Australian Government initiative to stimulate the supply of new affordable rental dwellings by up to 50,000 by June 2012. Successful NRAS applicants are eligible to receive a National Rental Incentive for each approved dwelling where they are rented to eligible low and moderate income households at 20 per cent below market rates.

Non-government organisations: provide a broad range of social services including affordable housing. The sector is an integral part of Australia's economic, social and political systems.

Not-for-profit organisation: is one that imposes the non-distribution of profits to the members of the organisation.

Public housing: is owned (or leased) and managed by State and Territory housing authorities to provide affordable rental accommodation, and includes state owned and managed Indigenous housing. In public housing, the majority of tenants pay 25 per cent or less of their assessable income in rent.

Social housing: rental housing that is provided and/or managed by government or non-government organisations. This housing is mainly targeted at people on low incomes who are in greatest need. This includes those who are homeless, living in inappropriate housing, or who have very high rental costs.

Appendices

Appendix A

McDonald–Temple projections: Underlying demand for rental tenure by State, 2008, 2013, 2018 and 2023[37]

	2008	2013	2018	2023	Per cent increase, 2008–2023
NSW					
Public rental	121,026	129,738	139,096	149,207	23
Other rental	593,401	634,743	672,004	701,633	18
Total rental	714,427	764,482	811,100	850,840	19
Victoria					
Public rental	59,091	65,290	72,045	79,440	34
Other rental	448,942	492,740	531,941	563,126	25
Total rental	508,033	558,030	603,986	642,566	26
Queensland					
Public rental	55,337	62,641	70,804	79,921	44
Other rental	466,139	517,853	570,439	619,016	33
Total rental	521,476	580,494	641,243	698,937	34
SA					
Public rental	42,783	46,290	49,948	54,028	26
Other rental	126,062	133,841	140,620	144,799	15
Total rental	168,845	180,131	190,568	198,827	18
WA					
Public rental	32,080	36,869	42,055	47,750	49
Other rental	200,884	223,484	244,475	263,515	31
Total rental	232,964	260,353	286,529	311,266	34

37 Unpublished estimates based on P McDonald and J Temple medium household growth scenario (assuming 180,000 annual net overseas migration) for public and private rental dwellings from the report at http://www.nhsc.org.au/housing_demand/summary_results.pdf, extended to 2028 and broken down for tenure type

	2008	2013	2018	2023	Per cent increase, 2008–2023
Tasmania					
Public rental	11,100	11,876	12,651	13,417	21
Other rental	37,795	39,688	41,210	42,014	11
Total rental	48,895	51,563	53,861	55,431	13
NT					
Public rental	6,232	7,305	8,355	9,461	52
Other rental	29,525	32,423	34,953	37,368	27
Total rental	35,757	39,728	43,308	46,828	31
ACT					
Public rental	10,239	11,173	12,205	13,304	30
Other rental	30,091	32,183	33,623	34,393	14
Total rental	40,331	43,357	45,828	47,697	18
Australia					
Public rental	337,888	366,509	397,434	431,277	28
Other rental	1,932,839	2,079,064	2,212,373	2,319,853	20
Total rental	2,270,727	2,445,573	2,609,807	2,751,130	21

Main points

- Underlying demand for public rental is projected to increase more than underlying demand for private and other rental in all states from 2008 to 2023.

Appendix B

Growth Providers – Case Studies

Compass Housing Services Co Ltd commenced operation in 1995 as Newmacq Community Housing. In its first year Compass had fewer than 100 properties and had only two staff. By 2004 it had grown to eight staff managing approximately 450 properties with net assets of just under $1.2 million. By 2010, Compass is managing just under 1,500 properties and is engaged in property development, fee-for-service arrangements in the area of modifications, property upgrades and maintenance and property management. Compass has 45 staff and operates from six locations, with five (soon to be six) branch offices spanning the width of NSW. Compass has net assets valued at over $25 million and is anticipated to grow under the Nation Building and Jobs Plan.

Housing Choices Australia (HCA) began operating in March 2008 and has brought together six social housing organisations with an asset base of $300 million and twenty years' experience in the provision of social housing for people facing significant disadvantage in the housing market. By December 2010 the asset base will be approximately $500 million. Over the last two decades HCA has been active in the social housing sector, especially in the disability field and inner city housing. Supported Housing was a pioneer in establishing three way partnerships between support providers, individual clients and the owner of housing assets. Singleton Equity Housing Ltd provided Australia's first example of shared equity models in disability housing.

Loddon Mallee Housing Services (LMHS), based in Bendigo, Victoria, commenced operation in 1994 with three Crisis Accommodation Program (CAP) properties, and one housing officer. It has expanded its CAP properties, with almost 200 under management in 2010. LMHS has delivered over 400 new properties since 2004, acquired more than 100 through asset conversion and local government stock transfers and has almost 600 other properties currently under construction. The organisation now has $110 million of net assets, and current developments will push total assets toward $250 million. LMHS is an integrated Homelessness and Housing service with over 120 staff, multiple offices and operates across Victoria. LMHS auspiced the development of PowerHousing Australia to create a peer-run and controlled industry capacity development body.

St George Community Housing Ltd (SGCH), established in 1985 as a small community housing provider, has grown to provide homes for nearly 3,000 households, providing secure housing in 23 Local Government Areas in the Sydney metropolitan area. In 2008–09, SGCH's balance sheet grew to $35,824,767 due, in part, to the purchase of 100 new affordable housing dwellings in Sydney's south-west. SGCH is an important provider in the Bonnyrigg Public Private Partnership, providing tenancy management for 833 Housing NSW dwellings. This community renewal project, worth $750 million, will see the redevelopment of the 82 hectare site with construction of 2,300 new homes for social and private housing.

Brisbane Housing Company (BHC) was established in 2002 by the Queensland State Government and Brisbane City Council to increase the supply of affordable housing. Today BHC owns 707 affordable housing units valued at more than $134 million. BHC reported an increase in revenue by 72 per cent to $22.29 million for 2008–09 primarily due to an increase in grant funding and revenue from land sales. This included $7 million under the Nation Building and Jobs Plan. BHC has successfully secured a $30 million credit facility with the Westpac Bank. In its capacity as an experienced provider of affordable housing, with an extensive portfolio of housing which can be used to secure loans, Brisbane Housing Company is in a good position to attract private finance to increase the supply of affordable housing.

BlueCHP was formed by five of the largest community housing providers in New South Wales, which together manage over 5,000 properties. Its business model has specialist expertise in property development and asset management, while members share the risk of raising debt finance and development. BlueCHP commenced trading in 2008–09 and now has 443 dwellings either purchased and under management, or being developed. They have successfully tendered under the Social Housing Growth Fund and NRAS and have secured a $25 million debt facility with National Australia Bank. Under its model, BlueCHP does not carry out any tenancy allocation or management. All homes are head leased to its members so that tenancy management remains locally based and risk is mitigated, which assists in attracting private finance. BlueCHP have recently introduced a development and asset management business which will see its expertise in these areas extended to other not-for-profit organisations to enable them to produce more affordable housing.

Community Housing Ltd and its controlled entities operate in five states – New South Wales, Victoria, South Australia, Western Australia and Tasmania, and have operations overseas in East Timor, Chile and India. CHL controls all stages of affordable housing production from sourcing funding to tenancy management. In 2008–09 the number of dwellings constructed and acquired by CHL increased from 181 to 256 with the intention to increase this number to 500 during 2009–10. For the year ending June 2009, CHL reported a net asset value of $146 million, an increase of 34% over the previous year. This was primarily due to an increase in capital works in progress. During this year cash inflows from grants, fees and other income was $40.4 million with an additional $10.7 million from external borrowings.

Foundation Housing – Perth WA, was established in 2005 after the merger of three separate housing organisations. Foundation Housing is now one of the largest affordable housing providers in Western Australia. Since 2005, Foundation Housing has opened its fourth office in Broome and has grown to 58 full-time staff. Foundation Housing manages over 1,000 tenancies with net assets valued at $7.8 million at the end of the 2009 financial year and is currently working on a number of important development projects worth around $100 million.

Appendix C

Community housing regulation by jurisdiction

Jurisdiction	Regulatory approach	Specific provisions	Provision for Prudential Supervision	Tiers of registration	State interest in land
NSW	Housing Act 2001 (as amended in 2007) and Housing Regulation 2009 The Registrar was appointed in 2008 and reports directly to the Minister. The Register can deregister non-complying organisations thereby disentitling them to government funding Growth providers (Class 1 registered community housing providers) must leverage its assets at a rate that, in the opinion of the Registrar, delivers sustainable and optimal growth Government investment protected by provisions requiring financial viability and business and risk planning	**Regulatory Code** - Fairness and tenant satisfaction - Sustainable tenancies and communities - Asset management - Sound governance - Standards of Probity - Protection of government investment - Development projects	**Sound governance** - skills & operations of governing body - clear processes - business/operational planning - audit and risk management **High standards of probity** - fraud and corruption - code of conduct - reputation of sector	**4 tiers –** 1. *Growth provider* (large manager of properties >400, undertaking development) 2. *Housing provider* (large manager of properties >200 undertaking small scale development) 3. *Housing manager* (small to medium sized management >30, mainly property and tenancy management) 4. *Small housing* manager (managing one or more properties, mainly tenancy management)	Legislation proposed to allow government interest to be registered on the land title register to restrict sale/mortgage of land without consent

Jurisdiction	Regulatory approach	Specific provisions	Provision for Prudential Supervision	Tiers of registration	State interest in land
Victoria	1. Housing Act 1983 (as amended 2005) 2. Ministerial Statements: Performance Standards and Intervention Guidelines for the Registrar of Housing Agencies The Registrar was appointed in 2006 and reports directly to the Minister The Registrar's powers include the power to appoint Directors to the Board, or an administrator, and to require wind up or merger and the transfer of assets	**7 Performance standards** - Governance - Management - Financial viability - Tenancy management - Housing management and maintenance - Probity - Risk Management	**Governance / Management:** - organisational structure - business systems - business planning - reporting - linked to National Community Housing Standards (NCHS) **Probity** – - linked to ASX principles **Risk Management** – - level of capital works being undertaken - impact of failure - results of financial analysis	**2 tiers –** 1. *Housing Association* (expand new housing through construction, purchase or acquisition) 2. *Housing provider* (primarily management of rental properties)	Legislation provides that the Director of Housing can declare an interest in land owned by a registered provider

Jurisdiction	Regulatory approach	Specific provisions	Provision for Prudential Supervision	Tiers of registration	State interest in land
QLD	1. Housing Act 2003 2. Housing Regulation 2003 Chief Executive can appoint an interim manager to a funded service Regulations require providers to align eligibility, allocation and other policies with a single policy approach known as the 'one social housing system'. This includes a common access system for tenants	**Prescribed requirements under Housing Regulation includes:** - Financial management and accountability - Budget - Financial reporting - Insurance - Dispute resolution - Rent policy - Maintenance and asset management	**Strong governance** - conflict of interest - operations and documentation - accreditation	**Single tier** *Registered provider* (not-for-profit corporations, local governments, prescribed entities) Additional requirements for providers seeking to use funded properties as security for loans	Legislation provides that land transfer be subject to appropriate security or covenant
WA	Administrative registration system for community housing established in 2007 In November 2008 a discussion paper was circulated seeking feedback on a proposed legislative framework	**Proposed regulatory code** 9 standards (TBD)	Tiers 2 and 3 linked directly to NCHS (includes Governance)	**Proposed – 4 tiers** *1. Growth organisation (500+)* *2. Preferred organisation (100+)* *3. Registered organisation* *4. Non-registered organisation*	Caveat

Jurisdiction	Regulatory approach	Specific provisions	Provision for Prudential Supervision	Tiers of registration	State interest in land
SA	South Australian Co-operative and Community Housing Act 1991 SA Co-operative and Community Housing (General) regulations 2007 Legislation provides for the registration and regulation of housing cooperatives and associations which doesn't include all funded housing organisations	Legislation contains detailed provisions regarding the financial arrangements of housing cooperatives and associations	Requirements under Associations and Cooperatives Acts	**2 types** *1. Community Housing Organisations* *2. Housing co-operatives (tenant-managed)*	Statutory charge
TAS	No legislative regulatory regime for community housing providers	N/A	N/A	N/A	N/A
NT	No legislative regulatory regime for community housing providers	N/A	N/A	N/A	N/A

Jurisdiction	Regulatory approach	Specific provisions	Provision for Prudential Supervision	Tiers of registration	State interest in land
ACT	Housing Assistance Act 2007 (as amended 2008) Registration is by the Commissioner for Social Housing (the Commissioner) who can appoint Board members or an administrator and can wind up and distribute assets The Commissioner has delegated to the Registrar of Not-For-Profit Housing Providers powers and responsibilities to register not-for-profit housing providers, monitor ongoing compliance with eligibility criteria and maintain the public register	**Standards (under legislation)** - Tenancy management - Tenancy rights - Governance and organisational management - Management systems	**Governance and organisational management** - constitution - business planning - financial and risk management	**2 tiers** *1. Affordable Housing provider* *2. Community Housing provider*	Legislation provides that assistance may be given to registered housing provider subject to conditions

Appendix D

Department of Families, Housing, Community Services and Indigenous Affairs

Regulation and Growth of the Not-For-Profit Housing Sector Discussion Paper

Submission Cover Sheet

The closing date for submissions is Friday, 4 June 2010.

Please complete and submit this form with your written submission to:

Regulation and Growth of the Not-For-Profit Housing Sector Submissions
PO Box 7101,CANBERRA BC ACT 2610

Organisation: ....

Principal contact: .... Phone: ....

Position: .... Fax: ....

Email address: .... Mobile: ....

Street address: ....

Suburb/City: .... State & P'code: ....

Please note:

- National Mailing and Marketing (NMM) will be collecting your submissions on behalf of FaHCSIA and placing them on a database which will be passed back to FaHCSIA.
- In order to register your submission, you are required to provide the Department with some personal details. You must read the Confidentiality Statement before providing personal information.
- You must read the Departmental Confidentiality Statement before registering to participate in the Regulation and Growth of the Not-For-Profit Housing Sector submission process.

Confidentiality Statement

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential'. Public submissions may be published in full on the website, including any personal

Please indicate if your submission:

☐ contains NO confidential material
☐ contains SOME confidential material (provided under separate cover and clearly marked)

Please cut here