



National Affordable Housing

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NATIONAL AFFORDABLE HOUSING SUBMISSION HOUSING LEGISLATIVE PACKAGE

1. INTRODUCTION:

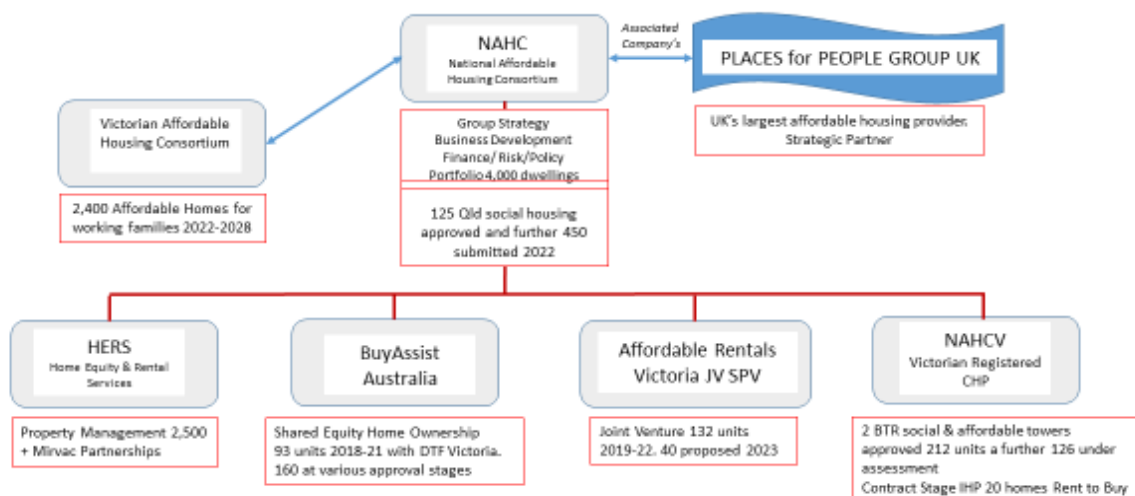
National Affordable Housing is a Tier 1 Registered Community Housing Provider, a Registered Provider in Victoria and has an Australian Credit Licensed Shared Equity Company, BuyAssist Australia.

NAH is a Not For Profit Company and Charity that applies sound commercial principles to creating partnerships to deliver community and affordable housing.

We are well placed to talk to the Legislative and policy changes required to achieve systemic reform and to meet the challenges of unmet needs across the housing continuum.

Our experience includes attracting private finance into the delivery of 3,520 new affordable rental homes under NRAS. We delivered these homes across 42 industry partnerships in just 4 years. In the social housing space we have around \$250m in projects underway and a projected delivery of 160 additional Shared Equity Homes. We have a further 2,400 low income worker housing units to deliver in partnership with Government over the next 5 years.

About NAHC



NAHC is a tier 1 nationally regulated community housing provider & regulated Victorian provider that applies commercial business practices to deliver its Mission

2. HOUSING NEED

With UNSW [2019] identifying unmet needs at 437,600 social housing units and 295,200 affordable housing units, and future trends projected to get worse, Australia requires a National effort of reform and targeted investment to reshape and refocus our housing system.

Failure to do so will not only mean letting down the most vulnerable, it also means the continued rise in working households unable to access or afford housing. A vision of the working poor living in cars and hostels, prevalent in the USA, is now the emerging outcome for Australia if we do not address systemic, rather than programmatic reforms.

With Housing driving unprecedented inequality, [generating unearned wealth- often in excess of earned taxable incomes] and also impacting negatively on the real economy, fixing the system would lead to overall benefits for society and the economy.

Private investment, particularly Institutional Investment is critical to reshaping social & affordable housing at scale, and normalizing such investment through an Infrastructure approach rather than a real-estate approach should be a national priority. This goes beyond a subsidy based model to systemic reforms for such investment and in an ability for Housing Australia and Treasury to share risk in different and diverse ways to deliver public policy outcomes.

3. THE HOUSING AUSTRALIA FUTURE FUND

NAH welcomes the Government commitment to the wider package of legislative and funding proposals. However, the Government will be aware of the significant underlying gap between its proposed arrangements and the documented and evidence based needs.

This gap is not only in the area of adequacy of funding to reverse the appalling housing needs trajectory our country is on, but also because we are not addressing some of the critical structural housing and finance issues that underpin our failing housing system.

Like many others, NAH hopes that these matters will be reflected in the new National Housing Plan which should set out a pathway of reform that States, Institutions, Industry and Community can work within to begin to turn the system around.

4. RECOMMENDATIONS

Our approach to recommendations is to highlight a small number of items that can be considered both in the context of the Legislation and in the Policy Context over the coming years. As a CHP we generally support the submission from CHIA, but add a few different dimensions based on our experience of private investment and community/industry partnerships.

- a) The Legislation and its implementation should enable a wide range of funding and delivery arrangements. This includes the ability of Housing Australia to provide more appropriate risk sharing options than currently available through NHFIC.
- b) The Legislation and its implementation should not prescribe a way Government investment via Housing Australia works, nor should it preclude the following
 - Availability payments

- Capital Grants
 - Interest payment on CHP debt finance
 - Government guarantee's or partial guarantees to CHP's and their finance partners
 - Mix and match of these and other much needed innovations.
- c) The Legislation and its implementation should enable social & affordable outcomes across the housing continuum and across innovations like rent to buy, recognizing that the Government has already set out a range priority needs to be met through social rental housing
- d) The arrangements should explicitly foster and set targets for Institutional Investment and aim to create the conditions for a competitive finance market in social & affordable housing beyond NHFIC Bonds or Government investment corporations
- e) The arrangements should explicitly acknowledge the priority role the Community Housing Sector is, and can play, but should foster community/industry partnerships to create scale and impact on the wider housing market system
- f) To avoid locking households into 'Program Driven' outcomes, the arrangements should promote "Pathways" across the housing continuum to enable people to improve their circumstances and exercise more choice and trade-offs where possible. This requires flexibility and a shift away from the current dominant 'Welfare' housing culture in housing provision, often driven through Government Contracting arrangements.
- g) Based on current evidence, the proposed HFF commitments are not adequate. The Commonwealth should review and report on adequacy on an Annual basis against Metrics designed by the National Housing Supply and Affordability Council by the end of 2023, including [amongst those measures] some way that the Australian public can see whether or not current policies and investment is improving our national affordable housing outcomes or simply slowing down the continuing decline

Yours sincerely

Mike Myers

NAH Managing Director

11th January 2023