The role of community housing organisations in meeting the housing and support needs of people who are homeless

authored by
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for the
Australian Housing and Urban Research Institute
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<td>Affordable Housing Innovations Fund (NSW program)</td>
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EXECUTIVE SUMMARY

The Australian Housing and Urban Research Institute (AHURI) has funded researchers at the Social Policy Research Centre at the University of New South Wales to undertake a research project exploring the role of community housing in meeting the housing and support needs of people who are homeless.

This study builds on previous AHURI research on the community housing sector to examine the role of Community Housing Organisations (CHOs) in addressing homelessness in the context of the current expansion of the sector. It addresses two of the strategic research issues identified by AHURI:

1. Housing and related systems that prevent homelessness and promote wellbeing and stable housing outcomes; and

6. Housing choice in a social/affordable housing system with diverse providers and increased supply.

The research examines views from CHOs and key informants on the sector’s capacity to provide sustainable housing and support to people who are homeless in the context of policies, which aimed at expanding the role of the sector as a social housing provider.

This Positioning Paper represents the first output from the project, including a review of the literature on expansion of the community housing sector, and on different models and examples of programs and partnerships undertaken by CHOs to address homelessness. This describes the current policy context for the study and identifies what we currently know and do not know about CHOs and homelessness.

There is currently a major under-supply of affordable housing in Australia. Homelessness is a significant problem in Australia and affected an estimated 105 000 people on Census night 2006, with approximately 16 000 people sleeping rough.

Historically, state and territory housing agencies have been the main providers of social housing in Australia and not-for-profit providers have played a relatively minor role, in contrast to their prominent role in most European countries. Although the Australian community housing sector has experienced rapid growth in the past decade, it still comprises a very small proportion of all social housing stock and a tiny proportion of the total housing stock in Australia.

The Australian and state and territory governments invest a significant amount of money in a wide range of housing and homelessness initiatives and government policy is increasingly focused on expanding housing supply. There has been significant Australian Government investment in housing partnerships and affordable housing in recent years, through the National Affordable Housing Agreement (NAHA), the Nation Building Economic Stimulus Plan Social Housing Initiative, and the National Rental Affordability Scheme (NRAS). In addition to this, there has also been a significant increase in funding and support for community housing by state and territory governments.

A recent Australian Government discussion paper has laid out options for development and reform of community housing, including regulation to protect the interests of government, tenants and providers, and mechanisms to attract more private investment to the sector. Most state and territory governments also have community housing strategies which focus on improving the practice of current community housing providers and many have provided funding for training and support; providing incentives to encourage mergers of community housing providers;
directly providing training and resources; and providing online platforms for network development and accessing resources.

The increased importance of CHOs in delivering social housing in Australia mirrors similar developments in other countries. Academic and policy literature shows that government regulation is essential to the successful engagement of not-for-profit organisations and industry partners in the social housing sector. Governments in a number of European countries and the USA have provided funding, along with policy and regulatory incentives, to encourage both private investment in social housing and greater not for profit involvement in the sector.

Two increasingly influential models of housing provision are relevant to an increased role of CHOs in addressing homelessness. The UK Housing Plus approach, which focuses on community housing providers’ capacity to deliver positive social and economic outcomes to tenants in addition to accommodation, also has potential for Australian CHOs. The literature suggests that services that adopt a Housing Plus approach are better able to strengthen communities than public housing providers, and can potentially make a significant contribution to reducing isolation of tenants who have experienced homelessness.

The Housing First model, which aims to place people who are chronically homeless directly into secure housing along with structured service support, is one which some CHOs are already becoming involved with, in partnership with homelessness services. In becoming a major wing of social housing, CHOs are likely to be expected to take on more people who are homeless with high support needs. Many CHOs are already providing housing and support services to people who are homeless or at risk of homelessness and have longstanding experience in managing complex tenancies. Community Housing Organisations may be well-placed to deliver services to these groups, but the growing body of evidence on the heterogeneity of the homeless population and the complex needs of many of those who are long-term homeless suggests that CHOs will face significant challenges. Evidence from the UK also suggests that mass transfer of social housing stock to CHOs along with homelessness could place strain on the sector capacity to maintain a differentiation in practice from that of public housing authorities.

Both state and national peak advocacy bodies for both community housing and homelessness are broadly supportive of the current policy direction. However, there are concerns about the sustainability of the model of CHOs accepting transfer of large proportions of public housing stock without ongoing operational subsidies. Community Housing Organisation peak bodies have also argued that there are significant costs associated with supporting tenants with high support needs and that CHOs will require increased subsidies from governments if they are to take on this greater role in meeting the housing and support needs of people who are homeless.

There is little information available at present about how this increased focus on housing people who are homeless in the context of sector expansion is working in practice for CHOs. What kinds of projects are CHOs engaging in to address homelessness? Is this experience different for CHOs of different types and size, and in different locations? What challenges they are facing in sharing common waiting and allocation lists with public housing authorities? How does housing more people who are homeless affect their cost structures and financial sustainability? Is it causing difficulties with tenant management and rent collection? Are previously homeless tenants sustaining their tenancies? How are CHOs organising or delivery the necessary support services for previously homeless tenants? What innovative solutions are CHOs finding to address these challenges?
This study therefore aims to address the following research questions:

- How are CHOs addressing the housing and support needs of people who are homeless?
- What challenges are they facing in responding effectively to current policy directions of sector expansion and homelessness reduction?
- What innovative programs and partnerships are they undertaking to address these needs?
- How do these responses vary across the sector, by jurisdiction, size and type of organisation?
- What are the lessons for effective homelessness policies in the context of sustainable growth in the community housing sector?

The methods adopted include:

- A review of literature and policy on community housing and homelessness.
- A national survey of CHOs.
- Consultation with peak organisation informants in community housing and homelessness.
- Qualitative telephone interviews with a sample of CHO managers.
- A policy and practice workshop for the community housing sector, policy-makers and researchers.

The findings from the research will contribute to policy discussion on how homelessness can be reduced through sustainable expansion of the community housing sector and how the community housing sector can best be supported to achieve these aims.
1 INTRODUCTION

The Australian Housing and Urban Research Institute (AHURI) has funded researchers at the Social Policy Research Centre at the University of New South Wales to undertake a research project exploring the role of community housing in meeting the housing and support needs of people who are homeless.

This Positioning Paper represents the first output from the project. It presents a review of the academic and policy literature on community housing and its role in addressing homelessness. We identify what is currently not known about this topic and propose a conceptual framework and methodological approach to addressing these questions. The report also specifies how the findings will inform policy development. We begin by outlining the policy background for the study.

1.1 Policy background

Current policies for increasing the supply of affordable housing in Australia envisage a greatly increased role for the community housing sector. Housing Ministers have agreed that this sector should represent 35 per cent of all social housing by 2014—a large increase from the current level of around 10 per cent (depending on definitions). A recent Government discussion paper laid out options for development and reform of community housing, including regulation to protect the interests of government, tenants and providers, and mechanisms to attract more private investment to the sector (Australian Government 2010).

Although community housing received only minor referencing in the 2008 White Paper on Homelessness (Australian Government 2008), it is clear that in becoming a major wing of social housing, CHOs will also need to expand their role as providers of housing for people who become homeless. With the ‘Housing First’ approach of permanent housing plus support for people experiencing chronic homelessness also becoming more influential, CHOs are likely be expected to take on more people who are homeless with high support needs, and to develop or negotiate effective packages of support and tenancy sustainability as part of the national effort to meet ambitious targets for homelessness reduction.

There are already examples of individual CHOs pursuing innovative programs and partnerships to address the needs of people who are homeless and to prevent homelessness occurring. This has been happening for some time: in 2001 the NSW Federation of Housing Associations, for example, reported a range of successful partnerships between community housing associations which offered support to population groups at risk of homelessness, including people with mental illness, people with disability and young people in crisis accommodation (NSW Federation of Housing Associations 2001).

Sector monitoring data from Australian Institute of Health and Welfare (AIHW) suggest that in recent years somewhere between 27 and 36 per cent of new CHO allocations have been to people recorded as experiencing homelessness at the time of allocation, although these proportions vary substantially between the states and territories and changing methods of data collection and sampling make accurate estimates hard to obtain (AIHW 2009, 2011).

Both state and national peak bodies for the community housing sector are broadly supportive of the current policy direction. The national peak sector organisation, the Community Housing Federation of Australia (CHFA), has noted that ‘there are currently unprecedented opportunities for community housing organisations to increase their involvement in the development and management of affordable rental..."
accommodation’ (CFHA 2009, p.3) and has supported the development of a ‘social and affordable housing system that addresses market failure across a continuum of need. This includes responding to homelessness, providing housing and supporting to tenants with high needs …’ (p.4). However, there are concerns about the sustainability of the model of CHOs accepting transfer of large proportions of public housing stock without ongoing operational subsidies (besides Commonwealth Rent Assistance), while also being expected to house people with high support needs—thus reducing the opportunity for internal cross-subsidy through a social and economic mix of tenants. Increasing the proportion of people who are homeless entering community housing also has implications for the demographic mix of tenancies and flow-on implications for housing management functions, including provision of care and support.

The CHFA argues that a ‘one size fits all’ approach is likely to stifle innovation and advocates increased specialisation of community housing providers in terms of meeting specific needs; operating in specific markets; operating within specific program areas; or operating a broader portfolio across a continuum of tenant profiles, program areas, and financing regimes (Community Housing Federation of Australia 2009). Similarly, the Community Housing Federation of Victoria (2011) notes that such a model will require a degree of cross-subsidisation from government.

While there is also support for the idea of financial leverage as a driver of future growth of social housing, there is some concern that this form of growth might focus only on the community housing sector to the exclusion of public housing, which is still needed to meet the needs of people on very low incomes or reliant on income support (Gilbert 2010).

Previous research has shown that community housing associations can make a significant contribution to strengthening local communities (Gilmour & Burke 2008), particularly where there are low levels of public housing and in high housing-cost city areas (Barbato et al. 2003). Their community strengthening activities include brokering access to services, personal development and supporting social and economic development. Community housing organisations’ longstanding experience in managing complex tenancies and tenants with challenging behaviours also potentially makes them well placed to respond to homelessness.

However, most Australian community housing providers are small-scale organisations, with high levels of volunteer labour and often ageing housing stock (Hall & Berry 2009). AIHW monitoring shows that in 2008 nearly 80 per cent of all CHOs had less than 20 dwellings (AIHW 2009). Hall and Berry’s study also found that CHOs often lacked sufficient resources for professional stock management. Whilst operating costs were generally lower for community housing than for public housing, associations tended to severely underestimate their real operating costs and most also had a backlog of maintenance.

Policy on community housing sector expansion is currently proceeding on the assumption that organisations will be able to take on a significantly greater role in providing secure and sustainable housing for people who are homeless, and thus contribute to goals of both reducing headline numbers of people homeless and breaking the cycle of repeated homelessness. This may be an accurate assumption, but as yet it is largely untested. Therefore, in the context of policies aimed at expanding the size of the community housing sector, it is a good time to review how CHOs are currently addressing the issue of homelessness and what challenges they face in taking on this larger role.
This study builds on previous AHURI research on the community housing sector (Farrar et al. 2003b; Hall & Berry 2009; Milligan et al. 2009b), as well as on AHURI’s developing interest in homelessness research, to address two of its strategic research issues: 1. Housing and related systems that prevent homelessness and promote wellbeing and stable housing outcomes; and 6. Housing choice in a social/affordable housing system with diverse providers and increased supply. The research examines CHO’s capacity to provide sustainable housing and support to people who are homeless in the context of sector expansion.

1.2 Report structure

Chapter 2 of this paper presents a review of literature and policy on community housing and its role in addressing homelessness. Chapter 3 outlines the research questions for the study and the methods adopted to address them.
2 REVIEW OF LITERATURE ON COMMUNITY HOUSING AND ITS ROLE IN ADDRESSING HOMELESSNESS

2.1 Defining community housing and homelessness

2.1.1 Community housing

This research is principally concerned with ‘social housing’, which is a broad term that covers a number of types of rented accommodation, including public housing, State Owned and Managed Indigenous Housing (SOMIH), community housing and Indigenous community housing, as well as crisis and transitional housing (Productivity Commission 2011). In this context the term ‘affordable housing’ is also sometimes used, but this is not synonymous with social housing, as it may include accommodation either purchased or rented privately at a cost that allows households still to have sufficient income left over to meet other basic needs.

We are focusing here specifically on two elements of social housing—community housing and Indigenous community housing—and these require some further description. There are various definitions of community housing in Australia. The Australian Government National Housing Supply Council (2010) defines community housing as ‘housing that is managed and sometimes owned by a not-for-profit community organisation’, while the Productivity Commission describes it as ‘rental housing provided for low to moderate income or special needs households, managed by community-based organisations that have received capital or recurrent subsidy from government’ (2011, G3). Although, by definition, community housing is managed by not-for-profit organisations, it may be owned by public or private bodies, or by the CHOs that manage it (Community Housing Federation of Victoria 2011).

A wide variety of types of organisations own or manage community housing in Australia, including religious organisations, housing associations, housing cooperatives and Indigenous housing organisations. The Productivity Commission notes that community housing models differ across jurisdictions. CHOs also vary considerably in terms of the size and scope of their operations and enterprise, the type of housing assistance they provide, their capacity to grow and their legal or incorporative status (ARTD Consultants 2009a). McNeils (2004) divides CHOs into five categories: community-managed public housing; not-for-profit joint ventures; public housing joint ventures; local government joint ventures; and ‘other units’. Milligan (2009) makes the distinction between traditional CHOs and other service agencies moving into affordable housing, while the Community Housing Federation of Victoria (2011) divides community housing providers into three broad categories: not-for-profit CHOs, co-operatives and church-owned housing. For the purpose of its data collection and sector monitoring, the Australian Institute of Health and Welfare (AIHW) divides CHOs into three categories: housing associations, housing cooperatives and ‘other community service providers’ (AIHW 2011).

While all these definitions and categorisations of CHOs are similar, there is sufficient variation to indicate that it is a diverse sector and one that is increasing in diversity as it expands. However, despite their differences in types, size and composition, CHOs generally perform a common set of functions, including tenancy management; management of existing government-owned housing stock; development of community housing with public financial support; and development and/or management of privately-owned housing that receives government financial support (Community Housing Federation of Victoria 2011). Milligan (2009) also describes
additional functions of CHOs, including attracting investment through partnerships with private organisations and contributing to urban renewal.

2.1.2 Indigenous community housing

Indigenous community housing is a subset of community housing, which the Productivity Commission (2011) defines as dwellings owned, or leased, and managed by Indigenous Community Housing Organisations (ICHOs) and community councils in major cities, regional and remote areas.

2.1.3 Homelessness

Although this study is not primarily concerned with the definition and meaning of homelessness, it is necessary to review briefly the key elements of these debates in order to clarify what we are referring to when we discuss the increased role of CHOs in addressing homelessness.

The Productivity Commission (2011) notes that the concepts of ‘homelessness’ and ‘housing’ are culturally bound. While there is no ‘official’ definition of homelessness in Australia, most researchers and policy-makers have adopted the ‘cultural’ definition developed by Chamberlain and MacKenzie (1992; 2003), which divides homelessness into three broad categories: primary, secondary and tertiary. Primary homelessness in this typology includes people living on the streets, sleeping in parks, squatting in derelict buildings, or using cars or railway carriages for temporary shelter. Secondary homelessness includes people who move frequently from one form of temporary shelter to another, including people staying in emergency or transitional accommodation. Secondary homelessness also includes people staying temporarily with other households, often friends or relatives, because they have no accommodation of their own and short-term residents of boarding houses. Tertiary homelessness refers to people staying in boarding houses on a medium to long-term basis, defined as 13 weeks or longer. This counts as homelessness because boarding house accommodation generally does not meet minimum community standards.

By this definition, homelessness has been estimated as affecting approximately 105,000 people in Australia on Census night in 2006, among whom there were an estimated 16,375 people sleeping rough (Chamberlain & Mackenzie 2008).

The definition used for analysing the 2011 Census is likely to change somewhat as a result of a review of the methods of estimating homelessness being carried out by the ABS for the Homelessness Statistics Reference Group (ABS 2011). Early reports from this group point to significant underestimation of homelessness amongst youth, Indigenous people and people escaping domestic violence, while there are some areas, such as certain forms of temporary accommodation, where the numbers may be considered to be somewhat inflated. Definitions used for analysing data from specialist homelessness services collections are also being revised as part of an overall review of data collection methods.

Also, it is important to note that the division into different categories of homelessness does not mean that people experiencing homelessness remain in distinct segments. Most are transient between different types of accommodation and the proportion sleeping rough at some point is likely to be much higher than suggested by point-in-time Census estimates (Chamberlain et al. 2007).

Explanations of homelessness—and the policy implications arising from these explanations—have traditionally fallen into two broad categories: individual and structural (Neale 1997; Fitzpatrick & Christian 2006). Individual explanations tend to focus on the personal characteristics, behaviours or problems of people who become homeless, whereas the structural explanation locates the causalities of homelessness
in external factors such as housing markets or policies, poverty and unemployment, and social inequalities, including those of gender and ethnicity.

The relative power of these two explanatory discourses has varied across countries and has shifted over time, but increasingly neither one nor the other is seen as providing an adequate foundation for effective intervention by itself. Thus, rather than being regarded exclusively as either a housing problem or a welfare problem, homelessness is increasingly viewed as the result of multiple and complex interacting factors, or as a manifestation of ‘social exclusion’ (Greenhalgh et al. 2004). This approach has been described as a ‘new orthodoxy’ (Pleace 2000), which recognises that while structural factors create the conditions in which homelessness occurs and largely determine its extent, constellations of personal circumstances or problems facing individuals, such as domestic violence, family breakdown, mental ill-health and substance abuse, make particular populations groups more vulnerable to homelessness or to the damaging effects of being without a secure home (Forrest 1999; Forum for Holistic Integration 2006).

The White Paper, *The Road Home*, acknowledged the multiple drivers and causes of homelessness, including the shortage of affordable housing, long-term unemployment, mental health issues, substance abuse, family and relationship breakdown and domestic and family violence, and notes that ‘many people who are homeless cycle between homelessness and marginal housing’ (Australian Government 2008, p.viii). Addressing homelessness as the result of social exclusion requires more comprehensive responses than if homelessness is viewed as a discrete policy issue to be addressed in isolation (Greenhalgh et al. 2004).

While this ‘new orthodoxy’ of balance between structural and personal drivers of homelessness has been gaining ground, mental illness in particular has still been widely regarded as one of the main causes of primary homelessness in Australia. This identification of homelessness with mental illness has been challenged recently by Johnson and Chamberlain (2011) in a study of more than 4000 homeless service users in Melbourne. They found that only around 15 per cent had mental health problems before they became homeless and that for others these problems often stemmed from the experience of homelessness. However, whether mental ill-health and other problems lead to or derive from the homelessness experience, they still often present significant barriers to regaining secure housing. A number of other studies from both Australia and the UK have shown how heterogeneous the population of people who experience homelessness is and the complexity of gaining and sustaining secure housing after experiencing long-term homelessness (e.g. Mission Australia 2010; Johnson et al. 2011; McDonagh 2011).

These findings suggest that in spite of the skills and experience that many CHOs may have in dealing with disadvantaged tenants, they are still likely to face significant challenges in taking on a greater role in addressing homelessness.

2.2 Australian housing policy framework on housing and homelessness

The Commonwealth, state and territory governments invest a significant amount of money in a wide range of housing and homelessness initiatives. Between them, these governments spent $2 billion over the five years from 2003–04 to 2009–10 to fund 1500 specialist community-based homelessness services that managed 8000 units of accommodation for people who were homeless (Australian Government 2008).

Following on from this, *The Road Home* outlined a multifaceted response to homelessness that includes strategies, which focus on prevention and early
intervention; improving, expanding and connecting homeless services to achieve sustainable housing and improve social and economic participation; and breaking the cycle to ensure that homelessness does not reoccur. Australian governments have set two ‘headline goals’ of halving overall homelessness and offering supported accommodation to all rough sleepers who need it by 2020 (Australian Government 2008).

There is currently an under-supply of housing, and particularly affordable housing, in Australia and the White Paper noted the need to see affordable rental housing growing at the same rate as population growth. The Government sees community housing as an important component of a system addressing homelessness: The Road Home described ‘increas[ing] public and community housing for people at risk of homelessness’ as one of its broad aims, and included plans to build up to 2700 additional public and community housing dwellings for low-income households as part of the response to homelessness (Australian Government 2008, p.iii).

Commonwealth housing-related payments can be grouped into four broad categories:

1. payments to individuals and families
2. helping those most in need
3. housing partnerships
4. affordable housing.

Government policy is increasingly focused on expanding housing supply and there has been significant investment in the two latter categories—housing partnerships and affordable housing. The major policies relating to these two funding streams, including the NAHA, the Nation Building Economic Stimulus Plan Social Housing Initiative and the NRAS, are described below in more detail.

2.2.1 Housing partnerships funding

National Affordable Housing Agreement (NAHA)

The NAHA is an agreement made between the Commonwealth and state/territory governments under the Housing Assistance Act 1996 (Cwlth). The NAHA commenced on 1 January 2009, replacing the previous Commonwealth State Housing Agreement (CSHA). The NAHA provides a framework ‘for governments to work together to improve housing affordability, reduce homelessness and reduce Indigenous housing disadvantage’, and commits governments to undertake reforms relating to improving integration between the homelessness service system and mainstream services; reducing concentrations of disadvantage; improving access to mainstream housing and home ownership for Indigenous Australians; and enhancing the capacity and growth of the not-for-profit housing sector (ABS 2010, p.336, emphasis added). The Australian Government provided $586.1 million of funding to the states and territories as part of the NAHA in 2008–09.

The NAHA is supported by the Social Housing Initiative and a number of supplementary National Partnerships on Social Housing, Homelessness and Remote Indigenous Housing.

The National Partnership Agreement on Social Housing provided $400 million of capital funding to the states and territories in 2008–10 to increase the supply of social housing by at least 1600 dwellings, including specialist models of housing for people who are homeless (ABS 2010).
Affordable housing funding

As mentioned previously, ‘affordable housing’ is a broad term that includes the range of social rented housing described above public housing, plus various forms of support for home purchase and the construction of private rental housing for lower-income tenants.

The Commonwealth Government provides funding for affordable housing through financing of public housing, SOMIH, community housing and Indigenous community housing, as well as the Home Purchase Assistance (which includes the First Home Owner Grant and First Home Owners’ Boost to first home purchasers) and the Housing Affordability Fund (which provides financial incentives to developers and local government to reform development processes and reduce the purchase price of new homes (ABS 2010).

Access to public and community housing

Individuals or groups who are classified as having a ‘special needs status’ or ‘greatest needs status’ are given priority access to public and community housing. These classifications are defined as follows (ABS 2010).

‘Special needs status’:

- having a household member with a disability; or
- the principal tenant is aged 24 years or under; or
- the principal tenant is aged 75 years or more; or
- the household satisfies the Indigenous household definition.

‘Greatest need status’:

- homeless; or
- life or safety at risk in the accommodation (e.g. due to domestic violence); or
- health condition aggravated by housing conditions; or
- housing is inappropriate to needs; or
- very high rental housing costs.

Social Housing Initiative

The Social Housing Initiative is a Commonwealth funding source established as part of the Nation Building Economic Stimulus Plan to support employment and the economy (ABS 2010). The initiative has allocated $5.64 billion of funding to state and territory governments between 2008 and 2012 to build up to 19 200 additional social housing dwellings, with the assistance of the not-for-profit sector, and to repair over 60 000 existing social housing dwellings (ABS 2010). COAG Housing Ministers have committed that up to 75 per cent of housing stock constructed under Stage 2 of the Nation Building and Jobs Plan Social Housing Initiative will be transferred to community housing providers by July 2014 (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009).

As at 31 March 2011, 19 617 (100%) of projects had been approved, of which 18 675 (95%) were underway. Sixty-eight per cent of these projects (representing 13 250 dwellings) had been completed by this date.¹

The Nation Building agenda is likely to be one of the policy areas with the most impact on the community housing sector, although initial consultations carried out for this study suggested that conditions attached to the funding for this scheme are seen as presenting some difficulties for CHOs. Funding is contingent on CHOs agreeing to accommodate people who are homeless or at risk of homelessness, and also to put up 25 per cent equity. However, there are different conditions attached to this process in different jurisdictions. In Victoria, CHOs were originally told that they would be required to lease 25 per cent of dwellings to people who were homeless (‘priority 1’ clients), but this has recently been increased to 50 per cent. This change has created significant tensions between the state government and CHO providers, and placed considerable financial risk on providers. In Queensland there is already a common waiting list for both public and community housing, but this has been extended to also become a common allocations list, whereby providers are told by the public housing authority government which applicants they must take. Common waiting lists are being implemented in all jurisdictions, but we are not aware as yet of plans to create common allocation lists in other states/territories.

National Rental Affordability Scheme (NRAS)

The NRAS is a joint Commonwealth/state/territory initiative that provides a financial incentive of $8000 (indexed annually) to the business sector and community organisations to encourage the construction of affordable housing. Investors can claim NRAS incentives annually for a period of 10 years for each new affordable dwelling, on the condition that it is rented at 20 per cent below the market rate to eligible tenants on low to moderate incomes (ABS 2010; Australian Government 2011a, 2011b). The Commonwealth has allocated more than $1 billion between 2008 and 2012 to stimulate the supply of up to 50 000 new affordable rental dwellings by 30 June 2012 (ABS 2010).

Some organisations that encourage investors and developers to make use of the NRAS note that NRAS-subsidised housing is not specifically targeted at the social housing tenant population but is aimed at ‘key workers’ (public sector employees who are considered to provide an essential service), people aged over 55 years and families (NRASScheme.com 2011). However, government policy clearly states that NRAS is at least partially targeted at social housing tenants and there has been a strong uptake of NRAS payments from the social housing sector. It was initially expected that the NRAS would increase the proportion of social housing stock managed by the not-for-profit sector to 15 per cent (Australian Government 2010), but COAG estimates that the proportion of all social and affordable housing stock held by the community housing sector will increase to 18.5 per cent by 2011–12 due to the strong uptake of NRAS payments by social housing providers (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009).

COAG plans to use government investment and the NRAS to build the governance and financial capability of community housing ‘growth providers’, and has been taking advice from community housing providers, peak bodies and developers to inform future policies (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009).

2.3 The community housing sector in Australia

2.3.1 Historical overview

Historically, state and territory housing agencies have been the main providers of social housing in Australia and not-for-profit providers have played a relatively minor role. In contrast, there has been strong involvement from the community sector in
providing social housing in most European countries as well as in the US for many years (Barbato et al. 2004; Gilmour 2009; National Housing Supply Council 2010).

The 1980s saw significant growth of national and state-based CHOs in Australia, but most were small organisations with voluntary boards which worked closely with government. Unlike community housing providers in other countries, Australian CHOs have had little involvement until recently in asset or property development, and have largely focused on general and specialist tenancy management, with assistance from additional support services (Milligan 2009).

Milligan (2009) has argued that until recently, there were a number of barriers to the expansion of CHOs, including limited policy framework and government investment in Australia compared to in other countries; the small scale and capacity of CHOs; resistance to community housing by state housing authorities; limited CHO infrastructure for fund raising and capacity building; and a lack of consistent ‘branding’ of the sector.

Government regulation is essential to the successful engagement of not-for-profit organisations and industry partners in the social housing sector. Barbato et al. point out that the tiered system of guarantees which underpins social housing provision in the Netherlands and the UK Government regulatory authority are ‘critical’ to attracting private investment and reducing financial risks to private enterprise in these countries. The UK regulatory regime is directly credited with reducing the cost of funds lent to the social housing sector (Barbato et al. 2004) and, by 2007, private investment in social housing in the UK had risen to over £30 billion (Australian Government 2010).

Like Gilmour (2009), Milligan et al. (2009a) found that governments in a number of countries, including Austria, France, the Netherlands, Switzerland, the UK and the USA have provided funding, policy and regulatory incentives to encourage private investment and not-for-profit involvement in the community housing sector.

Milligan et al. (2009a) have described the Australian national community housing policy framework as a mix of public financial incentives and private financing which is largely focused on cost-effectiveness, as opposed to the variety of affordable housing financing models in Europe (Milligan et al. 2009b), including commercial loans (Austria and Switzerland) state and local subsidies and tax incentives (France and Germany) and rent assistance (the Netherlands). Both Sweden and the Netherlands have ceased direct loans and subsidies and replaced these with capital market loans (see Appendix for more details). In the USA, the Low Income Housing Tax Credit program, an indirect Federal subsidy, is the largest generator of new affordable housing and shares many features with the Australian Government’s NRAS (Gilmour & Milligan 2008; US Government Department of Housing and Urban Development 2011).

However, reported outcomes of not-for-profit involvement in affordable housing provision in Europe has been mixed. While policy reforms in France are reported to have improved financing conditions and increased the rate of social housing production and renovation, social conflict and public image problems remain issues in French community housing. Mature housing providers in the Netherlands, which are largely self-regulated and reliant on capital-market financing and equity, have been able to accumulate large financial surpluses. However, they suffer from ‘deteriorating political legitimacy’ and some housing association tax exemptions have recently been abolished in the Netherlands. The growth of the community housing sector in Switzerland has been ‘modest’, constrained by scarcity of urban sites. Community housing outcomes have been less positive in Sweden, and Swedish CHOs have
experienced increasing housing costs, declining production and sales to tenants (Milligan et al. 2009a, see Appendix for more details).

Milligan (2009) has also documented a number of characteristics of effective community housing regulatory models, based on her analysis of trends in the not-for-profit sectors in various countries. She notes that effective community housing regulatory models include:

- Clear, measurable social policy objectives for regulated providers.
- Support for supply-side subsidies and sufficient public subsidies to meet affordability objectives.
- Contestable funding to drive efficiency.
- Facilitative land supply and planning policies of governments.
- Structured financial arrangements.
- Legislative and regulatory framework to ensure client outcomes, public accountability and effective risk management.
- Diverse tenant base—allocations which strive to balance nomination rights of public funder with tenant choice/social mix.
- Secure public funding streams—grants, loans, tax credits and guarantees to reduce financing costs.
- Intermediaries to channel private finance (some sector-based).
- Use of supply-side subsidies, competition and cost caps to keep costs down.
- Limited demand-side assistance, targeted to ensure inclusion of neediest.
- Supportive land pricing and planning policies.
- CHOss that are neither ‘too big’ nor ‘too small’.
- Increasing tenant focus.
- Well governed, well performing delivery agencies and network support.
- Growing links between affordable housing design and energy standards.
- Built-in evaluation (Milligan 2009).

Milligan concludes that there is strong potential to increase the number of larger CHOs and not-for-profit affordable housing developers in Australia using stock transfers and mixed public and private investment in new supply. However, there are some questions about whether all these criteria for effective performance are met within current trends in CHO development in Australia, including that of tenant mix and balanced allocation rights, and secure public funding streams.

In the 1990s, affordable housing developers and larger ‘growth providers’ began to emerge in Australia and the sector has continued to grow in the 2000s. Milligan et al. (2009b) detail the major housing policy, planning and funding innovations which supported not-for-profit involvement in affordable housing provision in Australia during the period 2005–08, including the Affordable Housing Innovations Funds in several states and the NRAS described above.

Current initiatives and proposed regulatory reforms that encourage further growth and consolidation in the sector are described below.
2.3.2 Current initiatives for CHO sector expansion

The National Housing Supply Council (2010) has pointed out that in recent years there has been a decline in social housing stock as a proportion of the total stock in Australia. The Council highlights the importance of developing the community housing sector to meet demand for low-income housing. Like many other bodies, the Council advocates transferring assets to community housing providers, as well as providing inclusionary zoning and incentives for institutional investors and CHOs in order to foster additional investment.

The not-for-profit sector's share of the social housing dwellings is far smaller than in most other developed countries (Lawson & Milligan 2007; see Section 2.5 for more details). The Commonwealth Government has been actively encouraging further growth and in 2009 commissioned strategic advice on the optimal size of community housing providers to achieve sustainability and growth; the rate at which sector growth could be achieved; and to provide a performance management framework for the sector (ARTD Consultants 2009a). Between 2003 and 2008 the community housing sector increased in size by around one-third (Australian Government 2010).

Milligan (2009) notes a number of rationales for expanding the role of the community housing sector, including:

- Leverage and partnering.
- Preference for non-government delivery (shifting political risk, carrying debt).
- Specialisation, for example 'complex needs clients', low-income singles.
- Addressing unmet needs, e.g. moderate income, singles.
- Fostering innovation and entrepreneurship.
- Local responsiveness and community connectedness.
- Customer choice and satisfaction.

Current policies for increasing the supply of affordable housing in Australia envisage a greatly increased role for the community housing sector with 'a clear national framework which clarifies the roles and responsibilities of all levels of government, the community housing sector and the private sector in the delivery of housing and homelessness outcomes' (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009, p.ix). Housing Ministers have agreed that the community housing sector should represent 35 per cent of all social housing by 2014—a large increase from the current level of around 10 per cent (depending on definitions).

Ministers also agreed that these reforms should ensure that maximum social housing stock numbers are retained, that there is no reduction in the capacity to house priority customers in the future and that there is no negative impact on the financial viability of remaining public housing holdings or the community housing sector (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009). COAG notes that the speed with which reforms can be implemented will depend on the 'maturity and capability of community housing sectors around Australia' (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009, p.16).

2.3.3 Regulatory reform

As Milligan et al. (2009a) have pointed out, one inhibiting factor in community housing sector expansion has been a lack of nationally consistent regulation. This has been
changing and ‘all governments in Australia have recently been active in introducing funding, policy and regulatory strategies’ (2009a, p.1).

Social housing is currently regulated by the Corporations Act 2001 (Cwlth), with specific regulations and contractual agreements between individual providers, governments and tenants (Milligan 2009), while the CHO sector is regulated to varying degrees in different Australian jurisdictions. Academics and advocates have been calling for regulatory reform in the social housing sector for several years. In 2004, Barbato et al. highlighted the need for greater clarity and consistency on tax and subsidy arrangements. A strategic forum on affordable housing held in Sydney in 2005 strongly supported an integrated national approach to the financing, development and delivery of a wider range of affordable housing options (Milligan 2005).

Milligan et al. (2004) advocated increased government investment and reform to encourage not-for-profit involvement in providing social housing and a coordinated national policy approach. Similarly, the Australian Prudential Regulation Authority has advised the Australian Government to set minimum standards, conduct ongoing monitoring of providers and revise the existing legal/statutory framework to support growth in the community housing sector (Australian Government 2010).

Current regulation is highly inconsistent and in 2009 there were no community housing regulatory arrangements in place or under development in either Tasmania or the Northern Territory (Milligan et al. 2009b), despite planned expansion of the sector in Tasmania (Shelter Tasmania 2010).

All Australian Housing Ministers are now committed to a regulatory system, which will allow the CHOs to operate larger scale operations and across jurisdictions, and a recent Australian Government discussion paper (Regulation and Growth of the Not-for-profit Housing Sector) has laid out options for development and reform of community housing, including regulation to protect the interests of government, tenants and providers, and mechanisms to attract more private investment to the sector (Australian Government 2010). The discussion paper notes that not-for-profit providers have built more homes by working in partnership with commercial partners that they would have been able to do through government grants alone and highlights the need for simpler regulations to encourage sector growth (Australian Government 2010).

The COAG reforms aim to remove the financial and structural barriers to non-government investment in community housing to ‘increase tenant choice, increase competition and leverage assets for further growth’ (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009, p.17). COAG expects that its reforms will enable the existing community housing sector to enhance its management, development and workforce capability and improve its information technology and commercial competencies.

Two broad options have been put forward for how regulatory reform might proceed: Option A, the fast-tracked harmonisation of state and territory regulatory arrangements; and Option B, a mixed model where the Australian Government would regulate larger CHOs and those operating across jurisdictions while the states and territories would regulate other smaller providers (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009).

Option A would require the enactment of model legislation and appointment of a Registrar in each jurisdiction. To be successful, this model would also require a mechanism to harmonise data collection and evidence analysis for registration assessments and ongoing monitoring of registered providers. Option B would require
Federal legislation to regulate a specific category of provider; establishing an Australian Government agency to undertake registration assessments; and negotiation of bilateral agreements between the Australian Governments and the separate jurisdictions (ARTD Consultants 2009b).

ARTD Consultants have suggested a number of positive and negative implications of each of these options. Option A, they have argued, deals up-front with the fundamental barriers to growth in the sector, allowing providers to move from non-growth to growth or from single-jurisdiction to multi-jurisdiction operations; and involves all jurisdictions from the start. On the other hand, Option B also addresses barriers to growth in the sector and creates a separate regulatory system (at least for some types of providers), which has the advantage of protecting vulnerable tenants and government investment, and ensuring CHO and private sector confidence.

ARTD summarises the positions of the various stakeholders, noting that the Australian Government tends to favour options that introduce a single regulatory system for providers, while the state and territory governments tend to favour options that either fast-track harmonisation through the introduction of model legislation or by delegating powers to a national registration agency. ARTD suggests that there are mixed views amongst industry stakeholders and that those from consumers groups generally favour jurisdictional regulatory controls (ARTD Consultants 2009b).

The Australian Government has responded with a proposal for a single national regulatory system to ‘protect investment, increase investor confidence and protect tenants’ (Australian Government 2010). Many peak bodies are also broadly supportive of a single national regulatory system. The Community Housing Federation of Victoria (2011), for example, notes that while the Australian Government considers the current state and territory regulatory systems to be ‘fundamentally sound’ (Australian Government 2010), the different regulatory and reporting requirements, stipulated by each Australian jurisdiction under the current system, place a substantial burden of compliance on housing providers and has significantly impeded the growth of CHOs. The Federation also notes that the current system can potentially create conflicts of interest as state housing authorities both allocate and compete for funding in the current environment.

As summarised by ARTD, most state and territory governments are less than enthusiastic about the prospect of a single national regulator. The current NSW regulatory framework, for example, emphasises the diversity of the not-for-profit sector and NSW argues that a system based on regulation operated from a national level would unnecessarily constrain sectoral growth (NSW Government 2010b). The NSW Government is also concerned that splitting regulation across two government levels would be unnecessarily burdensome and could deter investment in the sector.

2.3.4 State and territory community housing policy frameworks

In addition to the significant increase in funding and support for community housing by the Commonwealth, there have been a number developments at state and territory level (CHFA 2009).

CHOs have owned significant proportions of the stock that they manage for several years in South Australia and in parts of the sector in Victoria and Queensland (Milligan 2005). Most jurisdictions have developed community housing strategies and invested significantly in community housing in recent years.

Milligan et al. (2009a) found that Queensland, South Australia, the ACT and the Northern Territory all had established, systemic planning policies, but that South Australia’s state-wide housing and planning strategies were the most innovative and
effective. Milligan (2009) has also identified leading CHOs in most states and territories, including the Brisbane Housing Company (est. 2002), City West Housing (1994, NSW), Community Housing Canberra (1998, ACT), Foundation Housing (2006, WA) and several in Victoria (e.g. Common Equity Rental Housing 1987; Port Philip Housing Association 1985; Housing Choices Australia 2006).

The NSW Government notes that most state community housing strategies have focused on improving the practices of current providers. These include funding industry organisations to provide training and support; providing incentives to encourage mergers of community housing providers; directly providing training and resources; and providing online platforms for network development and accessing resources (NSW Government 2010a, p.19).

The following paragraphs give a brief overview of community housing policy framework in Australian jurisdictions. Further details can be found in Tables A1 and A2 in Appendix.

Australian Capital Territory (ACT)

The ACT Government is providing assistance to the main CHO in the territory (Community Housing Canberra (CHC)) to restructure itself as an independent supplier of affordable housing.

The Government has assisted CHOs in the Territory by providing equity of $40 million through the transfer of CHO-managed properties; providing land to CHOs at market prices; and offering a revolving $50 million loan facility at government borrowing rates (ACT Government 2011).

New South Wales (NSW)

The NSW Government recently released a Community Housing Asset Ownership Policy (2011) and a Community Housing Industry Development Framework (2010a), which outlines the priorities for industry development investment and activity between 2010 and 2015.

NSW Housing’s Community Housing Resourcing Program provided over $2.5 million in 2009–10 to resource agencies to provide a range of capacity building services to community housing providers, including practice advice and resources, organisational support services, and training and education. The NSW Federation of Housing Associations is the major industry body providing capacity building to the community housing sector in NSW and 60 per cent of the funds provided by Housing NSW to the Federation are required to be spent on this activity. Housing NSW also funds other activities to increase the capacity of CHO providers, through developing system infrastructure, and support for industry and provider restructuring (NSW Government 2010a).

Northern Territory

The Northern Territory Government Department of Housing, Local Government and Regional Services delivers a Community Housing Program using NAHA funding. The program offers financial assistance to eligible community-based organisations which provide longer-term accommodation for people who have special housing needs (Northern Territory Government 2011).

Queensland

The Housing and Homelessness Services division within the Queensland Government Department of Communities has set up three Business Development and Innovation Units, which provides online platforms for network development and accessing
resources. The Units provide common training for public housing and CHO employees, and are creating a web portal for the community housing sector (NSW Government 2010a). The Queensland Government has also introduced a Community Housing Rent Policy for Indigenous Councils, which aims to align social housing policy for Indigenous communities with Queensland's broader One Social Housing Framework (Queensland Government 2011).

South Australia

The South Australian Government Department for Families and Communities has set up a Community Housing Authority (CHA) and a web portal for community housing providers. The CHA also runs a learning and development unit that provides subsidised training to community housing staff (NSW Government 2010a).

Tasmania

Although the Tasmanian Government is planning expansion of the community housing sector, up to 2010 there were no community housing regulatory arrangements in place in the state (Shelter Tasmania 2010).

Victoria

Milligan (2009) and the NSW Government (2010a) have identified Victoria as the jurisdiction with the most developed community housing strategy, and noted that the Victorian Government invested over $355 million in community housing between 2005 and 2009.

The Office of Housing within the Victorian Department of Human Services has a separate Housing Sector Development Branch responsible for supporting the regulatory framework (the Registrar). The Housing Sector Development has a Capital Development section, described as a ‘bank’, which receives and evaluates applications for funding from housing associations (NSW Government 2010a).

Western Australia

The West Australian Department of Housing has made funding available to assist larger CHOs to meet registration requirements and offers help developing business improvement strategies, financial feasibility modelling, business plans and risk management plans (NSW Government 2010a).

2.4 Current characteristics of the Australian community housing sector

2.4.1 Size of the sector

The Australian community housing sector has experienced rapid growth in the past decade, mainly as a result of transfers of dwellings from state and territory housing authorities (Australian Government 2010). However, community housing still comprises a very small proportion of all social housing stock and a tiny proportion of the total housing stock in Australia (Community Housing Federation of Victoria 2011).

The AIHW estimates that there are currently around 930 ‘mainstream’ CHOs in Australia, including housing associations, cooperatives, tenancy managers and not-for-profit organisations, such as welfare organisations that provide housing as an adjunct to other services (AIHW 2011). There is also a significant number of Indigenous Community Housing Organisations (ICHOs). The most recent census of Indigenous public and community housing, the Community Housing and Infrastructure Needs Survey (CHINS), found that in 2006 there were 496 ICHOs (Victorian Government Department of Human Services and Housing Ministers’ Conference
2009). However, most provided housing as an adjunct to other services and only 17 per cent of Indigenous organisations delivering housing were specialist housing operators (Eringa et al. 2008).

The community housing sector is largely composed of small providers and 90 per cent of Australian CHOIs manage less than 50 dwellings (AIHW 2011). However, a small number of CHOIs are pursuing active growth strategy, and the largest 45 CHOIs manage 63 per cent of all tenancies (Australian Government 2010).

In the research from Milligan et al. (2009a) on not-for-profit providers of affordable housing in Australia, they found that established developers were already procuring housing at a modest scale, that traditional ‘asset-rich’ service agencies were expanding into affordable housing and that emergent developers were intending to scale up their operations and expand by linking management services linked to housing supply. They also found that there was an unclear growth path for aspiring developers with only limited procurement experience.

In terms of the numbers of CHOIs in the different development categories, they found that in 2008 there were 11 developers already procuring at a modest scale; 11 ‘emergent developers’, with some limited procurement experience, six ‘aspirant developers’ with some limited procurement experience; at least four ‘growth partners’, which were growing by linking management services and supply; and at least 11 traditional ‘asset-rich’ service agencies expanding into affordable housing (Milligan et al. 2009b).

2.4.2 Dwelling numbers

The Productivity Commission (2011) has estimated that there were 63,346 dwellings managed by CHOIs in Australia in 2009, compared with 348,000 dwellings managed by public housing authorities. Almost 70 per cent of these (43,739) were mainstream community housing dwellings, and the rest (19,607) were managed by Indigenous community housing organisations.

In the decade up to 2008–09, community housing as a whole almost doubled, from 6 per cent to 11 per cent of social housing stock (Australian Government 2010). Although this increase is significant, it represents a relatively small change in the context of the broader Australian housing market. Social housing as a whole comprises a only five per cent of all Australian housing stock and community housing accounts for 0.5 per cent of the total housing stock in Australia (ABS 2010; AIHW 2010, cited in Community Housing Federation of Victoria 2011). In contrast, community housing comprises a far greater proportion of all the social housing dwellings in most developed countries. Ninety-nine per cent of social housing in the Netherlands, for example, is managed by not-for-profit providers. Although social housing is also provided by public sector bodies in France, Canada, the UK and the USA, community housing represents a high proportion of all social housing in all of these countries (92%, 67%, 50% and 50% respectively). Among all the countries in the Organisation for Economic Cooperation and Development (OECD), community housing represents a relatively low proportion of all social housing in Australia, Ireland and New Zealand (11%, 13% and ‘negligible’ respectively; Lawson & Milligan 2007).

Although Australia currently has a relatively small community housing sector, this is receiving a significant boost through the NRAS, which is projected to increase the proportion of all social and affordable housing stock held by the community housing sector to 18.5 per cent by 2011–12 (Victorian Government Department of Human Services and Housing Ministers’ Conference 2009).
2.4.3 Differences between mainstream and Indigenous community housing

On average, ICHOs in remote and very remote areas manage far more dwellings than those located in major cities. More than half of all ICHOs and, in 2006, more than two-thirds of all ICHO-managed dwellings (68%) were located in remote and very remote areas (Eringa et al. 2008). However, most Indigenous community housing is managed by small organisations. In 2006, three-quarters of ICHOs (74%) managed fewer than 50 dwellings and only 10 per cent managed more than 100. This is fairly consistent with the ‘mainstream’ Australian community housing sector, where 90 per cent of CHOs manage less than 49 dwellings (AIHW 2011).

In contrast to mainstream community housing providers, there are currently few ‘growth provider’ ICHOs and Eringa, et al. found that the number of dwellings managed by most ICHOs ‘may well be too small [for them] to be able to operate without some form of subsidy’ (2008, p.1). Based on earlier research (Eringa 2000), Eringa et al. (2008) suggested that the financial break-even point for community housing providers in Perth is likely to be at least 50 dwellings, although they found that a number of other factors contribute to the viability of ICHOs, including location, governance, human resource management and housing management.

COAG has agreed that the standards of Indigenous housing must be consistent with those of broader ‘mainstream’ social housing, and highlighted the need for consistent training, accounting and reporting practices and human resource management in ICHOs as well as clear career pathways for Aboriginal housing officers (Australian Government 2010). Although FaHCSIA (2010) highlights the need for ICHOs to secure tenure over the housing they manage, in contrast to their policies relating to mainstream community housing, current government policy places little emphasis on expanding the role of CHOs in the Indigenous social housing sector.

The Australian Human Rights Commission notes that ‘[w]hile the Australian Government’s general housing reforms support the growth of community housing organisations, its Indigenous housing reforms promote management by state-run, public housing authorities’ (Aboriginal and Torres Strait Islander Social Justice Commissioner 2009, p.135). The Aboriginal and Torres Strait Islander Social Justice Commissioner (2009) has questioned the need for government to manage Indigenous public housing and notes that while some Indigenous communities have welcomed increased government involvement in their housing services, others believe that these services have been poorly administered by public authorities and contend that CHOs can better meet their needs.

2.4.4 Costs of community housing

During the period 2008–10, the Australian Government spent $400.0 million on the National Partnership Agreement on Social Housing (see Section 2.2 for more details). The Productivity Commission (2011) estimates that the Australian and state and territory governments together spent $434.5 million on community housing in 2008–09 ($361.5 million on mainstream community housing and $73 million on Indigenous community housing) at a cost of $8289 per mainstream dwelling and $5256 per Indigenous dwelling.

State and territory governments are also investing significant amounts in community housing in their jurisdictions. Milligan (2009) identified Victoria as the jurisdiction with the most developed community housing strategy and noted that the Victorian Government invested over $355 million in community housing between 2005 and 2009. The Victorian Government anticipates that CHOs or the private sector will contribute additional equity of at least 25 per cent of the total project costs of new dwelling construction (Australian Government 2010). The NSW Government also
invested significantly in community housing, providing $49.8 million for an Affordable Housing Innovations Fund (AHIF) under which registered community housing providers will deliver 356 new dwellings. Providers will contribute equity and debt of $55.5 million to these projects.

The majority of tenants living in public housing pay less than the market rent (normally 25% or less of their income). Rents for community housing are more variable but in some cases exceed 30 per cent of tenants’ income. However, Community housing tenants also receive a range of support services (e.g. personal and employment support) and are encouraged to be involved in managing community dwellings (Australian Government 2008).

Although data on the performance of community and public sector housing is neither comprehensively collected nor published (Australian Government 2010; Plibersek 2009), community housing is often perceived as being more efficiently managed than public housing. The direct cost to government of community housing is lower than other public housing, as the not-for-profit sector is able to supplement government funding with private sector borrowing (Community Housing Federation of Victoria 2011).

Deloitte Access Economics suggest that increasing the proportion of social housing provided by CHOs would create significant cost savings for government. Deloitte Access Economics calculations undertaken on behalf of the Community Housing Federation of Victoria estimate that the direct cost to government of providing 12 000 housing units would decrease from $2.7 billion, if 10 per cent of these units were managed by CHOs, to $1.8 billion if 40 per cent of the units were managed by CHOs (Community Housing Federation of Victoria 2011).

CHOs have been shown to be cost-effective and even profitable in the past; Hall and Berry (2009), for example, noted that Australian CHOs reported an overall surplus in the three years to 2005–06. However, they attributed this apparent profitability to CHOs’ heavy reliance on voluntary labour and the fact that they receive discounted rates and have lower cost provisions for depreciation, maintenance, asset replacement and management than public housing. Hall and Berry contend that if CHOs faced the same costs as public providers, most would experience substantial operating deficits.

They advocated that funding for community housing should focus on three streams, namely: specific payments to CHOs to build housing management capacity and effectiveness; specific recurrent grants to redress identified maintenance backlogs; and a capital program focused on redevelopment and expansion of the existing stock (Hall & Berry 2009).

While the cost of the providing CHO-managed housing is generally lower than that of government-managed housing, community housing peak bodies argue that the characteristics of tenants have significant financial implications for housing providers. The CHFA notes that the increasing emphasis of Australian Government/COAG policies on the role of the community housing sector in reducing homelessness suggest that CHOs will increasingly provide assistance to people who are homeless or at risk of homelessness. While this may be seen as mainly an extension of the Housing Plus model of support which is currently provided by many CHOs, supporting tenants with significant problems or problematic social behaviours requires considerable resources. The CHFA argues that many of the costs of services to tenants with problematic social behaviours are ‘hidden’ in the relationship between the housing providers and support organisations and CHOs working with these groups should be adequately supported (Community Housing Federation of Australia 2009).
Available data on the characteristics of community housing applicants supports the CHFA’s concerns—the AIHW estimates that 45 per cent of the nearly 50,000 applicants on community housing waiting lists are ‘high needs’ households and reports that in 2008–09, 75 per cent of new allocations in community housing were to those with the ‘greatest need’ status (AIHW 2011).

2.5 Overseas evidence on the role of the CHO sector in homelessness

In spite of the greater prominence of community housing within the social housing sector in a number of overseas countries, there is not a great deal of detailed evidence about their specific role in addressing homelessness and it was beyond the scope and resources of this review to carry out a specific study of this kind. The countries that are most comparable and for which there is some limited information available are the UK and the USA and these are discussed below.

2.5.1 UK

As is currently underway in Australia, large-scale transfers of housing stock from local government authorities to CHOs took place in the UK in the 1990s and early 2000s, greatly increasing the number of housing units owned and managed by the community housing sector (also known as registered social landlords or community-based housing organisations) (Malpass & Mullins 2002; McKee 2008). This has changed the way in which new tenants gain access to social housing (Pawson et al. 2009).

The Housing Corporation stated in the mid-2000s that housing associations made a significant contribution to homelessness prevention in the UK through:

→ Partnerships with local authorities, providing temporary and permanent accommodation for homeless households.
→ Providing good housing management and related support services to sustain tenancies.
→ Working in partnership to tackle the causes of homelessness—addressing anti-social behaviour, financial exclusion, and signposting to opportunities for education, training and employment (Housing Corporation 2006).

This report noted that homelessness prevention is a core function of all housing associations’ work, even though it is not often recognised as such. The Corporation argued that significant advantages arose from CHOs making homelessness prevention an explicit part of their mission and organisational culture, and provided case studies of UK housing associations that have taken innovative approaches to housing people who were previously homeless. New Charter Housing Trust, for example, directly addressed homelessness and exclusion by working in partnership with other organisations and taking a whole-of-organisation approach to homelessness prevention. Similarly, the Community Housing Group took a multi-agency approach to anti-social behaviour, working closely with the police and a youth offending team to set up support plans to address challenging behaviour in tenants, thereby preventing tenants from becoming homeless. Another organisation cited was the West Country Housing Association, which let a high proportion of their new lettings to people who were previously homeless and worked closely with ‘housing options’ teams in the local authorities in which it operated to prevent potential repeat homelessness (Housing Corporation 2006). Examples of other UK CHOs that specifically target people who are homeless or had previously been homeless include
In a significant change, by 2010, about one-third of all local authorities in the UK had transferred homelessness responsibilities to the community housing organisations managing the transferred housing stock. However, homelessness services have been taken back in-house by several local authorities in recent years as a result of difficulties arising from this process and some UK commentators have raised queries about whether in managing housing on such a large scale, community housing associations can maintain their claimed differentiation from public housing authorities (e.g. Pawson et al. 2009; Mullins & Pawson 2010).

A report by the Scottish Council for Single Homeless examined services for people who are homeless after stock transfers took place in England and the potential implications of these, given that wide-scale stock transfers were planned in Scotland at this time. The report concluded that ‘homeless services are likely to deteriorate unless local authorities and Registered Social Landlords [CHOs] plan well in advance of stock transfers taking place’ (2001, p.i).

Partly as a result of some of these difficulties with stock transfer there has been a strong emphasis on inter-agency working and collaboration between local authorities and CHOs in the UK. Recently, five local authority regional ‘hubs’ have been established in Scotland to promote joint interagency cooperation between local government authorities and Registered Social Landlords (CHOs) and more efficient use resources to prevent homelessness (Scottish Government 2011).

2.5.2 USA

The USA differs from the UK (and Australia) in not having a large government-financed community housing sector providing mainstream social housing as an alternative to government housing projects. However, a range of not-for-profit and community-based organisations are active in initiatives to address homelessness.

The Corporation for Supportive Housing (CSH) is a large, national non-profit organisation and community development financial institution in the US that works with corporate and not-for-profit partners to help communities create permanent housing with services to prevent and end homelessness (Corporation for Supportive Housing 2011a).

The CSH notes that most supportive housing in the US targets chronically homeless individuals and people with serious mental illness. More than two-thirds (68%) of respondents to their 2011 State of the Industry Survey, which covers people working in the US supportive housing industry, reported that chronically homeless single people were a priority population for their service, with a high proportion of services also targeting general homeless singles (52%) and general homeless families (43%).

The CSH provides over 90 examples of CHO-owned and managed developments in the US which specifically target people who were previously homeless, including Anna Bissonnette House in Boston; Margot and Harold Schiff Residences in Chicago; and Allegan Housing, providing scattered-site supported housing in rural Allegan County, Michigan.

Some services target people who were previously homeless with specific health-care needs or substance use issues. For example, 1811 Eastlake in Seattle provides housing and services, including physical and mental health care, meals, counselling and chemical dependency treatment to address the needs of people with chronic alcoholism. Similarly, Brick Row Apartments in Willimatic, Connecticut target people
who were previously homeless with mental health and/substance use problems and provide on-site services and community spaces in addition to housing.

There are numerous smaller non-profit CHOs operating in the US, including the American Family Housing in California (American Family Housing 2012) and Pathways to Housing, which developed the Housing First model of addressing homelessness among people with severe psychiatric disabilities and substance use disorders and operates in New York City, Philadelphia, Washington, D.C. and Burlington, Vermont (Pathways to Housing 2012).

Therefore, the US does not necessarily offer useful evidence concerning the role of CHOs in the Australian context, but it remains an important source of information and evidence on specific initiatives and models to address homelessness, such as Housing First, which is discussed below.

2.6 Models for the role of CHOs in addressing homelessness

Underlying the drive for an expanded role for CHOs in housing people who are homeless is this view that they are likely to have particular expertise in meeting social needs over and above simply the provision of physical accommodation. This is a view that the sector itself has put forward, while arguing that it needs sufficient financial support to be able to fulfill the role successfully. There are two particular models of service provision that are relevant in this respect—one which concerns the broad potential for CHOs to add value to social housing (the Housing Plus model) and the other which is specifically concerned with a new approach to housing people who are chronically homeless (Housing First). The next two sections discuss the main features of these service models.

2.6.1 Housing Plus

The Housing Plus' concept was first developed by the UK Housing Corporation (then the national regulatory and funding body for housing associations and other community housing organisations) in the mid-1990s. It focuses on the capacity of providers of social housing to deliver positive outcomes to tenants in addition to accommodation. One of the central features of this model is that it should be developed and managed in partnership with residents and other service providers (Urban and Economic Development Group & Newbury King 1998). Key components have involved increasing tenant participation, employment creation and training, and other local economic development. Other claimed advantages of the Housing Plus approach in the UK context were that it built on an inherent focus in community housing on ‘people problems’ and provided a capacity to respond to extreme needs arising from social and economic polarisation (Power & Richardson 1996).

This approach has had strong support from the Australian CHO sector. The Community Housing Federation of Australia (2009), for example, has suggested that the Housing Plus approach is one of the most important features that distinguishes community housing providers from others. Australian research literature also suggests that by adopting a Housing Plus approach, community housing is in a better position to strengthen communities than public housing, especially through brokered access to the wider range of supportive community services (Farrar et al. 2003a, 2003b; Gilmour & Burke 2008). Farrar et al. (2003b) argue that community housing can help reduce isolation amongst tenants who have experienced sustained exclusion and can ease the transition from homelessness to secure housing. Jones et al. (2007) also found that community housing is generally popular with tenants and is seen as responsive to people with special needs, as well being able to address the needs of particular neighbourhoods. One case study examining the impact of community
housing on an estate in Western Sydney, for example, found that the activities of the
CHO helped to mobilise community resources, facilitate individual participation,
stabilise community fragmentation and create a beneficial social mix (NSW Office of
Community Housing 1998).

However, UK evidence is more mixed and the Housing Corporation originally defined
Housing Plus in quite general terms, as:

... an approach to management and development which consists of the
creation and maintenance of sustainable [in this context meaning enjoying a
healthy demand for letting throughout its projected lifetime] social housing,
obtaining added value from housing management and investment and building
partnerships with stakeholders. (Housing Corporation 1997)

In a study of the actual impacts of the Housing Plus approach in the UK, Evans (1998)
found that while it had considerable potential it was a problematic concept because of
difficulty in unravelling the contributions to social development made by housing
associations from those by other agencies. Evans found a gap between policy
aspirations and actual achievements on the ground, not least because housing
associations were under-resourced to have an impact on the severity of problems
experienced by many social housing tenants.

Nevertheless, in Australia, the NSW Federation of Housing Associations (2011)
describes the aims of the overall community housing model as one built on the
Housing Plus approach and offering holistic support to social housing tenants through:

➔ Tenant involvement in management and a fostering of community development.

➔ Flexible housing options that meet a diversity of needs such as linking housing
and other community services to tenants, for example services for people with a
disability.

➔ Encouraging innovation in meeting housing needs.

➔ Designing and securing joint ventures between public and private investors.

Thus the expansion into further support from CHOs for people who have been
homeless can be seen as a natural progression in this model.

2.6.2 Housing First

Housing First is an increasingly influential approach to addressing chronic
homelessness. While it is not specifically designed to involve community housing, in
practice, partly because of the assumptions underlying the Housing Plus approach
discussed above, CHOs have been seen as important potential partners in this
approach. Previous research in Australia has shown that existing strategies for
addressing primary homelessness through crisis and temporary housing models were
having only limited success, and new approaches were needed (see, e.g. Gronda
2009; Black & Gronda 2011). This new focus has coincided with the emergence of a
growing body of evidence from the USA indicating successful outcomes from an
approach to addressing long-term and chronic homelessness described as Housing
First (Tsemberis & Eisenberg 2000; Padgett et al. 2006; Haggerty 2008).

This model challenges what is often known as the ‘continuum of care’ or ‘housing
readiness’ approach. Rather than moving individual people who are homeless through
different levels of housing, whereby each level moves them closer to independent
housing if they comply with various forms of service treatment or engagement,
Housing First moves the homeless person immediately from the streets or
homelessness services into their own secure accommodation. The model, pioneered
originally in New York by psychiatrist Dr Sam Tsemberis (2004) and the Pathways to Housing organisation, is based on the idea that the first and primary need is to obtain stable housing, and that other issues should be addressed once housing is secured. One important feature of this approach, however, is that services must be provided to address these other needs and to help sustain a tenancy.

Housing First is based on a number of key principles:

- Housing is a general right.
- The problems and issues many people who are homeless face can be diminished and better addressed if stable housing is provided.
- Access to this housing should not be contingent on compliance or participation in treatment programs of support services, but these should be offered in a form tailored to people’s needs and preferences.
- People should be helped to move back into permanent housing as quickly as possible, to minimise the harm caused by homelessness.

The Housing First approach has spread from the US to a number of other countries, including in Europe, where a series of experimental projects were established in five countries to test the model in a variety of settings (Busch-Geertsema 2011).

Several different models of Housing First have also begun to operate in Australia. The first to gain momentum was the Common Ground model, based on the programs operating in New York (Haggerty 2008). The distinct features of this approach include the development of purpose built, congregate apartment accommodation designed to include a mix of ex-homeless tenants and other lower-income residents, along with on-site service provision and case management. There are now Common Ground projects operating or in the process of development in at least five Australian capital cities.

Alongside Common Ground, projects bearing the name of Street to Home have been set up in Victoria, South Australia and Queensland, while other similar initiatives or pilots are operating in NSW, including the City of Sydney’s Ways2Home, Mission Australia’s Michael’s Intensive Supported Housing Accord (MISHA) in Parramatta and Reaching Home in Newcastle.

Street to Home differs from the Common Ground model in that it does not necessarily offer purpose-built congregate accommodation, but works with community and other social housing providers to access individual, appropriate housing options, along with intensive case management and coordinated service support. Although Street to Home in the US was first developed by the Common Ground organisation (drawing on the experience of the UK Rough Sleepers Initiative in the 1990s), Street to Home schemes in Australia are also influenced by the US Pathways to Housing approach.

While these schemes are all based broadly on the principles of Housing First, adaptation to the Australian service context necessarily involves variation in how they operate. This includes differences in the mix of clients taken on, in terms of their assessed levels of support need, as well as in the way that support services are delivered. Perhaps most importantly, some projects may include the initial use of transitional housing for some participants rather than offering permanent housing from the start. To some extent, this may be a result of the shortage of appropriate affordable housing options, but it is one of the more controversial aspects of Australian Street to Home models and could be seen as undermining the key principles of the Housing First approach (Bullen 2011). The ‘assertive outreach’ approach central to the Housing First has also been called into question in a context where appropriate permanent housing solutions may not be available (Parsell 2011).
In general, there are some concerns among commentators in the field about the appropriateness of adopting overseas models in the Australian context.

A number of CHOs are already directly involved in Housing First projects, of which one good example is Project 40 in Penrith and the Blue Mountains, NSW, which links a wide network of local homelessness service agencies in a consortium, working with Wentworth Area Community Housing, to provide housing plus support services to people in the area who are homeless (Brennan 2009).

This model of collaboration between CHOs, homelessness services and other service providers to address homelessness seems likely to become more widespread, but there is little evidence available as yet about how effective such initiatives are, or about how this model operates within the framework of common social housing waiting and allocation lists.

2.7 Conclusions

The Australian community housing sector is evolving rapidly—the number of dwellings owned or managed by CHOs has increased considerably in recent years, and there is an increasing emphasis on the role of community housing in the future Australian social housing system.

The increased importance of CHOs in delivering social housing in Australia mirrors similar developments in other countries. Academic and policy literature shows that government regulation is essential to the successful engagement of not-for-profit organisations and industry partners in the social housing sector.

The NAHA and the Nation Building Social Housing Initiative have significantly increased funding for community housing in Australia, while new financial incentives such as the NRAS are encouraging private investment in the sector. There have also been substantial levels of asset transfer to the community housing sector in the past five years and larger CHOs are emerging through growth and merger. The movement towards a unified or harmonised regulatory framework and capacity building plans outlined by COAG is anticipated to further promote the development of larger CHOs, assist them in attracting new sources of funding, and increase the skills and efficiency of the community housing sector workforce.

In becoming a major wing of social housing, CHOs are likely to be expected to take on more people who are homeless with high support needs. Community housing organisations’ longstanding experience in managing complex tenancies and their ability to mobilise local community involvement could also situate them to be able to respond effectively to the needs of people who are homeless, using both Housing Plus and Housing First approaches. However, the UK experience suggests that mass transfer of housing stock along with homelessness responsibilities can put a strain on CHOs capacity to operate differently from mainstream public housing.

Both state and national peak bodies for CHOs are broadly supportive of the current policy direction. However, there are concerns about the sustainability of the model of CHOs accepting transfer of large proportions of public housing stock without ongoing operational subsidies, as has also been an issue in the UK. CHO peak bodies have also argued that there are significant costs associated with supporting tenants with high support needs and that CHOs will require the increased subsidies from governments if they are have an increased role in meeting the housing and support needs of people who are homeless.

In the context of policies that aimed at expanding the size of the sector, it is a good time to address the gaps in knowledge listed above and to find out how CHOs are currently addressing the issue of homelessness. The findings from this study will aid
policy discussion on reducing homelessness through sustainable expansion of the community housing sector.
3 RESEARCH APPROACH

3.1 Conceptual framework

This research is primarily an empirical study aiming to fill some key gaps in current knowledge cited above. Policy on community housing sector expansion is currently proceeding on the assumption that organisations will be able to take on a significantly greater role in providing secure and sustainable housing for people who are homeless, and thus contribute to goals of both reducing headline numbers of people homeless and breaking the cycle of repeated homelessness. This assumption may be true, but it is largely untested as yet. The literature suggests that there will be challenges involved in CHOs taking on this role, but that there are also likely to be innovative and successful responses to these challenges. We believe that those managing and developing community housing under these conditions are well placed to answer the research questions identified below, along with experts working in the two linked sectors of community housing and homelessness. Thus the methodological framework focuses on these stakeholders as the main informants.

There are obvious limitations to this approach in that it cannot fully test the capacity of the sector to take on this expanded role—rather it will collect information and opinion from a sample of informants on the experiences and challenges and issues involved in responding to the policies being promoted to expand the supply of social housing to people who are homeless.

3.2 Research questions

In order to address these knowledge gaps, a set of key research questions have been developed for this study, based on those identified in the original proposal and modified through the literature review and initial consultations.

1. How are CHOs addressing the housing and support needs of people who are homeless?

2. What challenges are they facing in responding effectively to current policy directions of sector expansion and homelessness reduction? For example:
   - impact on their control of tenant selection
   - impact of operating joint waiting lists with public housing
   - consequences of changing demographic mix of tenants
   - impact on housing management, rent collection etc.
   - ability to provide/manage support services
   - impact of fast growth
   - cost impacts

3. What innovative programs and partnerships are they undertaking to address these needs?

4. How do these responses vary across the sector, by jurisdiction, size and type of organisation?

5. What are the lessons for effective homelessness policies in the context of sustainable growth in the community housing sector?

The study involves collecting and analysing information from the community housing sector itself, through a national on-line survey, semi-structured telephone interviews with informants from a selection of CHOs and consultations with peak sector
organisations. These will include Indigenous community housing organisations, as although they operate within a somewhat different framework from that of other CHOs, they are important providers of housing for Indigenous communities.

3.3 Methods

This section outlines an appropriate and effective methodology to address the research questions outlined above. It combines quantitative and qualitative methods, drawing primarily on the experience and views of people experienced in the development and management of CHOs themselves, and those of other policy informants and experts in the field.

3.3.1 Literature and policy review

As reported above in Chapter 2, brief and focused review has been undertaken of the literature and available policy documents on expansion of the community housing sector, and on different models and examples of programs and partnerships undertaken by CHOs to address homelessness. The main purpose was to set out the current policy context for the study and identify what we currently know and do not know about CHOs and homelessness.

3.3.2 Consultations with national and state peak community housing and homelessness organisations

The findings from the literature and policy review will be amplified by structured consultations with the peak community housing and homelessness bodies, aimed at identifying key policy issues and areas of investigation to be included in the CHO survey. These discussions are likely to assist us in the design of the CHO survey and the framing of particular questions, and in identifying particular CHOs of interest to be included in the telephone interviews.

The consultations will be carried out face-to-face in NSW and by telephone in other states and territories. They may include teleconferences with several participants where this is judged to be appropriate. Organisations likely to be included in this process are as follows.

- Community Housing peak bodies for each jurisdiction (and CHFA).
- National and jurisdictional homelessness peak bodies.
- National Shelter.
- Other individual organisations of interest, including Homeground in Victoria.

3.3.3 National survey of CHOs

We propose to undertake a national, on-line survey of CHO executive officers and managers to find out: how they are currently dealing with accommodating people who are homeless; what particular forms of support or assistance they provide to help sustain tenancies for people with support needs; whether they are operating or planning innovative programs or partnerships for working with people who are homeless; what difficulties or challenges they face in taking on a larger role in homelessness reduction; how this role is affected by any current or planned expansion of their housing stock; what integrated referral and allocation arrangements they have with the public housing authority and how these are working; and what policy approaches they feel are needed to support sustainable growth in the sector. We will also ask whether CHOs are taking on specialist staff for these new needs and what capacity they have to construct and manage support agreements with other service providers.
In the context of the increasing importance of Housing First, we also aim to explore the prevalence and understanding of the terminology and concepts related to this approach within the CHO sector.

The questionnaire will also collect basic details about the organisation in order to allow for cross-tabulation of results, including whether it is a housing association, housing cooperative, church housing agency, Indigenous housing organisation or other type; current housing stock and any planned expansion; proportion of allocations going to people who are homeless; staffing; location.

Excluding Indigenous-specific community housing, it is estimated that there are just under 1000 CHOs in Australia, ranging from small housing cooperatives with only a few dwellings, to large associations with several hundred dwellings and branches in several towns. The best available frame for a survey of this kind is the database assembled from the states and territories by the AIHW for the purposes of sector monitoring. While there is some inconsistency in definitions across jurisdictions, this provides the best contact list for the sector as a whole, and we have approached AIHW to obtain permission from the states and territories for access to lists of CHOs by jurisdiction, along with a few key variables. This permission has been given in principle by most of the jurisdictions and we are awaiting confirmation from AIHW.

We propose to use this database as the main way to contact CHOs and invite them to participate in the survey. The survey will take place on-line, using the KeySurvey software for which UNSW has a licence or a similar program. The recruitment letters or emails to CHOs will include a unique access code for the web-based survey instrument. Where respondents are unable to access an on-line survey we will offer either telephone or postal completion as alternatives. We will ask the national and state peak bodies to publicise the survey to their members and indicate their support and encouragement for CHOs to participate.

The instrument will include some open-ended questions, which will either coded and reported quantitatively or analysed as qualitative comments, depending on the nature of the questions. The data analysis will be primarily descriptive, but will include tests of statistical significance and multivariate analyses where appropriate.

Advisory Group members and other peak bodies will endorse the survey by adding their logos to it and helping with distribution. CHFA agreed to advertise the survey in their publications, including their national bulletin, and will encourage state/territory peak bodies to do the same. It may still be hard to access small CHO providers with this endorsement, as some smaller organisations are not members of any of the peak bodies.

Because we are aware that CHOs are subject to many reporting requirements and other requests for information, it may be more effective in terms of response rates to sample from within the overall list. The basis on to stratify such a sample is currently under discussion as part of our consultation with peak bodies and our research advisory group, but is likely to include state/territory, organisation type and size, as well as having a separate strand for Indigenous CHOs. These stratification variables are available in the AIHW database.

Although most CHOs are relatively small, we would expect a significant amount of development in this field to be taking place in larger organisations so there would be a justification for oversampling amongst these. There are also large differences in the average size of CHOs across jurisdictions. In NSW, for example, the average number of dwellings managed by CHOs is 1500—much larger than other jurisdictions—and organisations with less than 200 dwellings are often considered ‘very small’ in NSW. There may be economies of scale in larger organisations, but smaller organisations
are not necessarily inefficient. They may also operate in a niche market or have access to specific support payments that larger mainstream providers do not. Therefore, the survey sampling should not exclude all smaller organisations. Subject to further consultation we propose to breakdown the stratification into organisations with less than 50 dwellings, those with 50–199 dwellings and those with 200 dwellings or above. It will also be necessary to be aware that dwelling numbers and other CHO figures derived from AIHW estimates tend to be inconsistent and vary from year to year.

3.3.4 Semi-structured telephone interviews with CHOs, identified from the survey and in consultation with peak bodies

Issues arising from the quantitative surveys will be pursued in greater depth in a series of semi-structured interviews, mainly by telephone, with CEOs or managers of up to 20 CHOs across the country identified from the survey, and in consultation with peak bodies, as having a particular contribution to make to the study. These will include respondents from both smaller and larger CHOs, from both church agencies and secular housing associations, and from Indigenous-specific CHOs.

The interviews will explore in more detail the views and experiences of respondents of their organisations’ roles in taking on more people who are homeless as tenants, and how CHOs can be supported to do this more effectively.

3.3.5 Policy/practice workshop for the community housing sector, policy makers and researchers

When the main body of the research has been carried out, but before the Final Report has been completed, we propose to hold a one-day policy and practice workshop for participants from the community housing and homelessness sectors, policy makers and researchers. At this we will present draft results of the study for discussion, and also invite speakers from a number of CHOs involved in programs of interest. The aim would be to invite comment from the sector, which would feed into the Final Report and to start the process of dissemination of findings and policy implications from the study. At this stage we are proposing to hold only one workshop, in Sydney, but there are options for this being repeated in other locations, subject to additional funding being available.

Table 1 below shows how the research questions will be addressed using the different data sources and methods.
<table>
<thead>
<tr>
<th>Research questions</th>
<th>Data sources</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>How are CHOs addressing the housing and support needs of people who are homeless?</td>
<td>Literature review; consultations; CHO survey; CHO interviews</td>
<td>Review of literature and policy; on-line survey of CHOs; semi-structured telephone interviews with selected CHO managers</td>
</tr>
<tr>
<td>What innovative programs and partnerships are CHOs undertaking to address these needs?</td>
<td>Literature review; consultations; CHO survey; CHO interviews</td>
<td>Audit of programs derived from survey; detailed discussions in telephone interviews with selected CHOs</td>
</tr>
<tr>
<td>What challenges are CHOs facing in responding effectively to current policy directions of sector expansion and homelessness reduction?</td>
<td>Consultations; CHO survey; CHO interviews; policy workshop</td>
<td>Analysis of CHO survey responses and telephone interviews; discussion of findings in policy workshop</td>
</tr>
<tr>
<td>How do these responses vary across the community housing sector, by jurisdiction, size and type of organisation?</td>
<td>Mainly CHO survey, consultations</td>
<td>Analysis of CHO survey responses, by locations and characteristics of CHOs</td>
</tr>
<tr>
<td>What are the lessons for effective homelessness policies in the context of sustainable growth in the community housing sector?</td>
<td>All research elements</td>
<td>Conclusions drawn from overall study</td>
</tr>
</tbody>
</table>

### 3.4 The contribution of the research to policy development

The findings from this study will contribute to policy discussion on how homelessness can be reduced through sustainable expansion of the community housing sector, and how the community housing sector can best be supported to achieve these aims. It is also likely to produce useful information and practice examples for sharing within the CHO sector itself.
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## APPENDIX: AFFORDABLE HOUSING POLICY AND PLANNING SUMMARY TABLES

Table A1: Housing policy and funding innovations to support supply of affordable housing through not-for-profit agencies, 2005–08

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>Negotiated agreement with Community Housing Canberra (2007) to develop affordable housing for rent and purchase, underpinned by public loan facility, direct purchase of government sites and transfer of public housing sites suitable for redevelopment at higher density.</td>
</tr>
<tr>
<td>New South Wales</td>
<td>Affordable Housing Innovations Fund (2007) for regulated not-for-profit housing providers that can contribute private debt/equity for developments for a mixed income target group; competitively allocated. Community housing growth strategy (2007) includes provision for funds and redevelopment sites to be allocated to designated growth providers to enable procurement of new supply directly by them (previously a government function).</td>
</tr>
<tr>
<td>Queensland</td>
<td>Funding for Gold Coast Community Housing Company (2008) for project developments for public housing applicants. Continued funding for Brisbane Housing Company for project developments for public housing applicants, 2005–08.</td>
</tr>
<tr>
<td>South Australia</td>
<td>Affordable Housing Innovations Fund (2007) for not-for-profit housing providers that can contribute private debt/equity for developments for a mixed income target group, competitively allocated.</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Funding for Tasmanian Affordable Housing Limited to enable them to head lease newly built privately owned rental housing from 2007/08 for five years (with an option to renew) for allocation to public housing applicants.</td>
</tr>
<tr>
<td>Victoria</td>
<td>Investment fund for regulated housing associations that can contribute private debt/equity for developments for a mixed income target group, competitively allocated across a small group of key providers, 2005–08.</td>
</tr>
<tr>
<td>Western Australia</td>
<td>State Community Housing Investment Fund (2007) for regulated not-for-profit housing providers that can contribute private debt/equity for developments for a mixed income target group, competitively allocated across a small group of key providers.</td>
</tr>
<tr>
<td>Commonwealth</td>
<td>National Rental Affordability Scheme (2008) capital subsidies for 10 years to not-for-profit housing organisations to help them build or purchase new rental housing by using a mix of debt and equity, sourced privately or from other levels of government. Additional significant opportunities for not-for-profit housing organisations to expand their housing management services to private investors that receive tax credits in return for providing additional below market rental housing for 10 years. National Affordable Housing Agreement (2009) and the Nation Building and Jobs Plan (2009) include requirements for states to increase funding to not-for-profit sector providers to increase diversification (of providers of social and affordable housing) and to provide housing for a broader range of client types (than mainstream public and community housing). Range of other complementary housing initiatives (see Australian Government 2008).</td>
</tr>
</tbody>
</table>

Source: Milligan et al. 2009b, Table 5.
<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>ACT Land Development Authority commitment to ensuring that 15 per cent of Greenfield land released be affordable. Australian Capital Territory Planning and Land Authority. (ACTPLA) required to demonstrate how affordable housing outcomes are being met.</td>
</tr>
<tr>
<td>New South Wales</td>
<td>Voluntary planning agreements permitted to extend to affordable housing contributions (s93F EPAA, introduced 2005). Housing for Seniors or People with a Disability (State Environmental Planning Policy) density bonus for ‘Affordable Places’ (introduced 2007). Affordability Threshold introduced to restrict local development contributions to a maximum of $20,000 per lot/dwelling and reductions on state government development contributions (Section 94E Direction, effective February 2009). Affordability criteria to be a consideration in setting development contribution requirements (Environmental Planning &amp; Assessment Act Amendment Bill 2008; implementation pending).</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>NT Government commitment to achieve 15 per cent affordable housing when Crown Land is released for residential development (2008).</td>
</tr>
<tr>
<td>Queensland</td>
<td>Affordable housing to be included in designated Urban Development Areas; local plans may require affordable housing as a condition of approval within these designated areas (2008). State Planning Policy 2007: Housing and Residential Developments—high growth local governments required to ensure that local plans provide for housing diversity.</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Commitment to undertake housing needs assessment in local planning.</td>
</tr>
<tr>
<td>Victoria</td>
<td>VicUrban—commitment to ensure that 25 per cent of sales made at lowest quartile of local market. Five per cent of VicUrban developments to be offered to affordable housing providers. Affordable housing for Transit Cities under consideration as part of redevelopment process. Inclusionary housing model under development for inner Melbourne region.</td>
</tr>
<tr>
<td>Western Australia</td>
<td>East Perth Redevelopment Authority Draft Housing Diversity Policy (2008), which would require developers receiving density bonus to contribute to affordable housing on site or to a dedicated fund.</td>
</tr>
</tbody>
</table>

Source: Milligan et al. 2009b, Table 6.
Table A3: Summary of outcomes of evaluative European research on CHOs

<table>
<thead>
<tr>
<th>Country</th>
<th>Reported outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>Shift away from subsidisation of municipal housing companies, cuts to tax breaks, allowances, amidst EU competition criticisms. Trends include increasing housing costs, declining production, sales to tenants as co-operative shares in central locations, concentration of vulnerable tenants in remaining social rental housing (Magnusson-Turner 2008; Turner &amp; Whitehead 2003).</td>
</tr>
<tr>
<td>France</td>
<td>Sustained financing mechanism (CDC, state grants and HLM equity, low VAT), reforms to issuing of savings accounts (Jan 2009) to improve financing conditions, increasing rate of social housing production and renovation. High demand in areas of low vacancy, yet additional output constrained by limited grants and equity, considerable urban rehabilitation required, social conflict and public image problems. (Schaeffer 2009, 2008, 2003; Tutin 2008).</td>
</tr>
<tr>
<td>Austria</td>
<td>Sustained structured financing model with generous supply subsidies, increasing requirements for tenant equity in new higher quality developments prompts right to buy, production levels gradually increasing since 2001, responding to increased demand from migrants and contributing to economic upturn. Despite financial turbulence, low interest rates have favoured limited profit projects and limited profits remain strategic partners in complex urban renewal (Czerny et al. 2007; Amann 2006).</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Sustained co-operative financing mechanism promoting modest growth of sector constrained by scarcity of urban sites, additional significant federal contributions to revolving fund, but no large long term public loans program, low interest rates currently favour cost rent development (Gurtner pers. comm.2009; Lawson 2009; FOH 2006).</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Privatisation of municipal housing companies into private associations from the 1970s, self regulation, reliance on capital-market financing and own equity, activity at higher end of market, sales for ownership now equivalent to the production of new dwellings by associations, accumulation of large financial surpluses in mature providers, highly independent, yet deteriorating political legitimacy, recent abolition of some housing association tax exemptions (Lawson &amp; Elsinga 2008; Boelhouwer 2007).</td>
</tr>
</tbody>
</table>

Source: Milligan et al. 2009b, Table 16.
AHURI Research Centres

AHURI Queensland Research Centre
AHURI RMIT Research Centre
AHURI Southern Research Centre
AHURI Swinburne-Monash Research Centre
AHURI UNSW-UWS Research Centre
AHURI Western Australia Research Centre
AHURI UWA Research Centre

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