

# Research Synthesis

## **Beyond the current NAHA: what next for national housing policy?**

**Conference discussion paper**

authored by

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## PURPOSE

The current National Affordable Housing Agreement (NAHA) introduced considerable national housing policy innovation and one of the most productive periods for the growth of affordable housing in Australia.

The purpose of the conference *Beyond the current NAHA: what next for national housing policy?* is to make a contribution to the review of national housing policy reform. It will consider:

- The housing policy challenges facing political leaders now and into the future.
- The factors critical to the successful delivery of affordable housing in Australia.
- The missing ingredients under the current NAHA.
- The shape and structure of future national housing policy.

This discussion paper will be one of the many mediums used at the conference to stimulate debate about the current and future configurations of national housing policy.

The purpose of this discussion paper is to:

- Make clear the current NAHA objectives, elements, context and outcomes.
- Pinpoint policy framework reform and program mechanisms that could be included in a future NAHA, given its current objectives.

This discussion paper provides an overview of:

- The state of housing affordability in Australia – housing policy challenges now and into the future, plus lessons from international housing policy.
- The existing NAHA.
- Housing program mechanisms which could be included in future national housing policy.

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## **ACRONYMS**

COAG	Council of Australian Governments
CRA	Commonwealth Rent Assistance
GFC	Global Financial Crisis
HAF	Housing Affordability Fund
IAFFR	COAG Intergovernmental Agreement on Federal Financial Relations
NAHA	National Affordable Housing Agreement
NP	National Partnership Agreements
NRAS	National Rental Affordability Scheme
ROGS	Report on Government Services

## EXECUTIVE SUMMARY

This paper considers the relationship between our national policy framework for affordable housing and the program mechanisms which are used to implement it. It has considered the question: what could be included in a future National Affordable Housing Agreement (NAHA) to better deliver its whole of housing system objectives?

The NAHA was established in response to a significant loss of housing affordability over the last three decades. Despite some recent softening in house prices, the underlying structural housing affordability problem, which particularly impacts low-income private renters, is unlikely to have abated.

The establishment of the NAHA reflected a commitment to a new, national approach to the housing affordability crisis. The NAHA adopted a whole of housing system approach, as well as integrating homelessness services, creating a growth fund for social housing and driving a significant focus on remote housing for Indigenous people. Prior to the NAHA, Australian housing policy over the last two decades had largely devolved to lower levels of government. This devolution has had a number of consequences including reduced coordination, accountability and certainty.

The NAHA established a comprehensive whole of housing system focus driven by an ambitious outcome orientation. It included untied base funding and additional National Partnership funds, specified through bi-laterally negotiated Implementation Plans. It is likely, however, that without the unprecedented investment of Nation Building funds, the NAHA would have had limited impact on affordable housing supply.

This paper finds that the architecture of the existing NAHA is complex and fragmented over a range of different agreements and reform directions. The policy framework also excludes a range of program mechanisms that are used in Australia and internationally to attend to affordable housing. While the NAHA represents a major shift toward national, coordinated housing policy in Australia, there remain a range of program mechanisms that:

- Could be more explicitly linked to the NAHA architecture (e.g. CRA, NRAS, HAF, First Homeowners Scheme).
- Are underdeveloped in the Australian context (e.g. financing vehicles and the use of the planning system).

In addition, the paper highlights tax and housing system reform as key missing pieces in the current NAHA policy framework.

The paper concludes there are two key benefits of explicitly including other existing housing program mechanisms in the next iteration of a National Affordable Housing Agreement:

- **Drive accountability** to the NAHA outcomes: housing program mechanisms that are 'in' the NAHA would require an assessment to determine their impact on the NAHA outcomes. Impact analysis is critical to reduce perverse incentives and contradictory drivers.
- **Ensure coordination** of effort between mechanisms for different parts of the housing system, and from different parts and levels of government.

A future NAHA could ensure that program mechanisms which critically affect housing affordability are tied to performance indicators that monitor the impact of these mechanisms on the affordability outcomes that the NAHA seeks to achieve.

# 1 INTRODUCTION

This chapter establishes the context for national housing policy by providing a brief overview of the state of housing affordability, the Australian housing system and national approaches to housing affordability.

## 1.1 The state of housing affordability

Australia, like many western economies, has a housing affordability problem (Yates & Gabriel 2006; Burke et al. 2007; Yates et al. 2007, p.7; Yates 2007b; Gurran et al. 2008; Beer et al. 2011). A range of recent Australian government, academic and industry reports have shown a decline in housing affordability across both home ownership and private rental tenures (Burke et al. 2011; Productivity Commission 2004; Urban Development Institute of Australia 2007; Yates 2007a; AMP.NATSEM 2008; Fujitsu Consulting 2008; Senate Select Committee on Housing Affordability in Australia 2008). The housing system in Australia is currently unable to adequately sustain the population and its housing needs (National Housing Supply Council 2010).

Despite some recent softening in house prices, the underlying housing affordability problem affecting low-income private renters (Yates 2009a), particularly older Australians and families, is unlikely to have abated.

The available, national and international evidence suggests there are a range of factors that have individually and cumulatively affected the current housing affordability crisis in Australia. These include:

- A demand for more housing prompted by the simultaneous increase in the number of households and the proportion of households with fewer occupants, creating more competition within the housing market (Wulff et al. 2009).
- Wages that have not kept pace with rising house prices (both purchase and rental). Between 1960 and 2006 real house prices increased at an average of 2.7 per cent each year compared to 1.9 per cent growth in real incomes (Yates et al. 2007a, p.9). The amount spent on housing costs has been gradually rising across all households from around 11 per cent of household income in the mid-1970s to just over 15 per cent in 2003-04 (Yates et al. 2007a, p.4).
- An array of government subsidies, taxation concessions and other incentives that disproportionately favour home ownership (Berry 2003; Lawson and Milligan 2007; Lawson et al. 2009).
- Financial market deregulation and higher house prices resulting in bigger mortgages. Those on low-moderate incomes may find themselves ineligible for loans to purchase even a modest home (Flood & Baker 2010).
- Economic pressures following the Global Financial Crisis (GFC) placing more households in mortgage stress or in mortgage default and increasing competition in the private rental market. The chronic shortage of private rental is locking those in low-moderate incomes out of much of the previously affordable housing stock, as higher income groups seek to save costs by accessing cheaper rental properties (Berry et al. 2010; Yates 2007a).
- Overall housing shortages and increasing competition in the rental market meaning that affordable properties are not necessarily occupied by low-income households (National Housing Supply Council 2010). In 2006, nationally, the shortage of available affordable private dwellings was 211,000, meaning only one dwelling available for every five very low-income households (Wulff et al. 2009, p.34).



→ Declining public housing expenditure over the last 20 years (Jacobs et al. 2010).

The impact of these changes has been widespread and diverse. The experience of housing market affordability varies across geographical spaces, however non-metropolitan locations are facing the same affordability problems as those found in cities (Beer et al. 2011). The demand for affordable housing is often in areas with access to appropriate infrastructure, resources and facilities, where land prices are disproportionately impacted by market forces (Gurran et al. 2008). The provision of affordable housing is also impacted by the speed with which land is released (Beer et al. 2011). According to the Productivity Commission (2011), planning processes are considered a significant barrier to affordable housing supply, as is the type and size of land released. Land availability, development processes, policies and charges, infrastructure and construction costs and property-related taxes are all mechanisms that further impact on supply (Yates et al. 2007).

Without doubt the housing system in Australia is inequitable and dysfunctional. At the household level many individuals and families are finding themselves either unable to find suitable and sustainable affordable housing or are increasingly in housing stress where they are unable to pay for daily activities due to the high proportion of income dedicated to housing costs. This is exacerbated by the lack of social housing, the absence of purpose built rental housing stock (Productivity Commission 2004; Wulff et al. 2009) and the small and intermittent private investment in affordable housing supply (Berry 2002).

## **1.2 The state of the Australian housing system**

Housing researchers suggest that housing affordability concerns are made more extreme in the Australian context because housing is a prime source of wealth generation.<sup>1</sup> The Productivity Commission confirms that home ownership is the primary tenure for higher income and/or dual income earners, and notes that the family home accounts for two thirds of private sector wealth in Australia (Productivity Commission 2004, p.1).

Home ownership is a sector which is provided with a vast array of government subsidies, taxation concessions and other incentives (Berry 2003; Lawson 2007; Yates 2009b). The function of private housing as the major source of wealth accumulation for Australian households has impacted on housing system affordability. This leads housing economist Judith Yates to conclude that for Australia's housing system to continue to provide equitable access to 'security and stability for those who seek it', will mean:

...giving up the speculative wealth accumulation and tax-advantaged unearned gains that [...] transformed the Great Australian Dream into the Great Australian Nightmare in the 1990s. (Yates 2007b, p.3)

The loss of affordability is occurring along with reduced access to home ownership for particular groups. Over the decade 1996–2006, during a period of economic prosperity, households with lower incomes found it increasingly difficult to enter home ownership; specifically, the group aged 45–65 experienced a significant loss of home ownership, with implications for aged care policy (Flood & Baker 2010).

The impacts of housing affordability also create wider economic (labour supply), social (social inclusion), spatial (dividing cities and communities) and environmental (car dependency) consequences that cost governments as well as individuals. Those

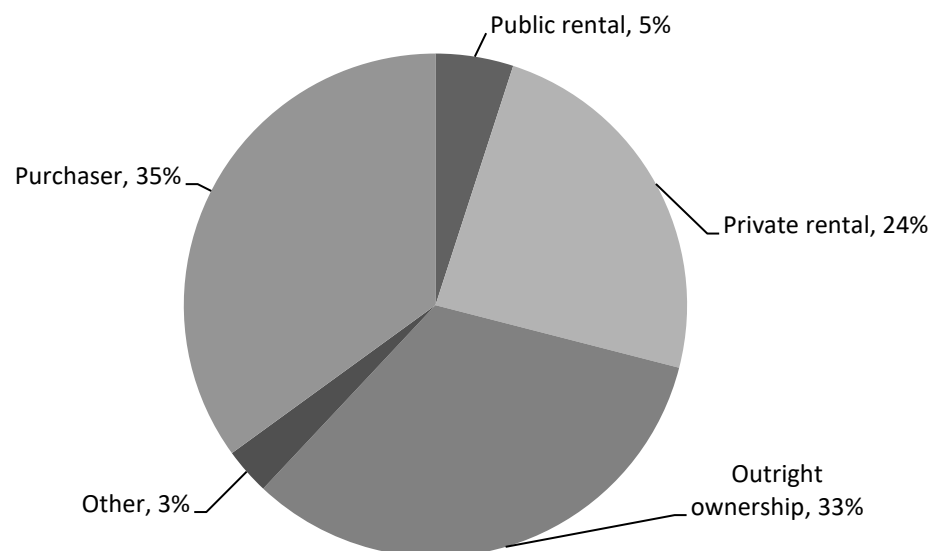
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<sup>1</sup> For a comprehensive overview of the Australian housing system see pp.11–25 of Yates et al 2008.

households with lower incomes are finding it increasingly difficult to access affordable housing; rental or home ownership.

The most recent ABS report, using data from the 2007–08 Survey of Income and Housing, states that 33 per cent of Australian households owned their homes outright, 35 per cent were purchasing, while 24 per cent rented from a private landlord and 5 per cent were renting from a state or territory housing authority (ABS 2010) as shown in Figure 1.

**Figure 1: Australian housing tenure (2007–08)**



Housing affordability outcomes vary across the tenures available within the housing system (National Housing Supply Council 2010). However it is important to note that these overall figures mask a more complex picture, revealed once housing tenure is analysed by factors like age, income and geography (Flood & Baker 2010; Yates 2002). For example, the tenure outcomes for Indigenous Australians are strikingly different, with an average home ownership rate around half that of the rest of Australia.

### **1.3 The state of national housing policy frameworks**

In Australia, and internationally, central governments are responding to the housing affordability crisis. The process being adopted is a shift from a devolved policy framework to a more centralised or national approach. The recent turn to a national or centralised housing policy framework in Australia was, according to Milligan and Pinnegar (2010), in direct response to the housing market crisis evident at the start of the 21st century.

The NAHA has much in common with international approaches, demonstrating a shift toward a national policy framework and utilising a broadly similar palate of program mechanisms. Internationally, governments are responding to past policy failures that have ignored or contributed to the unraveling of the housing system and the growth of housing inequalities. Many of the mechanisms explicitly implemented by the current NAHA or deployed alongside it mirror those being undertaken in other parts of the world. However, as discussed in chapter three, there are certainly areas in which Australia can learn further from the international experience.

There are many examples in the literature of recent housing policy successes, however as Chiu (2010) argues there has been very little written about housing policy transfer. Likewise, there has been minimal practice on wholesale housing policy transfer across jurisdictions. This, she suggests, is because of the complexity of detaching the 'national, social and historical contexts' from one jurisdiction to another (Chiu 2010, p.303). What much of the housing policy transfer literature has focused on are the broad functions of program mechanisms that are then adapted to local conditions.

A selection of housing program mechanisms that have been implemented internationally to grow the supply of affordable housing are outlined in Table 1.

**Table 1: Selected international mechanisms attending to housing affordability**

Country	Policy approach	Mechanisms	Objectives
Hong Kong	Centralised	Rental subsidies Reduction and removal of home ownership subsidies	Provision of affordable housing for all citizens
Austria	Centralised	Legislative framework Supply subsidies Tax revenue redistribution Changes to for profit housing sector Banking investment	Increased supply of affordable housing
Romania	Centralised	Legislative framework for affordable housing	Regulate financing and provision of affordable and social housing
United States	Centralised	Rental vouchers Tax credits National Housing Trust Fund	Create affordable housing
Netherlands	Centralised	Rent subsidies	Ensure access to affordable housing
United Kingdom	Centralised	Housing supply monitoring Stock transfer and private finance leverage	Ensure access to affordable housing
Australia	Centralised	Housing supply monitoring Stock transfer National partnership agreements Stimulus injection Rental subsidy (CRA) Investment incentive (NRAS)	Ensure access to affordable housing

Source: Berry 2002; Lawson and Milligan 2007; Milligan and Pinnegar 2010; Gurrán et al. 2008; Amman 2009; Chiu 2010

The international literature provides important insights into the divergent ways that governments have adapted a range of program mechanisms to suit the current circumstances.

A particular example in relation to Indigenous housing policy comes from research on Canadian Indigenous housing policy frameworks and program mechanisms. Milligan

et al. (2010) provide an analysis of the ways in which Indigenous housing program mechanisms can benefit from inclusion in a national housing framework.

Milligan et al. explain that Canadian Aboriginal peoples experience similar social, economic, political, cultural and housing conditions to those experienced by Indigenous Australians. In addition, the housing policy approach has been similar in the two countries, including federal responsibility for Indigenous outcomes, which led to separate systems of social housing provision (Milligan et al. 2010, p.76).

The Canadian experience has shown how the devolution of Aboriginal housing, from a national housing framework to lower levels of government, can result in a fragmented program response constrained by unstable financial arrangements (Milligan et al. 2010, p.73). The Canadian experience demonstrates the value of maintaining Indigenous housing within a national framework. A national policy framework can ensure:

- secure financial arrangements
- programs to ensure culturally appropriate housing responses
- secure tenancies
- self-determination through the establishment of Indigenous controlled housing services.

The incorporation of Indigenous housing within a national housing framework like the NAHA is critical. Milligan et al. (2010, pp.76–77) demonstrate that when programs are delivered outside a national framework they are less likely to be successful.

More generally, a national approach to housing, according to Amman et al. (2009), requires national governments to take a leading role in the supply of affordable housing and move away from demand-side and market-based approaches to the provision of affordable housing. The shift to national policy frameworks to attend to housing affordability has been evident internationally. The European Union has provided guidelines for member states to frame housing policies to ensure transparency and uniformity in the provision and financing of affordable housing across Europe (Amman 2009).

The international evidence demonstrates that overwhelmingly there is no 'silver bullet' to reverse the current trends in the housing system. It does, however indicate the move towards a more coordinated and centralised approach to housing policy.

The next chapter outlines the architecture of Australia's national housing policy framework—the NAHA.

## 2 THE NAHA – ARCHITECTURE AND OUTCOMES

The NAHA introduced a significant shift in Australia's national housing policy landscape. It established a comprehensive whole of housing system focus driven by an ambitious outcome orientation. The NAHA commenced in 1 January 2009, superseding the longstanding Commonwealth State Housing Agreement (CSHA). The CHSA had been in operation for over 60 years, and more recently (1984) included the Supported Accommodation and Assistance Program (SAAP). According to Milligan and Pinnegar (2010) the replacement of the CHSA and SAAP with the NAHA heralded a significant shift in housing policy and provision in Australia. The NAHA, according to the authors, placed housing at the core of a national agenda and aimed to rewrite State and Commonwealth relationships with respect to financing housing policy.

The establishment of the NAHA reflected a commitment to a new national approach to the housing affordability crisis. The NAHA adopted a whole of housing system approach to affordability outcomes, as well as integrating homelessness services, creating a growth fund for social housing and driving a significant focus on remote housing for Indigenous people.

The following discussion outlines the architecture and outcomes of the NAHA in order to make visible the complexity of this policy framework and to highlight the limited number of program mechanisms that it directly mobilises to address housing affordability.

In the following chapter we consider what is missing from the current NAHA architecture, by examining evidence about effective housing policy and program mechanisms which are not currently part of the formal NAHA.

### 2.1 The National Affordable Housing Agreement

The NAHA is a schedule to the COAG Intergovernmental Agreement on Federal Financial Relations (IAFFR). The role of National Agreements appended as schedules to the IAFFR is to clarify the roles and responsibilities of the Commonwealth, states and territories in the delivery of government services, and to enhance public accountability.

Accordingly, the NAHA established mutually agreed objectives, outcomes, outputs and performance indicators with respect to affordable housing in Australia. The national agreement sets the framework for Commonwealth provision of block grants of untied funds and national partnership agreements which require states and territories to negotiate implementation plans, see Figure 2.

The objective and the outcomes established by the NAHA are high-level, ambitious and comprehensive. They establish a national, inclusive vision for housing policy in Australia. The objective of the NAHA is that:

All Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation. (COAG 2009)

This objective is to be delivered through achieving the following six outcomes which address the whole of the housing system:

- People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion.
- People are able to rent housing that meets their needs.

- People can purchase affordable housing.
- People have access to housing through an efficient and responsive housing market.
- Indigenous people have the same housing opportunities (in relation to homelessness services, housing rental, housing purchase and access to housing through an efficient and responsive housing market) as other Australians.
- Indigenous people have improved housing amenity and reduced overcrowding, particularly in remote areas and discrete communities.

As will be discussed below, there remains a significant challenge in understanding whether the program mechanisms implemented within the NAHA policy framework are delivering or, at least, contributing to these outcomes.

Commonwealth funding for the delivery of services to achieve the NAHA objectives was allocated by a Special Purpose Payment (SPP), allocated within Schedule D of the Intergovernmental Agreement, and through five National Partnership Agreements.

The 2009–10 SPP for Affordable Housing was \$1.2 billion to be distributed between the states and territories on a per capita basis. The annual growth factor for the SPP is not a housing indicator, but is tied to incomes.<sup>2</sup> The Intergovernmental Agreement requires that the SPP is spent on the housing sector, but the funds are otherwise untied. The agreement does not specify how the states and territories should allocate or match the funds in order to meet the NAHA objective and outcomes. The jurisdictions implement a variety of program mechanisms in order to achieve the NAHA objective, tailored to their local contexts.

The Intergovernmental Agreement does establish national uniformity for first home purchase assistance. Schedule A, the First Home Owners Scheme specifies that the states and territories will provide a uniform national entitlement of \$7000 per application. From 2010, it allows that this entitlement may be capped at property values not less than 1.4 times the median property value. The introduction of targeting may enable this mechanism to be somewhat more effective in meeting the NAHA objective. Research has demonstrated that first home owner grants operate as economic stimulus mechanisms rather than improving housing affordability (Wood et al. 2006).

Under the NAHA umbrella, five National Partnership Agreements (NPs) were established which provide additional targeted funds and specified program directions:

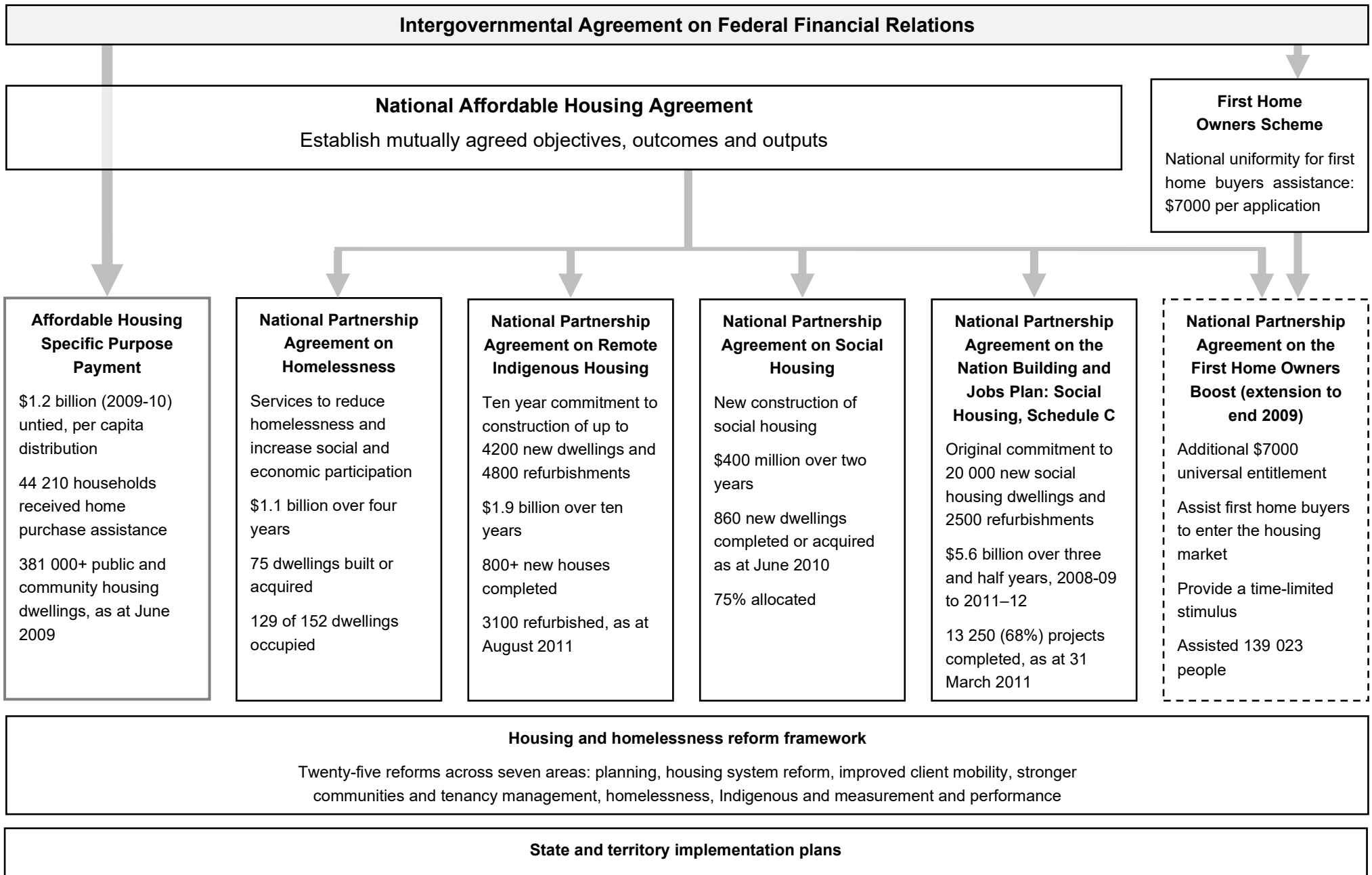
- Homelessness NP (\$800 million over four years).
- Remote Indigenous Housing NP (\$1.9 billion over ten years).
- Social Housing NP (\$400 million over two years).
- First Homeowners Boost NP (additional \$7000 until end 2009).
- Nation Building and Jobs Plan NP, Schedule C, Social housing (\$5.6 billion over three and half years, 2008–09 to 2011–12; \$5.238 billion for new construction and \$400 million for repairs and maintenance).<sup>3</sup>

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<sup>2</sup> As specified in the IAFFR: Wage Cost Index 1 (comprising safety net wage adjustment weighted by 75% and all groups CPI weighted by 25 per cent).

<sup>3</sup> Original commitment was \$6.4 billion.

Figure 2: NAHA architecture



The states and territories developed bi-laterally negotiated Implementation Plans in order to secure the NP funds.

Notably, the most financially significant NP was the economic stimulus package delivered in response to the GFC in 2008, which injected an unprecedented \$5.6 billion investment into social housing. As at 31 March 2011, 19 617 projects had been approved, 18 675 (95.2%) projects were underway and 13 250 (68%) projects were completed.

In addition, embedded within the NAHA and the Nation Building NP are a set of 25 significant reforms to housing policy and service delivery. These are discussed below.

### 2.1.1 Housing policy reforms

The NAHA and its supporting National Partnership agreements introduced an ambitious reform agenda. In total, 25 reforms were specified within the NAHA and the Nation Building: Social Housing Initiative NP.

These reforms, along with others agreed by Housing Ministers, were integrated into a Housing and Homelessness Reform Framework which addresses 'current and future challenges to the social housing and homelessness systems, along with a focus on improved housing outcomes in remote Indigenous communities and initiatives to expand housing supply' (Housing Ministers' Conference 2009, p.9).

The Housing and Homelessness Reform Framework grouped the reforms into seven areas as depicted in Table 2. While it is clear that the reforms aim to address the breadth of the housing system, there is a strong emphasis on reforms to social housing.<sup>4</sup>

**Table 2: Housing and homelessness reform framework**

Reform area	Reform projects
Planning	Utilising government land supply and other interventions Anticipated supply shortfalls
Housing system reform	Options for Commonwealth payment of funding for social housing Community housing industry development strategy Enhancing the growth of the community housing sector National regulatory system for community providers Prudential supervision Leveraging investment Small and medium business
Improved client mobility	Integration of waiting lists Shared equity Seamless transitions to private rental and home ownership Creating incentives for public housing tenants to take-up work opportunities Improved portability for public housing tenants

<sup>4</sup> For an overview of the research evidence relevant to the NAHA reforms, see *AHURI's contribution to the cumulative evidence base to inform the national housing reform agenda*, [http://www.ahuri.edu.au/downloads/about/AHURI\\_research\\_contribution\\_to\\_the\\_cumulative\\_evidence\\_base\\_national\\_housing\\_reform\\_agenda.pdf](http://www.ahuri.edu.au/downloads/about/AHURI_research_contribution_to_the_cumulative_evidence_base_national_housing_reform_agenda.pdf)



<b>Reform area</b>	<b>Reform projects</b>
Stronger communities and tenancy management	Reducing concentrations of social disadvantage Location of social housing stock Rent setting and allocation policies Compulsory rent deductions Tenancy management plans for inappropriate behaviours
Homelessness	Integration of homelessness services with mainstream services Homelessness supporting quality services Homelessness data collection and management Workforce development strategy
Indigenous	Indigenous access to mainstream housing and home ownership Indigenous municipal services
Measurement and performance	Financial and reporting standards Performance indicators for social housing stock Improved tenancy management and maintenance benchmarks

Source: Housing Ministers' Conference 2009, p.18

## **2.2 NAHA outcome reporting**

As laid out in this chapter, the architecture of the NAHA is complex and fragmented over a range of different agreements and reform directions. In addition, as discussed in the next chapter, there are key program mechanisms that are not part of the NAHA, yet impact on the outcomes. This is at least part of the reason why there is not currently a strong evidence base to assess the performance of the NAHA against its objective and outcomes.

This section describes the existing sources of outcome performance reporting, produced by the COAG Reform Council and the Productivity Commission. In addition, in February 2011, COAG announced a review of the National Affordable Housing Agreement. These sources acknowledge that further work is needed to tighten the performance reporting of the NAHA against its objectives and outcomes.

At present there is not adequate information to determine if the outcomes focus is driving effective change in the housing system, however this is not simply a data problem. There remain significant gaps in our understanding of the housing system, and of the relationship between interventions (outputs) and outcomes. In particular, the timescale of housing policy mechanisms and the flow on effect in housing affordability outcomes across the housing system is not clear.

### **2.2.1 COAG Reform Council**

The COAG Reform Council (the Council) is responsible for publically reporting the performance of all governments against the NAHA outcomes. The Council has published baseline data for 2008–09 and a second year report which reports progress against the outcome and outputs in 2009–10 (COAG Reform Council 2011). The second year performance report was submitted to COAG on 29 April 2011, and publicly released on 8 June 2011.

As presented in Table 3, there is, to date, limited data to assess the performance of the NAHA against its objective and outcomes.

The only strong evidence for change was that the share of home purchase affordable to low-income households grew from 6.9 per cent to 11.5 per cent (COAG 2011, p.23). However the Council notes that the impact of interest rate changes following the GFC is a significant probable cause: 'The Council therefore cannot comment on the extent to which the improvement in affordability is attributable to any specific reform action by governments'.

**Table 3: Reported NAHA performance 2009–10**

<b>Outcome</b>	<b>COAG Reform Council, National Affordable Housing Agreement Performance Report for 2009–10</b>
People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion	There are limited data to track progress against this outcome. Identified need for repeat assistance amongst SAAP clients dropped from 9.9 to 9.0% (COAG 2011, p.13).
People are able to rent housing that meets their needs	There are limited new data to track progress towards the outcome. Rental stress among public housing tenants remained low and steady, but increased with remoteness (COAG 2011, p.19).
People can purchase affordable housing	Data show improvements across all jurisdictions. Share of home purchase affordable to low-income households grew from 6.9 to 11.5% (COAG 2011, p. 23).
People have access to housing through an efficient and responsive housing market	It is not possible to measure progress toward this outcome (COAG 2011, p.37).
Indigenous people have the same housing opportunities as other Australians	There are limited data to track progress against this outcome. Mortgage stress was more common amongst low-income Indigenous home purchasers (COAG 2011, p.39).
Indigenous people have improved housing amenity and reduced overcrowding, particularly in remote areas and discrete communities	There are limited data to track progress against this outcome (COAG 2011, p.47).

The disappointing uncertainty in the outcome reporting is partly due to the limitations of data collection timing (some indicators are not measured annually) but it also reflects considerable uncertainty in the links between outputs, measures and outcomes, as well as uncertainty about the timeframe between intervention and results.

Output reporting is more complete than outcome reporting. An example for the outputs relevant to homelessness is provided in Table A1 in the Appendix. However the links between outcomes and outputs is significantly unclear as the following caution from the COAG Reform Council indicates:

In most cases, the council cannot comment on whether an increase or decrease in the output constitutes progress towards an outcome. (COAG Reform Council 2011, p.87)

The Council notes for example that it is not clear if a change in an output result reflects a change in the demand for services or the consequence of increased access to services, a change to service models, or an effect of output reporting definitions.

### *2.2.2 Productivity Commission Report on Government Services*

The Productivity Commission also reports against the NAHA outcomes and output indicators in the annual *Report on Government Services* (ROGS). The Commission reports on housing assistance, but not on all of the NAHA or on all of housing assistance, as there are a range of housing investments which are made under different programs or at a state level which do not fall within the ROGS scope. For example, home purchase assistance, state level private rental assistance and some community housing investments are excluded.

The Commission also specifically notes that it is not possible to ascertain the amount of NAHA SPP funding expended on housing assistance because the NAHA funding is not tied to specific programs (Productivity Commission 2011, c16.5).

The next chapter describes some of the other housing program mechanisms which are not explicitly within the NAHA, yet are clearly relevant to achieving the NAHA objectives.

### 3 BEYOND THE CURRENT NAHA

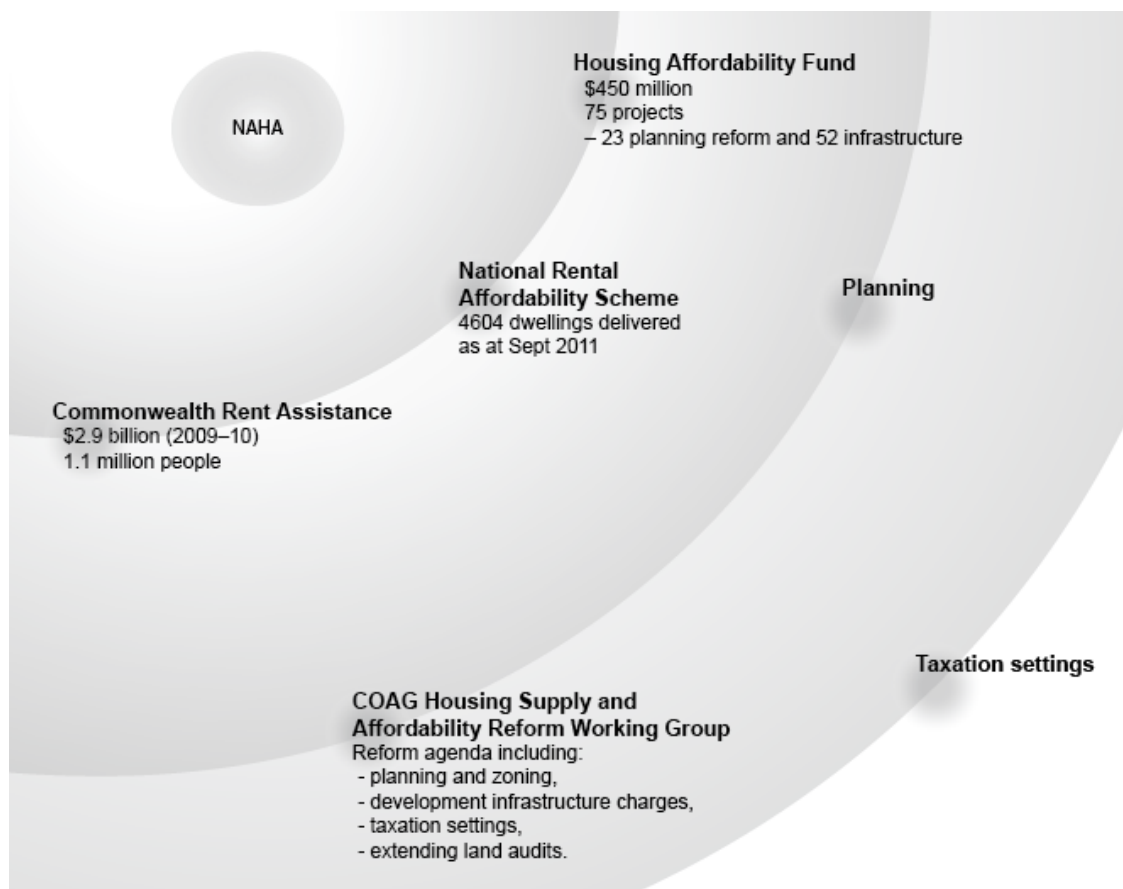
The survey of international approaches to national housing policy discussed in Chapter 1 indicates an international trend towards centralised approaches to national housing policy. The second chapter outlined the architecture of Australia's current housing policy framework.

This chapter will critique the current NAHA by examining the range of existing housing program mechanisms which are relevant to delivering the NAHA objective but either currently sit outside the national policy framework or are not significantly included in housing policy discussions. These instruments are depicted in Figure 3 and include Commonwealth Rent Assistance; National Rental Affordability Scheme; Housing Affordability Fund; COAG housing supply and affordability reform working group; national planning framework; and tax reform.

In this chapter we briefly outline the value of including these mechanisms into a future NAHA. This critique will consider:

- How these program mechanisms could be more directly linked to the NAHA in a future agreement.
- How those programs currently outside the NAHA can undermine the objectives of the NAHA.
- How sidelining key program areas outside the NAHA can have deleterious effects.

**Figure 3: Orbiting the NAHA**



## **3.1 Program mechanisms currently outside the NAHA**

### *3.1.1 Commonwealth Rent Assistance*

The Commonwealth Rent Assistance (CRA) program is a demand-side financial subsidy used to assist low-income households in the rental market. CRA aims to increase the affordability of private rental for low income households. There are many concerns about CRA and its ability to enhance housing security and long term tenancy. According to the Henry Tax Review the significant disparity between ‘deep subsidy’ public housing and shallow subsidy CRA ultimately distorts the housing market. At present, CRA is only available to private rental and not-for-profit housing provider tenants, while public housing tenants are ineligible. This contingent policy setting creates an arbitrary distortion in the market for delivery of affordable housing. Another concern is that CRA as an income supplement does not take into account key housing characteristics, for example geographic specificities in rental market costs.

The exclusion of the CRA from the formal NAHA minimises the scope for using this significant program mechanism to promote housing objectives. As well as reducing housing costs for individual households, CRA can contribute to delivering:

- Security for the not-for-profit housing provider sector (therefore promoting growth).
- ‘Smoothing’ out the financial disparity between different kinds of housing assistance to create tenure neutral housing assistance and reducing market distortion.
- Supporting operational costs of public housing.<sup>5</sup>

A national affordable housing policy framework could valuably consider the impact of CRA eligibility exclusions on the function of the housing system, and bringing it explicitly into a future NAHA would support this assessment and promote coordination and accountability.

### *3.1.2 National Rental Affordability Scheme*

The National Rental Affordability Scheme (NRAS) is outside the current NAHA but aligned within a wider strategic approach to housing reform and the provision of affordable housing in Australia. The NRAS is an incentive mechanism designed to reward investment in the provision of new affordable homes. NRAS is modeled on the US tax-credit scheme but is provided either as a tax credit for private investors or as a subsidy for not-for-profit providers, for a limited 10-year period. Housing constructed under the NRAS must be rented to households at 20 per cent under the market rate. NRAS is currently Australia’s primary existing mechanism to encourage private and/or institutional investment in the provision of affordable housing.

As at September 2011, the Department of Sustainability, Environment, Water, Population and Communities reports that 4604 NRAS dwellings are tenanted or available for rent, housing a total of 7543 occupants (Department of Sustainability 2011). An additional 19 812 incentives have been allocated, however the dwellings have not yet been built.

The NRAS program crucially involves a matching financial or in-kind contribution from the states and territories. Including the NRAS program explicitly into a future NAHA will provide a stronger rationale for securing state level support and providing certainty to the growing not-for-profit housing provider sector.

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<sup>5</sup> The proposal to extend CRA to public housing tenants has been on the reform agenda for at least 18 years; the Productivity Commission in 1993 reported proposals to make public housing tenants eligible for CRA (Productivity Commission 1993, p.xvii).

To promote the effectiveness of NRAS for supporting growth in the not-for-profit sector, Milligan et al. (2009) suggest that a certain percentage of NRAS could be set aside. This would capitalise on the capacity building already taking place, deliver cost-effectiveness and is the most reliable way to secure affordable housing beyond the 10-year life of the scheme, given that the sector will retain some if not all of its stock (p.152). NRAS also provides an opportunity for states to strategically tie not-for-profit finance to the grants (already occurring in NSW and SA) and achieve greater economies of scale.

Explicit inclusion of NRAS within a future NAHA could drive these kinds of policy improvements. Milligan et al. (2009) finds that NRAS is a positive opportunity but the ten-year time limit may threaten the gains by resulting in stock sales to repay private debt. They recommend a coordinated approach to private fund raising rather than individual leveraging to increase cost-effectiveness. Such a coordinated approach is a critical missing piece in Australian housing policy landscape and is discussed below.

### *3.1.3 Housing Affordability Fund*

The NAHA specifies the inclusion of planning agencies and local government as key players in the delivery of housing affordability outcomes, however a key Commonwealth initiative, the Housing Affordability Fund (HAF) was initiated prior to and does not have an explicit link to the agreement. This program could be strengthened by inclusion in a future NAHA.

In September 2008, prior to negotiating the NAHA, the Commonwealth introduced a program to drive planning reforms to improve affordability for home purchasers. The Housing Affordability Fund was announced as a five-year, \$450 million investment by the Australian Government.

According to the departmental website,<sup>6</sup> 75 HAF projects have been approved to stimulate the supply of new housing and support more affordable housing.

Projects have been funded in every state and territory and include:

- Twenty-three reform-based projects to promote and develop best practice local government planning and development assessment processes. Nine of the reform projects will assist with the implementation of electronic Development Assessment (eDA) systems in each jurisdiction to enable faster assessment of development approvals.
- Fifty-two infrastructure projects to reduce the burden of infrastructure charges on developers and generate savings for purchasers of new entry-level and moderately priced homes. Infrastructure investments will also help to speed up the release of land for residential development.

HAF projects are selected to address two significant barriers to increasing the supply of affordable housing:

- The 'holding' costs incurred by developers as a result of long planning and approval times.
- Infrastructure costs, such as the laying of water pipes, sewerage, transport and the creation of parks.

The intention of HAF is to reduce housing-related infrastructure and planning costs, in order to pass savings onto new home purchasers. The impact of HAF has not been evaluated.

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<sup>6</sup> <http://www.environment.gov.au/housing/haf/index.html>

### 3.1.4 *First Home Owners Scheme*

As described in Chapter 2, the Intergovernmental Agreement (IAFFR) establishes national uniformity for first home purchase assistance, to be provided by the states and territories. While first home purchase assistance is an explicit part of the NAHA program architecture, and reported in the COAG Reform Council Performance report, there is evidence to indicate a need for improved coordination and accountability of this mechanism to the objective of the NAHA.

Economic modelling has demonstrated that first home owner's grants operate as an economic stimulus rather than improving housing affordability (Wood et al. 2006). Indeed, this effect was explicitly mobilised during the response to the economic crisis in 2008 through the First Home Owners Boost National Partnership Agreement. Making this mechanism for home purchase assistance accountable to the NAHA's whole of housing system objective would recommend an impact analysis to assess its overall effect on the housing system, and may result in greater targeting of the mechanism.

## 3.2 Underdeveloped program mechanisms

Two underdeveloped program mechanisms that could be more strongly linked to a future NAHA, and significantly strengthened and mobilised to deliver NAHA objectives are financing vehicles and the use of the planning system.

### 3.2.1 *Financing vehicles for affordable housing rental supply*

Financing vehicles to attract private and institutional investment are a significantly underdeveloped part of Australia's response to housing affordability (Milligan et al. 2009). The NRAS program described above is an existing example. While the current NAHA included a significant one-off injection of funds through the Nation Building economic stimulus package, it is unlikely that this kind of public investment can be repeated. It is critical that a future NAHA includes further mechanisms for channelling private and institutional funds into affordable housing.

A body of AHURI research has documented international examples of effective mechanisms to channel private investment into affordable housing, particularly through not-for-profit housing providers (Berry et al. 2004; Milligan et al. 2009). The research consistently suggests there is a close relationship between growth of a well-managed and well-regulated not-for-profit housing sector and growth in large-scale private investment (Milligan et al. 2009). According to Milligan and Pinnegar (2010) there needs to be a long-term investment in the not-for-profit sector for it to be successful. Conversely, a successful and mature affordable housing sector with strong market performance history, reputation and stability could make affordable housing more attractive to large-scale private investment.

Countries that have achieved private investment in the public or community housing system include the UK, Switzerland, the Netherlands, France and the US. Lawson et al. (2010) identify the following key financing mechanisms used by these countries:

→ **France**

Dedicated and tax-privileged savings deposit system for affordable housing. Tax-free saving accounts are guaranteed by the state and the savings are then pooled and distributed as loans to the not-for-profit housing sector. This mechanism converts short-term deposits into long-term loans (Milligan et al. 2009).

→ **United States**

Real Estate Investment Trusts (REITs) allow investors to pool significant funds which are then invested in affordable housing (Jones 2007, p.384). Low Income

Housing Tax Credits (LIHTCs) have been largely successful in attracting significant funding into affordable housing. A key factor is the long-term stability of the program which has allowed for meaningful risk assessment through the collation and analysis of large amounts of investment performance data.

→ **Switzerland**

There are three main funding mechanisms used to attract institutional investment into affordable housing: bond issuing cooperatives, the *revolving fund*, and mortgage guarantee cooperatives (Lawson 2009; Lawson et al. 2009). The *Swiss Bond Issuing Cooperative* is arguably the most important of these mechanisms for private investment in affordable housing.

→ **United Kingdom**

Housing policy in the UK has utilised the leverage of private funds to grow the affordable housing sector (Berry et al. 2004, pp.24–25). Government guarantees have assisted in reducing perceived investor risk in affordable housing through bond financing mechanisms, and have become a key driver in attracting institution investment (Berry et al. 2004 p.27). Housing associations have also provided a secure revenue stream for investment in demand-side subsidies for affordable low-income housing. A strong regulatory framework has been provided and maintained through the Housing Corporation (Berry et al. 2004, p.25).

→ **Austria**

The bond financing system for the construction of affordable housing in Austria is known as *Housing Construction Convertible Bonds* (HCCB) (Lawson 2007; Lawson et al. 2009). These bonds are funded through the sale of tax privileged bonds by private Housing Banks, and are effectively secured by adequate grant and subordinate public loans for approved projects by registered providers (Lawson et al. 2009). The attractiveness of these bonds is increased by additional tax incentives. The result is a stable, well-regulated and well-financed sector in which investors are comfortable and confident to invest (Lawson 2007, p.131).<sup>7</sup>

The key principles behind channelling private investment into affordable housing are subsidy, certainty and stability as investors seek to maximise return and minimise risk.

The evidence on international financing vehicles like bonds, described above, demonstrate that government policy can facilitate long-term investment through:

- ongoing, flexible subsidy
- guaranteed and fixed returns
- tax incentives to offset low returns
- regulation of housing associations.

An effective, long-term strategy to channel private investment could result in significant change to the Australian housing system and ultimately reduce the costs to government of delivering affordable housing outcomes.

### 3.2.2 *Shared equity and subsidised mortgage financing*

A few individual states and territories provide financing mechanisms to improve home purchase affordability including shared equity vehicles and direct mortgage financing. An explicit consideration of their effectiveness for achieving the NAHA objectives may lead to a broader mobilisation of these mechanisms across jurisdictions.

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<sup>7</sup> A current AHURI project is considering the application of the Austrian model to the Australian context. For a recent presentation of this work in progress, see [http://www.ahuri.edu.au/calendar/event.asp?ContentID=event\\_20110930](http://www.ahuri.edu.au/calendar/event.asp?ContentID=event_20110930)



### 3.2.3 Coordinated national planning reform

Planning plays a critical role in the development and growth of cities, and given the current housing affordability issues across Australia, planning can play an important part in national housing affordability strategies. Much of the Australian evidence base calls for a more uniform framework for planning across jurisdictions in order to provide a more seamless and effective mechanism to increase the supply of affordable housing (Beer 2004; Gurran 2008; Milligan 2009; Productivity Commission 2011).

The NAHA acknowledged the critical function of the planning system in housing affordability. For example, the NAHA explicitly specified a role for local government in the achievement of NAHA outcomes, however it is clear that it remains an underdeveloped area. Milligan and Pinnegar (2010) suggest that local government has been a weak component of the governance structure in the delivery of affordable housing across Australia. The authors contend that the NAHA has made minor provisions for local government, but local government coordination and input into the increase in affordable housing is critical.

There are two program mechanisms currently addressing the role of planning in housing affordability that could be more explicitly linked to a future NAHA: the Housing Affordability Fund, discussed above, and the COAG Housing Supply and Affordability Reform Working Group, discussed below.

These mechanisms focus on housing supply and market efficiency. There are other planning mechanisms, like inclusionary zoning (legislating for the inclusion of affordable housing in new developments), that could also be adopted uniformly across Australia to promote affordable housing in a future NAHA (Gurran et al. 2008).

### 3.2.4 Housing Supply and Affordability Reform Agenda

Increasing the supply of affordable housing through planning reform was the explicit focus of an inter-governmental commitment to a new Housing Supply and Affordability Reform (HSAR) Agenda, endorsed by COAG in April 2010. In *NAHA performance 2009–10*, the COAG Reform Council reports that this inter-governmental commitment was a key action toward delivering the NAHA outcomes (pp.110–111).

The HSAR reform agenda focused on reform to planning mechanisms for improving housing supply. These included:

- Minimising the time it takes to bring housing to the market.
- Reforming government policies that act as barriers to supply or artificially stimulate demand.
- Ensuring efficient use of existing housing stock (COAG 2010).

COAG established a Housing Supply and Affordability Reform Working Group with a mandate to consider a range of areas for potential reform, including:

- Planning and zoning governance reforms.
- Considering national principles for residential development infrastructure charging.
- Examining relevant Commonwealth and State taxation settings.
- Extending government land audits and examining private holdings of large parcels of land to assess the scope for increasing competition and bringing land quickly to market.

The Reform Council reports that the HSAR Working Party met throughout 2010, and was expected to present a complete package of recommendations by mid-2011. Completed work included a set of nationally-consistent principles for housing

development infrastructure charges, with some progress toward practical implementation strategies. The Working Party had made progress in extending the land audit to examine 'underutilised land' and the Commonwealth has developed a set of draft principles to enable Commonwealth land-holding agencies to identify underutilised land.

### **3.3 Missing pieces of housing policy framework reform: tax and housing system reform**

Research and public debate have increasingly focused on the need for tax and housing system reform in order to deliver housing affordability outcomes.

#### *3.3.1 Tax and transfer settings*

Taxation mechanisms have significant impacts on the operation of the housing system (Yates 2009b) and the evidence demonstrates that they can undermine the objectives of the NAHA (AHURI Seminar 2011 15 September; 2011 17 March). The housing literature has, for decades, been advocating for changes to tax and tax driven subsidies that drive over-investment in home ownership. More recently the Henry Tax Review considered the relationship between tax and transfer system settings and housing markets, specifically focussing on affordable housing. The review was concerned with 'maintain[ing] fairness and efficiency in housing markets' (Henry Tax Review 2010, Executive Summary).

Wider discussion on tax reform recommends a series of changes including consideration of:

- Negative gearing on residential investment.
- Capital gains tax exemption on owner-occupied housing.
- Income tax exemption of imputed rent.
- Linking CRA to property market fluctuations.
- Change land tax arrangements.

Incorporation of tax reform into a future NAHA would assist in ensuring the changes were mindful of the housing affordability objectives, including equity across tenures.

#### *3.3.2 Housing system reform*

As discussed in the first chapter, the current Australian housing system itself, can be considered one of the obstacles to delivering the NAHA objectives because it is dominated by heavily subsidised home ownership, which functions as a critical source of household wealth generation.

Milligan and Pinnegar (2010) suggest that the NAHA has made an attempt to redress the dominance of home ownership, however the rental-ownership dichotomy still remains. The authors argue that:

While reinvigoration of policy levers in all major tenures is evident, a strategic approach to creating pathways between tenures has not yet emerged (Milligan & Pinnegar 2010, p.337).

Likewise, pathways beyond the current tenure matrix are in their infancy. A range of alternative housing models have been developed to attend to housing affordability as well as provide new housing alternatives. These alternatives would sit alongside those already operating and diversify the range of tenure options, increase private investment in affordable housing and ultimately increase the supply of low cost housing. They include tenure reform models, like community land trusts (Phibbs &

Crabtree 2009)<sup>8</sup>, and increasing the capacity of the not-for-profit housing sector (Milligan et al. 2009).

The challenge in adopting these new approaches to housing is to ensure the principle of tenure neutrality. Tenure neutrality refers to a housing system that:

- does not privilege one form of tenure over another
- enables movement within and between tenures
- allows wealth generation to occur equally amongst tenures
- ensures the availability of sustainable and appropriate affordable housing across tenures.

Underpinning the notion of tenure neutrality is a rethinking of housing assistance models including the division between 'deep' and 'shallow' subsidies. In this context, it has become increasingly recognised that reform of the tax and transfer system is a critical direction for housing policy.

### 3.4 The benefits of inclusion in the NAHA

There are two key benefits of explicitly including other existing housing program mechanisms in the next iteration of a NAHA:

- **Drive accountability** to the NAHA outcomes: housing program mechanisms that are 'in' the NAHA would require an assessment to determine their impact on the NAHA outcomes. Impact analysis is critical to reduce perverse incentives and contradictory drivers. A key example is the stimulus effect of the First Home Owners Scheme which has had a perverse impact on overall housing affordability.
- **Ensure coordination** of effort between mechanisms for different parts of the housing system, and from different parts and levels of government.

A future NAHA could ensure that program mechanisms which critically affect housing affordability are tied to performance indicators that monitor the impact of these mechanisms on the affordability outcomes that the NAHA seeks to achieve.

Excluding mechanisms from a future NAHA could undermine the benefits of a national approach to housing reform, and work against the effective policy direction established by the first NAHA.

The AHURI three-year National Research Venture on *Housing affordability for lower income Australians* found that:

housing affordability is an endemic and structural problem that will not be improved without adjustments to existing policies and additional action by governments at all levels. (Yates et al. 2007, p.4)

The National Research Venture concluded that responding effectively to housing affordability issues required comprehensive strategies that would be 'developed and implemented cohesively', involve 'strong coordination and cooperation between agencies and spheres of government' and provide 'an integrated approach to intervention on both the supply and demand side' (Yates et al. 2007, p.7).

Similarly, the survey of international approaches to national housing policy discussed in Chapter 1 indicates that the benefit and purpose of a national affordable housing policy framework is to act as a point of coordination within the housing system and ensure cross-government accountability to affordability objectives.

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<sup>8</sup> For updates on a current AHURI project about Community land trusts, see <http://www.ahuri.edu.au/publications/projects/p70639>

Policy coordination and accountability can deliver stability and certainty to the housing system and can create a favourable environment for private and institutional investment in affordable housing. These two principles make it possible to ensure that the available policy mechanisms are exploited efficiently and to their maximum capacity in the effort to achieve national housing policy objectives.

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## APPENDIX: NAHA REPORTING

This appendix provides some additional detail about the NAHA reporting framework, showing an example of outcome data from the COAG Reform Council *NAHA: Performance Report for 2009–10*.

Figure A1 maps the relationship between the NAHA outcomes, outputs and the allocated measures. Two of the outcomes do not yet have a measure developed.

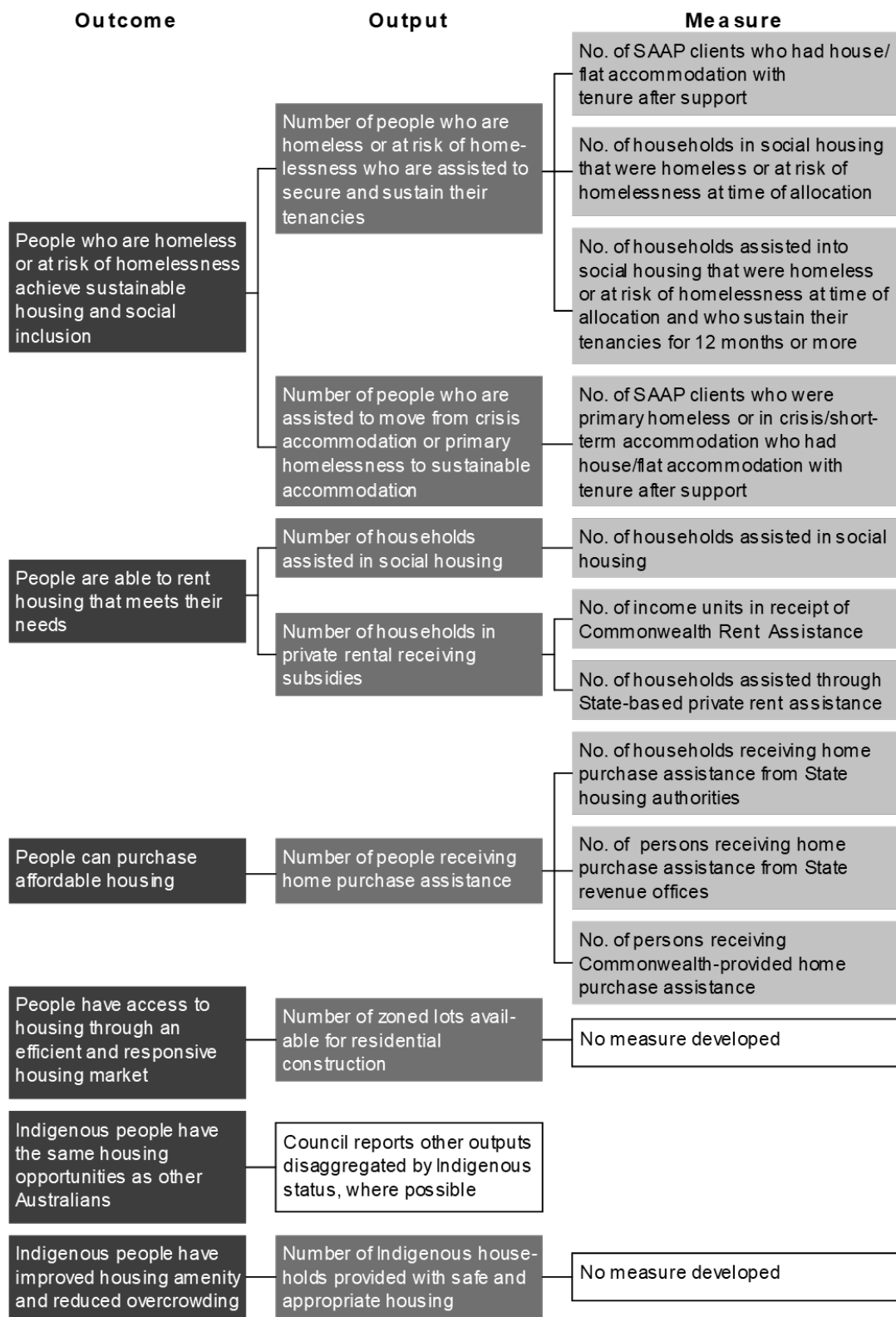
The Table A1 provides an example summary of the existing output reporting on a national level for the NAHA homelessness outcome. The Reform Council reports these data on a jurisdictional basis, but this level of detail is not duplicated here.

The Table A2 provides collated information about the budget allocation and reported outputs for key elements of the NAHA and other housing program mechanisms. This data was collated from government websites or published sources, where available. The data is not comparable and has not been verified.

Additionally, the Productivity Commission reports that in 2009–10 Australian, State and Territory governments spent at least \$7.1 billion on housing assistance which included \$2.9 billion for Commonwealth Rental Assistance and \$4.2 billion of State and Territory government net recurrent expenditure, which includes the NAHA Special Purpose Payment (Productivity Commission 2011, p.16.5).

The Commission reports that in 2009–10, the Australian Government provided \$200 million for the National Partnership Agreement on Social Housing, \$610.6 million for the National Partnership on Remote Indigenous Housing, and \$3.9 billion through the Nation Building social housing initiative. The state and territory government net recurrent expenditure for housing assistance included \$2.2 billion for public and community housing and \$115.4 million for state owned and managed Indigenous housing (Productivity Commission 2011).

**Figure A1: Outcomes reporting**



Source: COAG Reform Council 2011, p.88

**Table A1: NAHA Output reporting example: homelessness outcome**

Output	Measure(s) COAG Reform Council, National Affordable Housing Agreement Performance Report for 2009–10																																
<p>People who are homeless or at risk of homelessness who are assisted to secure and sustain their tenancies</p>	<p><b>Measure 1: SAAP clients and accompanying children who had house or flat accommodation with tenure after support</b> Number of former SAAP clients living in a house or flat with tenure, and who had not presented for further accommodation support within 30 days, 2008-09 and 2007-08 (COAG 2011, p. 90)</p> <table border="1" data-bbox="523 533 970 689"> <thead> <tr> <th>Year</th> <th>Aust</th> </tr> </thead> <tbody> <tr> <td>2007–08</td> <td>95 959</td> </tr> <tr> <td>2008–09</td> <td>99 643</td> </tr> <tr> <td>%</td> <td>3.8</td> </tr> </tbody> </table> <p><b>Measure 2: households newly assisted into social housing that were homeless or at risk of homelessness at the time of allocation</b> Number of newly assisted households in public housing that were in the greatest needed at the time of allocation, 2008–09 and 2009–10 (COAG 2011, p. 91)</p> <table border="1" data-bbox="523 880 970 1037"> <thead> <tr> <th>Year</th> <th>Aust</th> </tr> </thead> <tbody> <tr> <td>2008–09</td> <td>13 688</td> </tr> <tr> <td>2009–10</td> <td>15 070</td> </tr> <tr> <td>% change</td> <td>10.1</td> </tr> </tbody> </table> <p>Number of newly assisted households in community housing that were in the greatest needed at the time of allocation, 2008–09 and 2009–10 (COAG 2011, p. 91)</p> <table border="1" data-bbox="523 1149 970 1305"> <thead> <tr> <th>Year</th> <th>Aust</th> </tr> </thead> <tbody> <tr> <td>2008–09</td> <td>7 428</td> </tr> <tr> <td>2009–10</td> <td>8 103</td> </tr> <tr> <td>% change</td> <td>9.1</td> </tr> </tbody> </table> <p><b>Measure 3: households assisted into social housing that were homeless or at risk of homelessness at the time of allocation and that sustained their tenancies for 12 months or more</b> Number of households in greatest need when allocated public housing and that sustained tenancies for 12 months or more, 2009-10 and 2008-09 (COAG 2011, p. 92)</p> <table border="1" data-bbox="523 1518 970 1675"> <thead> <tr> <th>Year</th> <th>Aust</th> </tr> </thead> <tbody> <tr> <td>2008–09</td> <td>10 346</td> </tr> <tr> <td>2009–10</td> <td>11 656</td> </tr> <tr> <td>% change</td> <td>12.7</td> </tr> </tbody> </table>	Year	Aust	2007–08	95 959	2008–09	99 643	%	3.8	Year	Aust	2008–09	13 688	2009–10	15 070	% change	10.1	Year	Aust	2008–09	7 428	2009–10	8 103	% change	9.1	Year	Aust	2008–09	10 346	2009–10	11 656	% change	12.7
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<p>People who are assisted to move from crisis accommodation or primary homelessness to sustainable accommodation</p>	<p><b>Measure 4: Number of SAAP clients and accompanying children who were primary homeless or in crisis or short-term accommodation who had a house or flat with tenure after support</b> (COAG 2011, p. 93)</p> <table border="1" data-bbox="523 1821 994 1977"> <thead> <tr> <th>Year</th> <th>Aust</th> </tr> </thead> <tbody> <tr> <td>2007–08</td> <td>39 174</td> </tr> <tr> <td>2008–09</td> <td>37 524</td> </tr> <tr> <td>% change</td> <td>-4.2</td> </tr> </tbody> </table>	Year	Aust	2007–08	39 174	2008–09	37 524	% change	-4.2																								
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**Table A2: NAHA output reporting**

<b>Within the NAHA</b>	<b>Budget Allocation</b>	<b>Reported outputs</b>
Specific Purpose Payment	\$1.2 billion per annum (CoA 2011a)	<i>Note that the SPP is untied funding and outputs are not specified. The following data are proxy indicators only:</i> Home purchase assistance – 44 210 households (COAG-RC 2011) Public and community housing dwellings – in excess of 381 000, as at June 2009 (Productivity Commission 2011)
Nation Building NP, Social Housing Initiative	\$5.6 billion (COAG-RC 2011)	13 250 (68%) projects completed as at 31 March 2011. 19 617 projects approved 18 675 (95.2%) projects underway. (DoH 2011) 80 000 houses undergone repair and maintenance (DoH 2011)
First home purchase assistance	Data not available	168 562 people (2009-10) 139 023 people (First Homeowners Boost) (COAG-RC 2011)
Remote Indigenous Housing NP	\$1.9 billion over 10 years (Productivity Commission 2011)	More than 800 new houses completed and 3100 refurbished, as at August 2011 (Productivity Commission 2011)
Social Housing NP	\$400 million (COAG-RC 2011)	860 new dwellings completed or acquired as at June 2010 75% allocated (COAG-RC 2011)
Homelessness NP	1.1 billion over 4 years (Productivity Commission 2011)	75 dwellings built or acquired 2009-10. 129 of 152 dwellings occupied (COAG-RC 2011)
<b>Outside the current NAHA</b>		
National Rental Affordability Scheme	Data not available	4604 dwellings delivered as at September 2011 (CoA 2011b)
Commonwealth Rent Assistance	\$2.9 billion (Productivity Commission 2011)	1.1 million people assisted (Productivity Commission 2011)
Housing Affordability Fund	\$512 million over 5 years (CoA 2008)	75 projects approved; 52 infrastructure (DoE 2011)

Source note: Table A2 provides collated information about the budget allocation and reported outputs for key elements of the NAHA and other housing program mechanisms. Data was collated from government websites or published sources, where available. The data may not be comparable and has not been verified.









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