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Community housing to star in Fed's plans

Community housing will play an integral role in the Federal Government's plan to tackle Australia's housing issues, according to Assistant Minister to the Treasurer, Michael Sukkar MP.

Minister Sukkar told a lunchtime forum of more than 90 community housing organisations and other stakeholders that, 'There is always going to be a place for state governments public housing stock, but increasingly we see the future being community housing providers.'

Attendees at the forum, which was organised by the state and national peak bodies, the Community Housing Federation of Victoria (CHFV) and the Community Housing Industry Association (CHIA), heard that the Federal Government is currently undertaking 'robust' negotiations on the development of a more effective National Housing and Homelessness Agreement (NHHA).

'The Federal Government contributes \$1.3 billion a year under the NAHA, we have done so for more than a decade...and on virtually every measure in that decade we have seen housing worsen. We have seen social and public housing stock decrease in many jurisdictions,' Minister Sukkar said.

The Federal Government will 'lead by example' in divesting itself of underutilised land to create city and precinct deals to provide housing to suit the spectrum of housing needs, from first home buyers to social housing tenants, he said.

The 127 hectare former defence site in Maribyrnong, 8km from Melbourne's CBD, will be a showpiece of what is possible.

The Federal Government's billion dollar infrastructure facility will provide loans to unlock projects that are difficult to get off the ground for want of small, but vital, infrastructure and, 'projects that have a significant social housing component will get preference', he said.

The establishment of the bond aggregator will provide a 'quick win' in enabling community housing providers to access low cost finance.

Another government priority will be working towards a national regulatory scheme. Minister Sukkar acknowledged the value of a diverse community housing sector that can meet the needs of different tenants, but pointed to the importance of a more uniform regulatory regime in lifting standards and accessing institutional capital.



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'We want to ensure we can unlock (community housing's) potential, unlock your balance sheets and unlock your know how. All the data I have seen is that you get more out of every dollar than anyone else,' he said.

Community Housing Industry Association CEO Peta Winzar welcomed the Minister's comments but noted that more detail was needed on how the government proposes to make housing low to moderate income tenants attractive for institutional investors.

'The Minister has made it clear that the Commonwealth will not be providing any additional rental subsidy to lift the yield for investors,' Ms Winzar said.

'It is true that community housing providers can leverage additional housing supply because they can redeploy the usual developer margin into additional stock, but this will not be enough to make affordable housing projects stack up unless community housing providers can source land free, or at a substantial discount, or extract other assistance from state governments.

'There is a lot riding on the detail of the new housing agreement between the Commonwealth and the states,' Ms Winzar said, 'and so far we have seen no detail at all.'

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