



Adam Farrar, Presentation to Shelter NSW conference 'The crisis and beyond', Sydney, 2 July 2009

CAN COMMUNITY HOUSING BE MORE THAN A FRANCHISE?

July 2009

Overview

Can community housing be more than a franchise?

- Yes – and it must
- What would this mean?
- What is needed to make it happen?
- Am I dreaming?

Why do we need to do something different?

Nothing we are doing is really responding to the gap

- We need to face up to the dimensions of the challenge
- National Housing Supply Council says there is a gap of 251,000 affordable *and available* homes – now
- Housing demand will grow by 37% over the next 20 years with a projected shortfall of 431,000 homes
- Rental demand may grow faster
- The housing ‘bubble’ is not bursting here

Why do we need to do something different?

Really changing the housing market

- The investment needed at the bottom end will not come from
government alone
- New supply needs to produce housing that will allocate better
to ensure lower income households don't miss out
- New supply will need to support housing pathways

What would this mean?

Really changing the housing market

- The creation of a substantial low cost part of the housing market
- Meeting the needs of the bottom 1/3 of private renters – low/moderate
- With the current social housing share of the market, is around 12% of the housing market and half the rental market

What would this mean?

New service system

- Specific business of improving access to lower cost housing
- Providing a suite of housing responses for lower income households – not just rationed housing of last resort
- A significant enough presence to be able to influence community strength – in the whole community

What is needed to make it happen?

Changing housing providers

- Public housing is hamstrung by rationing and Cabinet/ Treasury view of ‘priorities’
- One size fits all decisions – ‘reshaping’, design decisions
- Responsive housing must be locally driven, not a monolith
- Responsive housing must be take up all market opportunities rather than being limited to particular products

What is needed to make it happen?

A change in relationships with government

- Government facilitates industry development as *public policy*
- But government services are only a part of the business
- We are going in a mixed direction – more risk and financial autonomy/ more prescription about allocations
- Wider scope for government ‘infrastructure’ – Charities, regulation, applications

What is needed to make it happen?

A vastly expanded NFP presence in the market

- Substantial devolution of public housing – 2/3?
- The NFP sector grows to around 8% of the market through devolution and new supply – around 200,000 homes in NSW
- A range of organisations at scales appropriate to their area and mission
- New entrants – from public sector, from other sector such as aged care or welfare

Am I dreaming?

- It's too serious to be a dream
- NFP housing is already set to grow dramatically
- We project the sector will manage 30,000 in < two years
- Up to 70,000 in 6 or 7 years
- We have an investment incentive
- We have a Commonwealth vision – a grand vision, but a bit smaller than this
- What we need is for public policy to become policy about making the housing market work