READING THE NUMBERS: a snapshot of Australian community housing

> *The community housing sector is seen by many commentators in Australia and New Zealand as the panacea to solve a variety of problems, from making social housing sustainable to stabilising troubled housing estates.*
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> ***Dr Tony Gilmour** brings together recently released information that lifts the lid on what's happening in community housing in Australia.*

For policy work insomniacs, quarter past midnight on Wednesday 28th January 2015 was the most exciting time of the year. This was when the Productivity Commission released their annual tome, the Report on Government Services. Although the 1,000 plus pages are a mine of information, the report's dense jargon and data tables make it unlikely to feature on the bestsellers' list.

Social housing in perspective

In June 2014, total social housing in Australia amounted to 422,114 properties. This covers four different categories: public housing (77%), community housing (17%), Indigenous community housing (4%) and state-managed Indigenous community housing (2%).

The number of social housing homes has risen slightly over the last few years, with the equivalent total sector number in 2006 being 403,886. Of course, this rate of increase is much slower than the growth of total properties in the country so the proportion of social housing to total housing continues to dwindle.

While the Nation Building Social Housing Initiative has made an impact on social housing numbers, there are a few surprises. Despite the Initiative delivering nearly 20,000 new homes, the numbers of social housing properties counted by the Productivity Commission increased by only 12,413 between 2008 and 2013. This suggests either bad maths or state governments selling off existing homes.

New South Wales has by far the largest social housing system with 146,596 homes or 36% of the Australian total. At June 2014, there were 115,437 properties managed by state housing, making it one of the largest social housing landlords in the developed world.

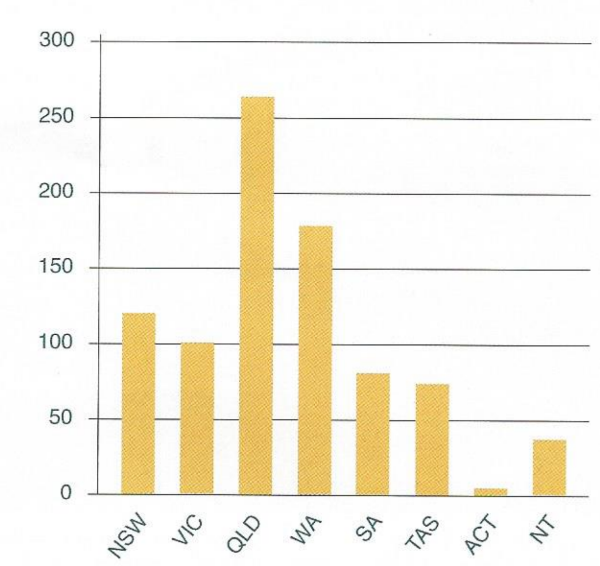
New South Wales also has the nation's largest community housing sector with 31,000 homes. This is nearly the same number as the combined totals in Victoria and Queensland – the states with Australia's second and third largest community housing sectors respectively.

Counting community housing providers

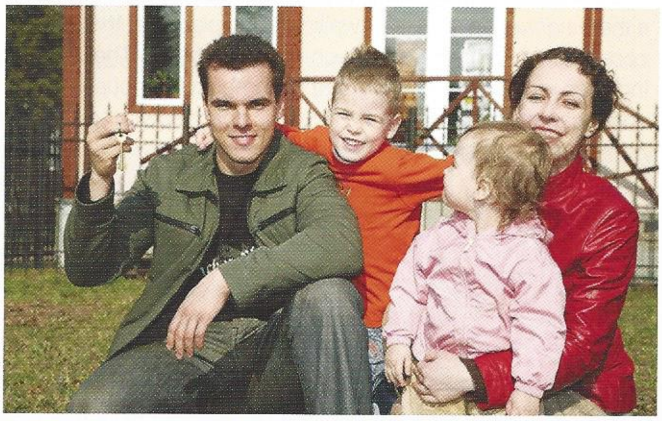
According to the Productivity Commission, there were 715 community housing providers as at June 2014. As shown in the chart (top left), most are in Queensland (265), followed by New South Wales (120) and Victoria (102).

The number of organisations has been drifting down gradually, with a further fall of 3% between 2013 and 2014. The most noticeable fall in housing providers has been in New South Wales where numbers fell from 187 in 2009 to 120 in 2014. By contrast, Victoria's numbers changed little over this period, with a gentle decline from 108 to 102.

Numbers of community housing providers by jurisdiction, June 2014



Source: Productivity Commission (2015)



It is perhaps timely to give a health warning about the Productivity Commission's numbers. We may be comparing apples, oranges and other strange fruit as data is mainly supplied by state governments, each with their own approach. The numbers for New South Wales and Victoria, for example, do not tie in with regulatory data. Western Australia mysteriously lost 153 community housing providers between 2011 and 2012.

From the numbers to hand, New South Wales has by far the largest community housing providers in terms of tenancies managed. Their average of 260 tenancies compares with an Australian average of 102, and only 62 tenancies per provider in Queensland.

The rise (and occasional fall) of community housing

An increasing proportion of 'mainstream' social housing (i.e. excluding Indigenous housing) is managed by community housing providers. The proportion rose markedly from 6% in 2004 to 18% in 2014.

As shown in the chart (below), Tasmania is leading the pack, up from 16% in 2013 to 36% in 2014. The apple isle is the only jurisdiction to meet the legendary 2009 'aspirational' target of 35% to be managed in the non-government sector by June 2014.

The large Australian states are all close to the national average of 18% in the sector. New South Wales scores 19%, Victoria 18%, Queensland 19% and Western Australia 17%. However, of these four jurisdictions, the biggest growth since 2004 has been in New South Wales and Victoria. In these states, the sector has increased fourfold. It has merely doubled in Queensland and Western Australia.

The two territories are clear outliers with a low share of social housing managed by not-for-profit organisations. In the ACT, there has been an unusual 'stock transfer backwards', in that the share of social housing managed by community housing providers actually fell between 2006 and 2014.

Mainstream community housing's share of social housing by jurisdiction, June 2014

Source: Productivity Commission (2015)

A national sector?

The much-trumpeted arrival of the National Regulatory System (NRS) for community housing has not been quite the transformation the previous Commonwealth Government hoped for. Neither Western Australia nor Victoria are in the system, and there is little central coordination to keep the various state regulators in line.

Results of a review of the NRS website in mid-February 2015 are shown in the table (top right). There are 119 organisations over the line, with many applications still in progress. Most registered organisations to date are based in New South Wales and South Australia, and there are only a few community housing providers that have elected to operate in more than one jurisdiction.

NRS community housing providers, February 2015

Jurisdiction	Tier 1	Tier 2	Tier 3	TOTAL
New South Wales	14	11	41	**66**
Victoria	Not part of NRS			
Queensland	2	6	10	**18**
South Australia	3	7	18	**28**
Western Australia	Not part of NRS			
Tasmania				
Australian Capital Territory	1	2	4	**7**
Northern Territory				
TOTAL	**20**	**26**	**73**	**119**

Source: Search of www.nrsch.gov.au

There are probably around 30 'Tier 1 style' high-capacity providers in Australia, including 20 or more registered or in progress under NRS, eight housing associations in Victoria (though some overlap with NRS) and a couple of leading providers in Western Australia.

"The National Regulatory System (NRS) for community housing has not been quite the transformation the previous Commonwealth Government had hoped for."

The NRS website reveals some unexpected findings. SGCH (St George), for example, has two registered entities as a result of their headline-grabbing arrangement with Westpac. Compass Housing and Logan City Community Housing are separately registered. This coupled with the double registration requirements of organisations operating in Victoria and elsewhere in the country indicates that NRS has not led to a simple and consistent regulatory system.

Leaders of the pack

The NRS website does not give information on individual community housing providers and, in some cases, does not even reveal where their head office is based (I'm not too sure why many have decided to keep this information withheld – it is hardly a secret).

More detailed rankings in the sector can only be found by a laborious search through the organisations' annual reports. Even here the numbers can be slippery – some refer to houses, others to tenancies.

Top 20 community housing providers are shown in the table on the following page, based on June 2014 numbers. In some cases, adjustments have been made to include transactions that were completed just after year-end. These include Community Housing Limited's (CHL) Tasmanian transfer, Compass Housing's merger with 4Walls, and the merger between Haven and North East Housing in Victoria.

CHL is likely to be knocked off the gold medal position by Compass Housing when the 4,600 Logan transfer takes place in mid 2015. Otherwise, the table indicates an emerging 'super league' of community housing providers within the Tier 1 style category. It is these organisations that typically have the capacity and drive to operate in multiple jurisdictions.

Much of the growth in the sector over the last few years has been by the larger organisations growing even larger. The top 20 community housing providers now manage around 60% of tenancies and the top 10 manage around 40%.

Some final thoughts

In an Australian social housing sector that has grown little over the last decade, the rise of community housing has been spectacular. However, just how much further the growth will go, and when, currently remains uncertain.

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Only South Australia looks like positively promoting a sector growth agenda, and the two states that were most pro-community housing sector (Queensland in practice, and Victoria on paper) have recently elected Labor Governments that are decidedly lukewarm.

The larger community housing providers, with businesslike approaches and charismatic CEOs, set the tone of the sector. However, little thought has been given to how we can build the role of, and capacity of, medium-sized organisations that often carry out vital work in regional areas.

In an ideal world, we would have a national industry strategy. But nobody is holding their breath for leadership from Canberra.

Dr Tony Gilmour is the founder and CEO of the Housing Action Network (www.housingaction.net.au), a leading Australasian social and affordable housing consultancy. He is a former AHI President, and currently writing the 30-year history of Compass Housing.

Top 20 community housing providers, July 2014

		Tenancies
1	Community Housing Limited	5,820
2	SGCH	4,292
3	Compass Housing Services	4,217
4	Housing Choices Australia	3,268
5	Evolve Housing	2,499
6	Argyle Community Housing	2,387
7	Foundation Housing	2,186
8	Horizon Housing Company	2,153
9	Common Equity Housing	2,024
10	Wentworth Community Housing	2,000
11	MA Housing	1,959
12	Unity Housing	1,950
13	Access Housing Association	1,858
14	Yarra Community Housing	1,811
15	Hume Community Housing Association	1,717
16	BHC (Brisbane Housing Company)	1,671
17	Bridge Housing	1,649
18	Haven; Home Safe	1,636
19	Aboriginal Housing Victoria	1,522
20	Centacare Evolve	1,400

Source: Analysis by Housing Action Network