

# National Housing Infrastructure Facility

## Submission to the Housing Australia Investment Mandate Amendment (2024 Measures No. 2) Direction 2024

### Introduction

#### About this submission

Faith Housing Alliance (FHA) welcomes the opportunity to comment on the Housing Australia Investment Mandate Amendment (2024 Measures No. 2) Direction 2024.

#### About us

Faith Housing Alliance (FHA) is the peak body supporting the faith housing sector. Many of our member organisations operate nationally, supporting communities across Australia.

Members—from Christian, Muslim, Jewish, and other faith traditions—believe in social justice, compassion, respect and integrity and are united by a common mission.

The faith housing sector includes:

- Faith-based organisations, including Community Housing Providers and Specialist Homelessness Services, many of whom have been providing support to the community over centuries
- Places of worship across all faiths who want to use their land for housing justice
- Faith leaders of all denominations and religions who see housing as a critical component of social justice
- Any individual, organisation, foundation, or program committed to housing justice, including professional support organisations.

FHA is committed to partnering with Governments to address the urgent need for more housing, especially social housing, affordable rental housing, and the vital wrap-around supports needed to sustain tenancies and break the cycle of homelessness.

#### The faith housing sector has a unique and vital role to play

FHA represents a significant number of faith-based organisations operating nationally and State-based organisations **providing more than 15,000 homes and support for more than 30,000 people experiencing homelessness.**

Our members stand ready to help. They have an impressive track record of supplying housing and services for people in need over centuries. They have well-located land and other unique assets, including more than 40,000 volunteers nationwide to help vulnerable people integrate into their communities.



## **Benefits of partnering with the Faith Housing Sector**

Social and affordable rental housing delivery in partnership with not-for-profit Community Housing Providers (NFP CHPs) has demonstrated various social and economic benefits.

Research by member BaptistCare suggests a **three-fold social return on investment** (including a range of health, wellbeing, economic, employment and other social benefits) for safe and secure living combined with wrap-around tenant support services provided as part of their faith-based delivery model.<sup>i</sup>

Faith-based organisations have played a significant role in developing Australia's social and affordable rental housing. For example, four of our faith-based member organisations developed **65%<sup>ii</sup> of the housing supply delivered under the \$1 billion NSW Social and Affordable Housing Fund (SAHF).**<sup>iii</sup>

## General comments

Faith Housing Alliance welcomes the Federal Government's initiative to direct the \$1 billion National Infrastructure Facility (NHIF) to the creation of new crisis and transitional accommodation for women and children escaping domestic violence and young people at risk of homelessness.

Members broadly support NHIF funds being allocated to States and Territories in the first instance as corresponding, ongoing contracts/service agreements to deliver crisis and transitional housing will require State support.

### Crisis and Transitional Housing

States currently possess limited dedicated crisis accommodation, which is then supplemented by hotels, motels and other private accommodation providers at the market rate. With increases in nightly rates, States are paying significantly more to deliver crisis accommodation than could be facilitated through capital investment to establish more dedicated crisis accommodation facilities operated by specialist homelessness services in partnership with community housing providers.

Faith Housing Alliance's members are some of NSW's longest-serving crisis accommodation providers, such as Matthew Talbot Hostel, operated by St Vincent de Paul Society and Wesley Edward Eagar Centre, run by Wesley Mission.

However, the sector acknowledges that while crisis accommodation is necessary within the current housing system, a best-practice approach would implement Housing-led or Housing-First Principles, establishing people escaping violence and young people in suitable, long-term housing with wrap-around supports tailored to meet developmental needs. As such, investment in crisis accommodation maintains the status quo. **Future NHIF investment in social and affordable housing should prioritise long-term housing.**

### Youth

Campaigns supported by Faith Housing Alliance, such as HomeTime<sup>iv</sup>, recommend establishing a dedicated pool of 15,000 youth tenancies across public, community and private housing options with linked supports to deliver stable, long-term accommodation for young people.

Youth Foyers<sup>v</sup>, such as those operated by members Mission Australia and Uniting NSW.ACT offers supported youth accommodation facilities that integrate learning and accommodation. Faith Housing Alliance supports the Foyer Foundation's calls for \$184 million to build ten new Youth Foyers.

The definition of 'Youth' is suitable, however flexibility should be applied to the upper age limit of 24 to support young people who are best suited to remain in supported housing until they are ready to take their next step.

## **Victim-survivors of Domestic Violence**

Faith Housing Alliance partner DV NSW<sup>vi</sup> has called for a housing response including 750 additional transitional homes in NSW to provide an exit pathway out of crisis refuges.

Still, their long-term housing position is to build 7,500 new social homes each year for 20 years. This aligns with Faith Housing Alliance's long-term recommendations to rapidly scale up the supply of social and affordable housing to provide safe, stable and long-term housing for victim-survivors of domestic violence.

## **General Recommendations**

### **Commitment to consultation**

Insufficient time was allowed for inputs on the draft ED.

**FHA recommends** continued and ongoing engagement to strengthen the partnership between government and NFP CHPs and to deliver desired outcomes and meaningfully address the housing crisis and deliver housing for priority cohorts.

### **Consider undue cost of tendering and reporting**

Imposing onerous bidding processes and project reporting requirements may result in excluding NFP CHPs, and even more so for smaller Tier 2 and 3 providers.

**FHA recommends** that existing status, reporting, and regulation requirements for CHP registration, such as those required by the National Regulatory System for Community Housing (NRSCH), be factored into HA reporting requirements.

### **Ensure accountability**

Crisis and transitional housing requires a long-term investment beyond the delivery of quality housing, including ongoing property maintenance, tenant services and retaining social and affordable rental housing in perpetuity.

**FHA recommends** that incentives and penalties be built into contracts to protect the public interest should these key outcomes not be achieved over the life of the housing solution.

### **Implement risk management**

Build in protections to mitigate key risk factors impacting project continuity and feasibility, including addressing interest rate fluctuations and project delivery inflationary pressures.

### **Remove planning bottlenecks**

Consider the development of a NHIF planning pathway to fast-track planning approvals, as current bottlenecks have contributed to the current housing crisis.

## Eligible Project Proponents and Projects

### Prioritising stringently regulated registered NFP CHPs to protect the public interest

The mandate opens the pool of project proponents to a broad mix of public, private and NFP entities. CHP regulation and reporting requirements are significant and these are rightly designed to deliver quality outcomes, and to protect public funding and vulnerable tenants.

**FHA recommends** that HA require that other **potential participants comply with the same level of rigour and reporting as registered CHPs to protect the public interest**. Until that is achieved, project selection should prioritise more stringently regulated NFP CHP participants to protect the public interest and appropriately level project participation playing fields.

### Supporting diversity and growth of NFP CHPs

In the last two decades, Australia has underinvested in essential infrastructure for housing and homelessness prevention. Therefore, an indirect project selection driver for HA is likely to be minimising public administrative burden, which will likely skew the portfolio of projects to mainly select large projects. Similarly, the need for economies of scale, financial feasibility, and private sector involvement will also skew towards large projects.

**FHA recommends** that HA implement initiatives to **support the diversity and growth of CHPs** as per its stated mission to “contribute to the scale, efficiency and effectiveness of the community housing sector in Australia”<sup>vii</sup>.

Initiatives may include:

- **Ringfencing** a portion of funding for smaller NFP CHPs
- **Prioritising** larger projects that **partner** with smaller NFP CHPs and capacity-building plans and commitments.

### Prevent other significant roadblocks associated with the design of State project criteria

States are currently applying inconsistent approaches to assessing projects for funding. A significant roadblock to unlocking well-located faith-owned land is the requirement under some schemes, such as the NSW Community Housing Innovation Fund (CHIF), for the CHP to be the title holder. FHA members perceived the provision of the Special Purpose Vehicle (SPV) may assist in these circumstances.

**FHA recommends** that HA be vigilant that such roadblocks not be inserted into the NHIF model, including when States are involved in the process. (Examples documented in endnotes<sup>viii</sup>). It is critical to retain flexible models to support faith-based CHPs and faith landowners to submit projects that offer **exceptional value and unlock well-located land**.



### Potential impact of unlocking underutilised faith-owned land for housing

Faith Housing Alliance conducted an initial pilot of a mapping tool, with support from the NSW Community Housing Industry Development Strategy (CHIDS), that identified and conducted an initial analysis of 2,434 parcels of land with places of worship located on them across NSW:



### Support adaptive reuse

Examples include but are not limited to;

- Mothballed aged care facilities, where residents no longer live,
- Unutilised religious housing such as monasteries, convents, rectories or manses, often adjacent to church-owned land that are not occupied and have the potential to be converted/updated to provide social and affordable housing in well-located areas.

These buildings meet the stated goal of being 'well-located' with access to services. They are projects that could be refurbished quickly, currently limited by available CHP/faith land-owner funding.



**FHA recommends** for HA to **promote the use of unutilised inhabitable residential properties in well-located areas to rapidly increase the supply of crisis and transitional housing.**

### **Support modern methods of construction (MMC)**

Examples include but are not limited to:

- High quality modular housing
- New technologies such as 3D printing robotics

**FHA recommends** for HA to **promote the use of MMC to deliver high quality crisis and transitional projects.**



# FHA Member Organisations





If you wish to discuss this submission, please get in touch with Amanda Bailey, Head of Advocacy and Communications.

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## Endnotes

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<sup>i</sup>ACIL Allen. Social return on investment of BaptistCare NSW & ACT. [https://baptistcare.org.au/uploads/images/ACIL-Allen\\_Social-Return-on-Investment-Study\\_BaptistCare.pdf](https://baptistcare.org.au/uploads/images/ACIL-Allen_Social-Return-on-Investment-Study_BaptistCare.pdf)

<sup>ii</sup>St Vincent de Paul Society and Centre for Social Impact. Social Housing in NSW. <https://assets.csi.edu.au/assets/research/Social-Housing-in-NSW-Report-1-Contemporary-Analysis.pdf>

<sup>iii</sup>The Social and Affordable Housing Fund (SAHF) initiative is an innovative approach to delivering social and affordable rental housing in NSW, consisting of a combination of housing and tenant support services. The scheme was funded in two rounds, SAHF 1 (from 2017) and SAHF 2 (from 2019).

<sup>iv</sup>HomeTime Campaign (2024) Background.

<https://www.hometime.org.au/background>

<sup>v</sup> Foyer Foundation (2024) How Foyers Work. <https://foyer.org.au/foyers-in-australia/>

<sup>vi</sup> Domestic Violence NSW (2024) Federal Cabinet provides little relief for the gendered violence emergency in Australia. [https://cdn.prod.website-files.com/614942742ef0d31fda0f0b24/6631f56d014a8e3b9b96df2e\\_MEDIA%20RELEASE%20DVNSW%20CEO%20comments%20on%20Federal%20Cabinet%20announcements.pdf](https://cdn.prod.website-files.com/614942742ef0d31fda0f0b24/6631f56d014a8e3b9b96df2e_MEDIA%20RELEASE%20DVNSW%20CEO%20comments%20on%20Federal%20Cabinet%20announcements.pdf)

<sup>vii</sup>Treasury portfolios, Housing Australia.

<https://www.directory.gov.au/portfolios/treasury/housing-australia>

<sup>viii</sup> Examples of models applying greater flexibility:

Example 1: QLD Government entering into a tripartite funding arrangement with Salvos Housing and Salvation Army Church that acknowledges the Church as the owner of the land and CHP as manager, to facilitate a 40-year commitment to deliver social housing.

Example 2: NSW Core and Cluster projects facilitated Salvos Housing to deliver a project on Land and Housing Corporation owned land under a three-year lease and another project on Salvation Army Church-owned land under a 15-year lease.