South West Region community housing consortium planning study project

Final Report

27 May 2024

Agenda

1	**Introduction and project purpose**
2	**Key project activities**
3	**Identifying the need**
4	**Establishing interest**
5	**Conclusion and proposed next steps**
6	**Attachments**

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Accordwest (AW) engaged Social Ventures Australia (SVA) with funding from CHIA for the following purposes

Primary project purpose: Establish if there is interest* from relevant stakeholders in the South West (SW) Region in partnering in a venture to build and operate at least 100 community (social and/or affordable) housing properties.

Secondary project purpose: SVA to support Accordwest with the collation, analysis and presentation of data that indicates the social and affordable housing need in the SW Region that can be used in, or refreshed for, any future funding applications.

*N.B. At this stage 'interest' does not mean 'commitment'

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The project was comprised of two sets of key project activities

Data collection and analysis

- To identify the need in the SW Region, SVA and AW collected data on the estimated social and affordable housing need in the SW Region, and information on Housing Australia's new funding program.

- SVA and AW also conducted consultations with select stakeholders.

- This data collection and analysis was used to develop the attached Issues Paper (**Attachment A**).

- It was also used to inform preparations for, and be reflected in one of the presentations at, AW's Symposium100 event.

Establishing regional stakeholders' interest

- AW's Symposium100 event on Friday, 10 May 2024 in Bunbury was the means by which SW Region stakeholders' interest in potentially partnering in a venture to build and operate at least 100 community (social and/or affordable) housing properties was established.

- This stakeholder engagement was centred on the Symposium and a follow up survey sent to attendees on Monday, 13 May 2024. This report reflects survey responses received by the beginning of Monday, 20 May 2024.

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The methodology for identifying the need in the region involved desktop research and consultation with select stakeholders

- To identify the need in the SW Region, SVA and AW collected and analysed data on the estimated social and affordable housing need in the SW Region, and information on Housing Australia's new funding program.

- This included data from:

  - Housing Australia information sessions

  - Community Housing Industry Association (Shelter WA provided the links to this helpful data)

  - Australian Institute of Health and Welfare

  - ABS 2021 Census data.

- SVA and AW also conducted consultations with the WA Alliance to End Homelessness; Office of Homelessness, Department of Communities; Development WA; Sean Kelly, Sasky; and AW staff.

- This data collection and analysis was used to develop the attached Issues Paper (**Attachment A**).

- These research findings were presented at the Symposium100 event.

Key finding: There is **currently substantial unmet social and affordable housing need** in the SW Region (**4,200 properties** based on 2021 Census data) and this need is projected to grow by 1,400 additional properties (to 5,600 properties total) by 2041.

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SW Region stakeholder engagement to establish interest was undertaken through AW's Symposium100 event

- Stakeholder engagement was conducted through the **Symposium100** event held at Bunbury Regional Entertainment Centre on Friday, **10 May 2024**. Two SVA staff and 6 AW staff managed the event.

- The event had strong interest with 77 individuals RSVP'ing for the event and **54 attending** on the day.

  – We note that the event was held the morning after the WA Government's 2024-25 Budget was released and that this may have impacted slightly on attendance.

- The attendees for the Symposium came from a wide range of organisations. They included:

  – State Government agencies: Department of Communities, Department of Health, WA Country Health Service, South West Development Commission, and Development WA

  – Local Government Authorities: City of Bunbury, City of Busselton, Shire of Augusta-Margaret River, Shire of Capel, Shire of Donnybrook-Balingup, and Shire of Manjimup

  – Peak bodies: WA Alliance to End Homelessness

  – Community Housing Providers (CHPs): Alliance Housing and Housing Choices Australia (and AW)

  – Residential construction: Summit Homes and Hoeden Building Company

  – Finance: Commonwealth Bank of Australia (CBA)

  – Other community services providers: AnglicareWA, Salvation Army, St Vincent de Paul Society, Mindful Margaret River, Just Home Margaret River, Close to Home Southwest, Orange Sky, Pathways SouthWest, Advocacy WA, Mill!gan, Waratah, and Doors Wide Open

  – Other representatives including town planners and IT consultants.

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SW Region stakeholder engagement to establish interest was undertaken through AW's Symposium100 event

- The Symposium was comprised of two parts – a presentations in the morning, and an 'optional' facilitated workshop after lunch for those that were interested in exploring the potential for a partnership/venture.

- The Symposium was facilitated by Jen Ehlers, SVA Director.

- The presentations followed a Welcome to Country by Gloria (Nora) Dann, an Elder of the Noongar community, a Balardong, Wardandi woman. The presentations (copies in **Attachment B**) were:
  - The Hon Don Punch MLA, Member for Bunbury and Minister for Regional Development who opened the Symposium and spoke about the need for collaborative models that draw on State and Commonwealth funding to address social and affordable housing challenges in the SW Region
  - Kath Snell, Shelter WA CEO, who spoke (via recording) on the role of Community Housing Providers (CHPs) and Shelter WA's responsibilities as the WA housing and homelessness peak body
  - Michala McMahon, Director at the WA Alliance to End Homelessness (WAAEH) who spoke about WAAEH's role and its advocacy for, and research into, Permanent Supportive Housing (PSH) solutions
  - Ross Kyrwood, Consultant, who spoke about the current opportunities for community housing through the State and new Federal funding programs
  - Justin Court, SVA Consultant, who spoke about research findings into social and affordable housing needs and challenges in the SW Region
  - Evan Nunn, AW CEO, who spoke about AW's efforts and the necessity for collaboration in meeting the unmet social and affordable housing needs of the Region.

- At the end of the presentations there was a short period of comments with the group. Key issues raised were i) gaps in homelessness services for veterans; and ii) the barrier that property head works (i.e. connections to essential services) pose for regional community housing developments outside of townships.

The afternoon's workshop involved ~35 participants and was centred on break-out group discussions

- Approximately **35 participants** from a range of different organisations stayed on for the optional workshop in the afternoon session (this figure excludes the 8 AW and SVA staff who attended).
  - At the close of the morning session, it was emphasised that the afternoon session was for those who believed their organisations had something to contribute to an initiative to build and operate at least 100 social and affordable homes.
- Participants were introduced to AW's community housing model (see next slide) with its 3 broad capability areas – Property Development, Tenancy Management, and Client Support Services.
- Participants were asked to select a break-out group on one of these capability areas based on what they thought their organisation could best contribute to.
- The break-out groups were comprised of:
  - Property Development: 22 participants (including 2 AW staff members and one SVA staff member) – 12 participants in one break-out group and 10 in the other
  - Tenancy Management: 6 participants (including one AW staff member)
  - Support Services: 15 participants (including 2 AW staff members)
- During the session, the AW CEO and the workshop facilitator (SVA Director) moved between break-out groups to observe and, where required, facilitate/contribute to discussions.
- Each break-out group discussion was guided by the 3 overarching questions on the next slide.
- Key discussion points are outlined on the following slides.

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The breakout group discussions focused on the questions below

Property Development
Opportunity Identification
Opportunity assessment
Financial Modelling
Financing (funding, grants, partnerships)
Partnership Developments
AssettAsset Management
(stock rollover/sales etc
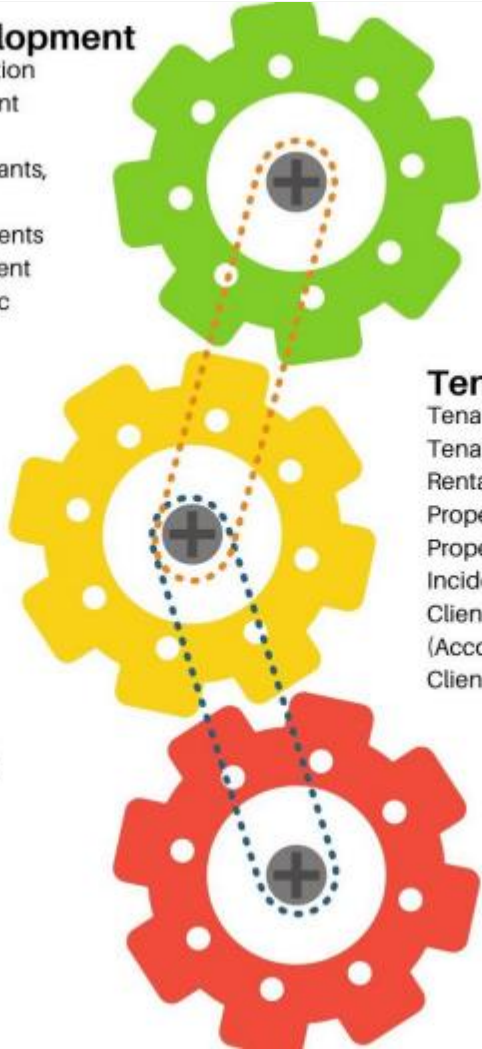
Tenancy Management
Tenant Intake and Assessment
Tenancy Contracts
Rental assessment and collection
Property Inspections
Property Maintenance - Planned and Incidental
Client Referral to Support services (Accordwest or other providers)
Client Support partnerships

Client Support
Case Management
Life skill training
Conflict resolutions
Community Living
Employment
Training
Budgeting
Housing Planning

Acknowledge current key issues in the South West impacting development of these capabilities.

What do you think your organisation could bring to the table in a consortium? What are your strengths?

How might a consortium of partner organisations work together on a venture?

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The key points from the **Property Development** break-out groups regarding **challenges** were...

Key challenges

1. Logistical challenge of building houses in regional areas (e.g. availability of trades to spend the required time on site – i.e. months – and provide accommodation for them).

2. Very limited economy of scale in the SW Region outside significant population centres (Bunbury and Busselton).

3. The intricacies of each local government's approval processes (i.e. red tape).

4. Obtaining large-scale land leases is difficult.

5. Most of the Region's local governments do not hold a lot of land and are not 'cash rich' (though some do have other assets that could be leveraged).

6. Funding for headworks at new sites (especially sub-divisions) to connect to essential services – power, water and wastewater – noting these are provided by Western Power, Water Corporation etc (not local governments).

7. Financing – the evidence required for successful financial applications and assets to leverage for protection.

❝ *The issue of everyone having all the pieces of the puzzle but not sure how to put it all together*

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The key discussion points from the **Property Development** break-out groups regarding **potential solutions** were...

Potential solutions/opportunities/avenues for exploration

- Recognise importance of, and CHPs involving and partnering with, private sector organisations and local governments.
- Use of modular housing that is built much more quickly offsite then transported to site and established in 2-3 days of onsite work (versus months of onsite work for in-situ builds by a larger workforce).
- Minimise the number of house designs needed for the initiative – e.g. one each of a 1 (tiny house), 2, 3 and 4 bedroom design to reduce costs and complexity of development and maintenance – and maximise the potential purposes of each.
- Examining options for innovation including the use of cluster accommodation and bringing in greater private investment.
- Examine potential to include the costs of headworks (i.e. connections to essential services – power, water and wastewater services) in funding applications to State and Commonwealth governments.
- Local governments identifying any 'lazy' land within their townships that could be suitable for residential development (noting that if within townsites they are likely already connected to essential services).
- Local governments facilitating development approvals through their individual processes.
- Project support and advice from State agencies (e.g. South West Development Commission and Development WA).
- Understanding how developers view risk and tailoring an approach for this (e.g. potential commitment of a broad group of stakeholders at the start of the initiative to provide certainty to developers).
- The potential for new residential developments to free up other housing stock (i.e. older properties) that CHPs might then be able to come in and manage as social and affordable housing stock.
- Potential for a 25-year lease-land model that, if provided on government land, might be offered to CHPs at peppercorn lease rates in recognition of their social impact in the community (and noting the potential value of the property if/when reverts to government ownership at the end of the lease).
- Coordination and collaboration process across all involved stakeholders, including potentially multiple CHPs.
- Examine potential new financing models for community housing to expand its provision in the Region.

" *The hard bit is lining up all the ducks, coordinating this with one clear process*

The key points from the **Tenancy Management** break-out group regarding **challenges** and **potential solutions** were…

Key challenges

- Limited number of homes in the locations where they are needed.
- Building supports around the needs of clients/tenants.
- Creating a complex/cluster of homes with a support provider on site.
- Clients/tenants with no medical and mental health support whose behaviours escalate.
- Collaboration with other services.
- Limited Alcohol and other Drugs (AoD) services in the Region.

Potential solutions/opportunities/avenues for exploration

- True partnerships between services and still being able to offer person-centred supported tenancy.
- IT development for tenancy management (e.g. Civica software).
- Examine property inspections (time and costs, and providing inspection support to clients that is supportive of the tenancy).
- Taking current properties and building supports around the need of the clients.
- Community development – having low-income clients around non-supported clients and having events that are able to connect people (e.g. BBQs, community events etc.).
- Leverage local providers knowledge of community needs.
- Discussion/exploration of what is needed to keep tenants in homes.

> *Coming together to ensure that clients are supported, and their needs identified when coming into housing*

The key points from the **Support Services** break-out group regarding **challenges** and **potential solutions** were...

Key challenges

- The current gap between identifying clients' needs as they enter housing (e.g. clients coming from prison environment).
- The gap between social housing and market rental properties is significant and is a disincentive for people to thrive.
- Clients' financial management skills.
- High-intensity support needs in social housing.
- National Rental Affordability Scheme (NRAS) ends in 2026.

Potential solutions/opportunities/avenues for exploration

- Examine the different support needs for affordable versus social housing – higher intensity support needs in social housing but support needs still exist in affordable housing.
- Support pathways for social housing tenants to transition into affordable housing as a bridge to market rental/home ownership over time.
- Financial counselling support and other support services to help prevent tenants falling into/back into homelessness.
- Advocacy to, and awareness raising for, real estate agencies and local governments – a Consortium could potentially undertake this role more effectively and efficiently than individual organisations.
- Referral pathways with a no wrong door approach for tenants.
- Opportunities for local communities to participate in consultations on this venture.

Look at existing programs across the sector and bring together the best elements into one venture

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Participants expressed interest in examining a potential venture to build and operate at least 100 properties

- SVA's and AW's observations from the 10 May Symposium100 event was that attendees were highly engaged, and many were interested in pursuing this initiative further.

- This observation was tested through a post event survey AW sent to attendees. 16 responses were received by 20 May:
  - 87.5% of survey respondents said that that their overall experience of the Symposium was excellent or good
  - 75% of survey respondents said that the event was either very useful or extremely useful to them
  - **75%** of survey respondents **are interested in participating in a venture** to build and operate at least 100 community (social and/or affordable) housing properties
    - All of these respondents thought that convening a working group of interested organisations to scope and develop a project plan to create a funding application was an appropriate next step.

- On this basis we conclude that the project has been successful as it has achieved its purposes. A group of interested stakeholders has been identified, and primed, for AW to engage further with. Data analysis that will support the future work of this working group has also been developed through the project.

- We note that the next steps should be actioned reasonably quickly to take advantage of the interest and goodwill stimulated by the Symposium.

Next steps
- AW plans to convene a working group through an Expression of Interest (EOI) to Symposium attendees within the next month
- The working group will examine how a consortium could work together and identify (and progress through) the various issues that will be needed to developed an application to State and Federal funding programs.

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The working group will need to develop a range of issues, including but not limited to ...

How many houses do we think it is realistic to develop?

How would we develop and maintain the required workforce?

What is the appropriate mix of different dwelling types within this project and their tailored designs (e.g. single person, family dwellings etc)?

What is the governance and commercial structure of our partnership?

Do we want to set aside allocations of housing for different types of clients?

What is the appropriate balance of social and affordable houses in the initiative?

Who do we engage with about identifying and securing land?

What is our operating model for a 25-year period?

How do we manage the associated risks?

How do we incorporate the voices of people with lived experience in the solutions?

How do we finance the remainder of the funding we need outside government programs?

Can we use existing client support pathways for our tenants?

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Attachments

- Attachment A – Accordwest Issues Paper
- Attachment B – Accordwest Symposium100 Presentations

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