

Community Housing

Community Housing Organisations

Community Housing was developed in South Australia in the early 1980's to provide an expanded range of housing choice for people eligible for social housing.* There are two forms of Community Housing: Housing Associations and Housing Co-operatives, which are collectively known as Community Housing Organisations (CHOs).

Housing Associations are not-for-profit organisations that are often linked to community-based service organisations, and are managed on behalf of the tenants by community volunteers, and in some cases, staff of the Housing Association.¹ As of June 2003 there were 48 Housing Associations managing 2,605 dwellings, housing approximately 4,050 people.²

Housing Co-operatives are not-for-profit organisations established by people with similar housing needs and interests. Members of a Housing Co-operative are generally the tenants of the co-operative and take responsibility for managing the co-operative and its affairs.³ As of June 2003 there were 78 Housing Co-operatives managing 1,409 dwellings, housing approximately 2,220 people.⁴

Rents for Community Housing dwellings are set at 25% of household income up to a 'ceiling rent', (similar to full market rent). Community Housing Organisations seek to involve tenants in decisions about their own housing, and encourage self-help, self-management and volunteer involvement in the provision and management of housing.

Special-needs groups housed by Community Housing Organisations include people who have experienced homelessness, the aged, people with disabilities, survivors of domestic violence, people from non-English speaking backgrounds, low-income families and individuals, and those who have difficulty accessing the private rental market.⁵

** Community Housing, combined with Public Housing, (that is housing managed by the South Australian Housing Trust and the Aboriginal Housing Authority), forms what is known as Social Housing.*

SNAPSHOT 4

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Shelter SA
Housing: a basic human right

Community Housing

South Australian Community Housing Authority

The South Australian Community Housing Authority (SACHA) was created by the *South Australian Co-operative and Community Housing Act (1991)*. Prior to 1991-92, Housing Co-operatives were administered by the SA Housing Trust. Prior to 1995-96 the Housing Association program was managed by the SA Housing Trust.

SACHA performs the following key functions:

- ◆ Ensures that Community Housing Organisations (CHOs) function according to the Act and its Regulations
- ◆ Supports the growth of CHOs by funding the new construction, purchase, transfer and upgrade of properties.
- ◆ Supports the administration of CHOs by providing information, training, group development and other support.
- ◆ Forms partnerships with local government and other community groups to provide housing from alternative sources (e.g. joint ventures), and for specific needs groups. ⁶

The Community Housing Council

The Community Housing Council of South Australia (CHCSA) is the peak body of Community Housing Organisations in SA. It provides information about community housing to the general public, facilitates an *Introduction to Community Housing* course, provides advice to Community Housing Organisations and represents the interests of Community Housing Organisations to the government and the media.

Telephone: (08) 8362 1022 Email: info@chcsa.org.au Website: www.chcsa.org.au. ⁷

Current Issues

The *SACHA Change Management Project* is considering a number of issues, including:

- ◆ Centralised application system
- ◆ Funding agreements between Community Housing Organisations and SACHA
- ◆ Setting of rent levels
- ◆ Asset management.

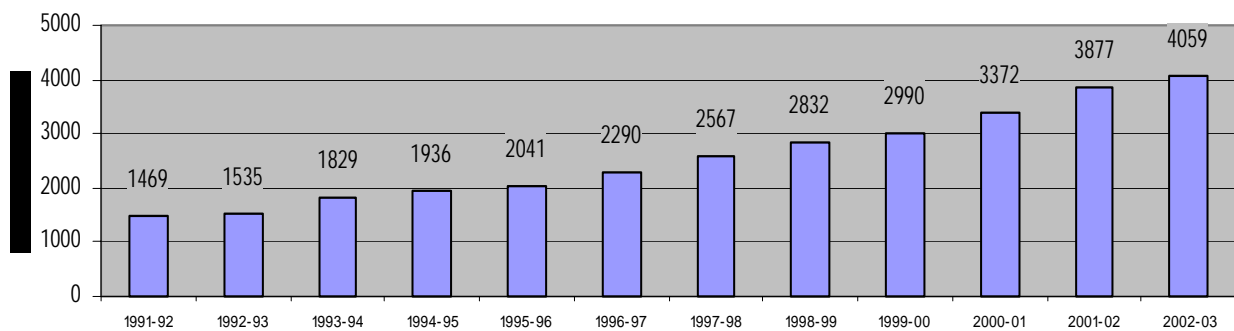
Other current issues are:

- ◆ The SACHA debt of \$120 million, which has an average weighted interest rate of 7.02%. During 2002-03 only the interest on this loan was paid (\$8.78 m. in 2002-03); i.e. the outstanding debt or principal was not reduced during 2002-03. ⁸
- ◆ Review of the appeals process
- ◆ National Community Housing Standards ⁹
- ◆ Viability and sustainability of Community Housing Organisations
- ◆ Providing appropriate support to a largely volunteer sector
- ◆ Increasing complexity of housing needs amongst tenants
- ◆ Ageing of community housing sector
- ◆ Increase in costs in an environment of decreasing funding. ¹⁰

Community Housing

Growth in Community Housing Stock

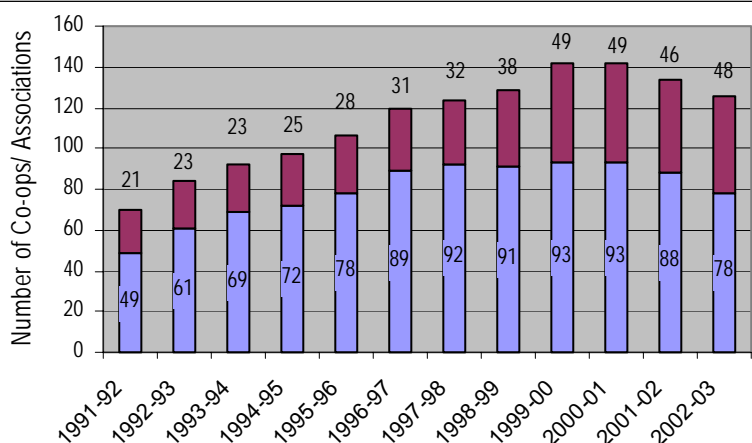
- ◆ Community Housing stock increased from 1,469 dwellings in June 1992 to 4,059 dwellings in June 2003: this is an increase of 2,590 dwellings (an average of 235 dwellings per year).¹¹
- ◆ During 2002-03, 152 houses were transferred to SACHA from the SA Housing Trust (SAHT), 70 houses were built (at a cost of \$8.26 million), and 2 houses were purchased (at a cost of \$ 286,500).¹²
- ◆ Since 1996/97 1,177 dwellings have been transferred to SACHA from the SAHT (to June 2003). Prior to that date Co-operatives received capital grants and only Housing Associations received SAHT transfers. Data is unavailable from 1991-96.¹³



Growth in Community Housing in SA, 1991-2003

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- ◆ Community Housing Organisations are located throughout the metropolitan area of Adelaide, and several regional locations, including: Berri, Cleve, Crystal Brook, Gawler, Goowla, Kangaroo Island, Mannum, Mount Barker, Mount Gambier, Nurioopta, Port Elliott, Port Pirie, Waikerie, Wallaroo, Yankallilla and Victor Harbor.¹⁵



Number of Housing Co-operatives and Housing Associations, 1992 - 2003¹⁶

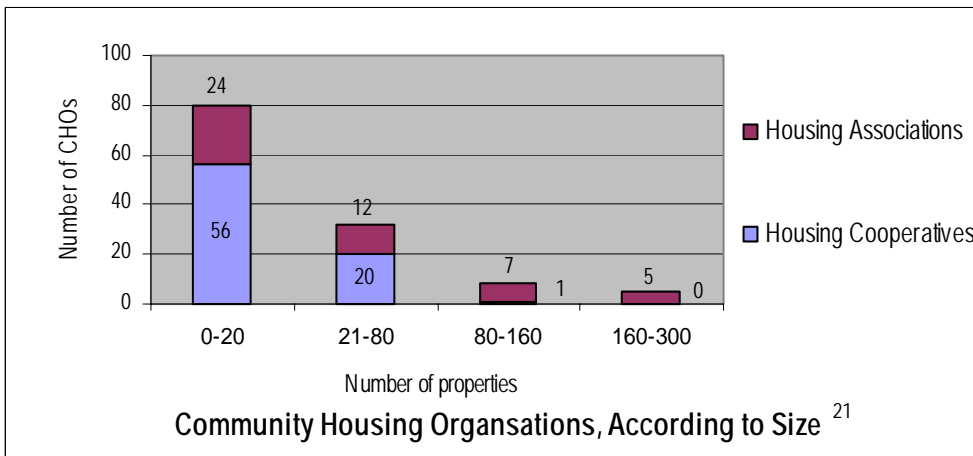
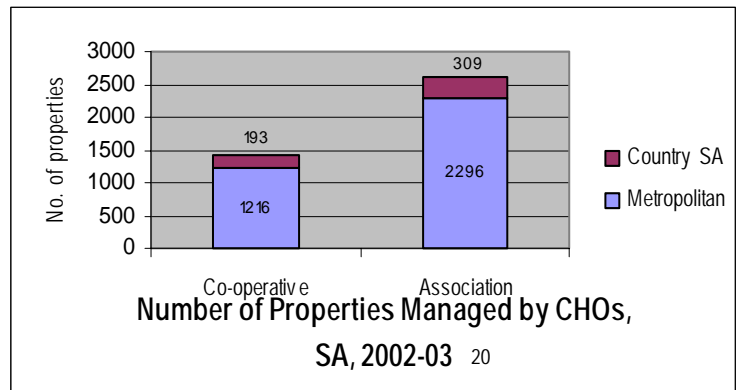
■ Housing Assoc.
■ Housing Co-ops

- ◆ There has been a decline of 15 Housing Co-operatives from June 2000 to June 2003.¹⁷
- ◆ This is due, in part, to the increasing complexity of managing a Co-operative, including the introduction of GST in July 2000.¹⁸
- ◆ Refer to www.chcsa.org.au for a complete listing of Community Housing Organisations.

Community Housing

Co-operatives and Associations

- ◆ 12% of community housing dwellings are in Country SA and 88% are in metropolitan Adelaide.
- ◆ There are 78 Housing Co-operatives and 48 Housing Associations.
- ◆ Housing Associations account for 65% of all community housing stock. ¹⁹



- ◆ One Housing Co-operative and twelve Housing Associations manage over 80 properties each. These account for 52% of all Community Housing Stock. ²²

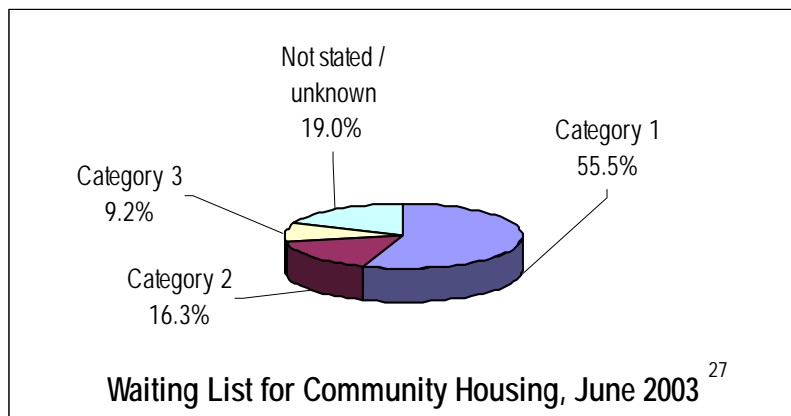
Legislation regarding Community Housing

- ◆ *South Australian Co-operative and Community Housing Act, 1991*, and its Regulations. ²³
- ◆ *The Residential Tenancies Act 1995*: Community Housing tenants are covered under the Residential Tenancies Act. However, there is less security of tenure compared with other forms of social housing. Under the *Residential Tenancies Act*, Housing Associations can terminate the tenancy without specifying a reason for termination, simply by giving 90 days written notice. Housing Co-operatives can terminate a tenancy on the grounds that the tenant has ceased to be a member of the co-operative, or the tenant no longer satisfies conditions specified by the agreement as essential to the continuation of the tenancy. ²⁴
- ◆ Housing Associations are incorporated under the *Association Incorporation Act, 1985*, not the *South Australian Co-operative and Community Housing Act, 1991*. ²⁵

Community Housing

Waiting List For Community Housing

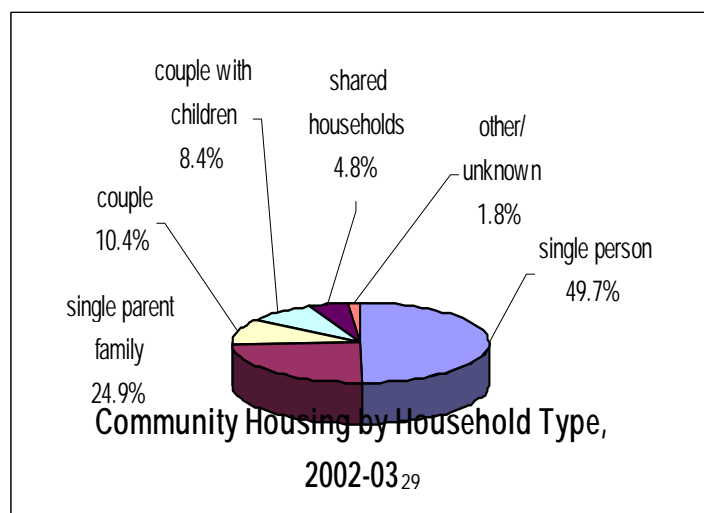
- ◆ There were 2,649 applicants on community housing waiting lists as at June 30th 2003. ²⁶



To be eligible to apply for Community Housing, a person/household:

- ◆ Must be a resident of South Australia.
- ◆ Must be in receipt of an independent income (regular wage, salary or Centrelink payment etc.)
- ◆ Must not hold ownership in residential property.
- ◆ Must meet Income and Asset Limits and / or a Needs Test.
- ◆ Income Limits (as of June 2004) were \$585 gross income per week (\$30,413 p.a.) for a single person up to \$1,215 gross income per week (\$63,166 p.a.) for a couple with 4 or more dependents.
- ◆ Asset Limits (as of June 2004) were \$257,500 for a single person households up to \$320,500 for couple households. (Note: both the income and asset limits are updated regularly). ²⁸

Characteristics of Community Housing Tenants

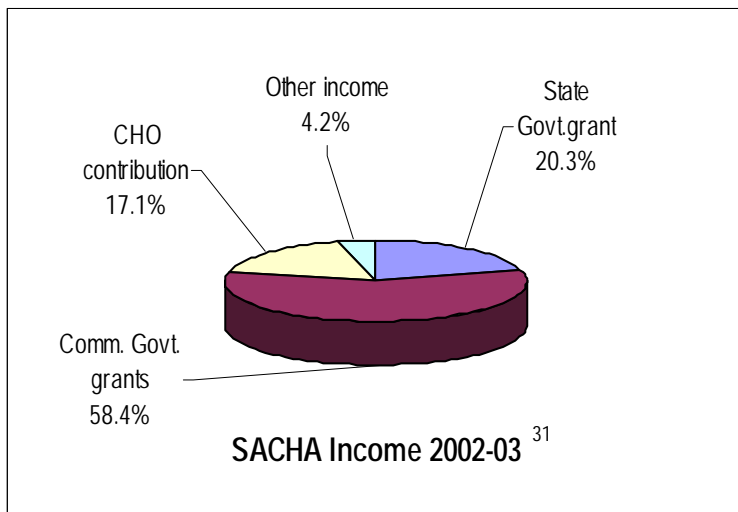


In 2002-03:

- ◆ 83% of households had an income less than which is less than half of Average Weekly Earnings (\$985).
- ◆ 75% of households received a government payment as their main source of income.
- ◆ 14% of adult householders were aged under 25, 41% aged 25 to 44, 29% aged 45 to 64 and 16% aged 65 or more.
- ◆ 29% of households had at least one adult with a disability.
- ◆ 58% of households had at least one household member in at least one special needs group. ³⁰

Community Housing

SACHA Income and Expenses 2002-03

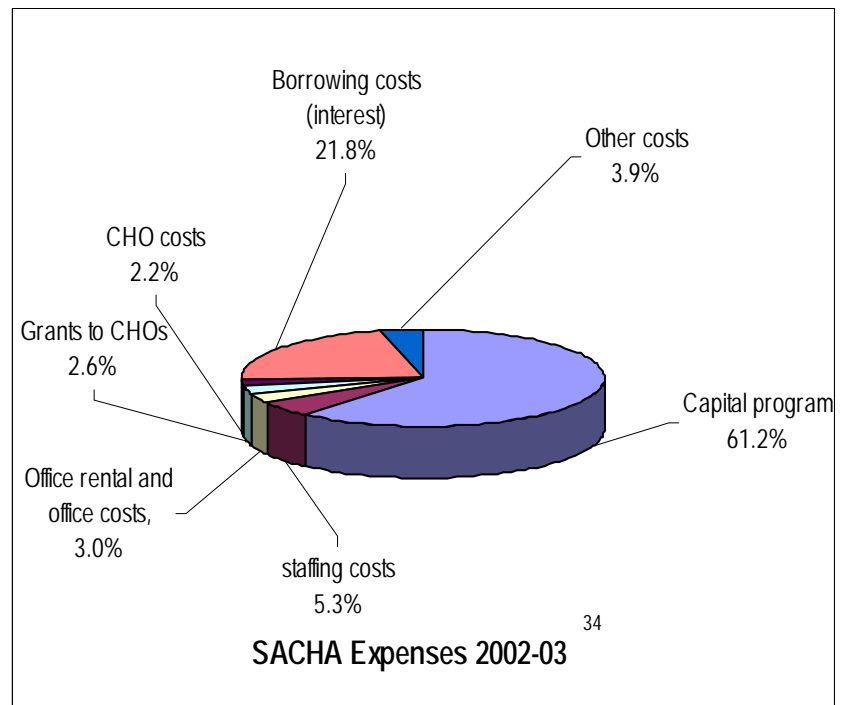


SACHA income for 2002-03 was \$40.73 million:

- ◆ State Government grants: \$8.27 m.
- ◆ Commonwealth Government grants: \$23.7 m.
- ◆ Contributions received from Community Housing Organisations: \$6.95 m.
- ◆ Other: interest and sundry income, lease receipts from SA Housing Trust, contributed assets, capital project recoveries: \$1.72 m. ³²

SACHA expenses for 2002-03 were \$40.24 million:

- ◆ Staffing costs: There were 30 SACHA staff (28 full time equivalent) employed as of June 30th 2003, at a cost of \$2.17 m. (equivalent to \$481 per dwelling per year).
- ◆ Office rental and office costs: \$1.18 m.
- ◆ Community Housing Organisations' costs (insurance, hot water service warranty) : \$0.87 m.
- ◆ Grants to 11 'large CHOs', for staffing costs : \$1.05 m.
- ◆ Borrowing costs: \$8.78 m. (SACHA paid off only interest of the loan during 2002-03).
- ◆ Other costs: loss on property sales and transfers* (\$0.23m), lease payments to SA Housing Trust (\$0.58 m.), property revaluation decrement (\$0.77 m.) ³³



* defined as the difference between the proceeds and the book values of properties transferred between SACHA and CHOs, and other properties sold.

Community Housing

Shelter SA Position Statement 4 Community Housing

- 4.1 Shelter SA supports funding of the Community Housing sector, to increase the supply of affordable housing.
- 4.2 Shelter SA believes that Community Housing tenants should have the option of playing a formal role in policy formulation and management of Community Housing.
- 4.3 Shelter SA supports efforts to assist tenants at risk of eviction, in sustaining tenancies.
- 4.4 Shelter SA supports Community Housing dispersed through local communities in urban, rural and regional areas.
- 4.5 Shelter SA supports the location of Community Housing in areas close to employment opportunities, public transport, shops, health and education services.
- 4.6 Shelter SA supports Community Housing rents set at 25% of income, up to South Australian Community Housing Authority (SACHA) ceiling rents.
- 4.7 Shelter SA supports Community Housing homes being designed to meet basic housing and energy efficiency criteria.
- 4.8 Shelter SA supports efforts to raise community awareness of Community Housing.



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References and Further Information

Do Community Housing Organisations Strengthen Communities?*

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National Community Housing Standards Manual.*

(National Community Housing Forum, Second edition, May 2003).

Shelter SA's Submission for the State Housing Plan.* (Shelter SA, June 2003).

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The Community Housing Council of South Australia Annual Report 2002-03.*

(Community Housing Council of SA, 2003). Refer to p.2 for CHCSA contact details,

The Community Housing Federation of Australia.

www.chfa.com.au

The National Community Housing Forum.

www.nchf.org.au

(* denotes that this reference is available in the Shelter SA library).

Footnotes

1. *Community Housing: What is it?*, SACHA
2. *SACHA Annual Report 2002-03*, p.46, plus information provided by SACHA
3. *Community Housing: What is it?*, SACHA
4. *SACHA Annual Report 2002-03*, p.46, plus information provided by SACHA
5. *Community Housing: What is it?*, SACHA
6. Information provided by SACHA and p.46, *SACHA Annual Report 2002-03*
7. www.chcsa.org.au
8. *SACHA Annual Report 2002-03*, p.35& 41
9. www.sacha.sa.gov.au/site/page.cfm?u=169, & www.chcsa.org.au/discussionpapers.htm
10. Information provided by SACHA
11. *SACHA Annual Report 2002-03*, p.46 –47
12. *SAHT Annual Report 2002-03*, p.4, and information provided by SACHA
13. Information provided by SACHA
14. *SACHA Annual Report 2002-03*, p.46 –47
15. *Ibid*, p.46-47
17. *Ibid*, p.46-47
18. Information provided by SACHA
19. *SACHA Annual Report 2002-03*, p.46 –48
20. *Ibid*, p.46-48
21. *Ibid*, p.46-48
22. *Ibid*, p.46-48
23. www.austlii.edu.au/au/legis/sa/consol_act/sacacha1991549/
24. *SA Residential Tenancies Act*, Clause 82 and 83
25. Information provided by SACHA
26. *Ibid*
27. *Ibid*
28. *Ibid*
29. *Ibid*
30. *Ibid*
31. *SACHA Annual Report 2002-03*, p.28 and information provided by SACHA
32. *Ibid*, p.28 and information provided by SACHA
33. *Ibid*, p.28-35 and information provided by SACHA
34. *Ibid*, p.28-35 and information provided by SACHA

