

Growth & Diversity

2009-2012

**Community Housing Federation of
Victoria**

Strategic Plan



Community Housing Federation of Victoria

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Introduction

The Community Housing Federation of Victoria's (CHFV) 2009-2012 Strategic Plan focuses on supporting the growth of CHFV's members while promoting diversity amongst both community housing organisations and the people they house. As the community housing sector faces this period of unparalleled growth, CHFV and its members will experience many opportunities and challenges. This Plan articulates broad strategic directions as well as specific strategic actions set within CHFV's agreed functions. Each strategic action is matched with measurable outcomes and initial priorities.

Community Housing Federation of Victoria

Vision and Mission

CHFV's vision is for all Victorians to have access to affordable housing choices. This choice will include a diverse range of tenures delivered by a range of community, government and private organisations.

CHFV's mission is to foster the growth of capacity of the community housing sector and to provide leadership in promoting the benefits and strengths of community housing.

Functions and Membership

CHFV is the peak body of community housing organisations in Victoria. Community housing organisations are not-for-profit organisations that develop, own and/or manage rental housing for Victorians in need.

CHFV's functions include:

- Community housing sector development and coordination;
- Policy development and analysis;
- Training and professional development;
- Advocacy; and
- Information and support.

Membership of CHFV is open to community housing organisations that support CHFV's vision and mission. CHFV members are predominantly registered agencies. Associate membership of CHFV is open to other organisations and individuals who support CHFV's vision and mission. For-profit organisations can be associate members.

CHFV Governance and Management Structure

CHFV is governed by an elected Board. The Board convenes a number of sector groups and, from time to time, finance, project, policy, editorial or special interest

groups (SIGs) are facilitated by CHFV staff. CHFV also convenes quarterly member meetings.

CHFV is resourced by a small team led by an EO. As at 1st July 2009, there are five staff (a total of 4.2 EFTs) including the Policy and Projects, Sector Development, Partnership Policy and Project Officers, as well as a part time Office Manager. More than 85% of CHFV's funding is currently derived from the Victorian Department of Human Services (DHS) Office of Housing (OoH).

Background

Government Housing Policy Directions and Funding

The Victorian community housing sector is embarking on the largest growth period in its existence. This growth, which is largely funded by a re-engaged Federal Government through its Stimulus Package, will build on a period of development fostered by the Victorian Government. The State has focused on both growing larger housing organisations and delivering a robust two-tier regulatory system. The Federal Government has articulated its own reform agenda for social housing, including stock transfers of public housing in the medium term to community housing organisations which it has linked to the expenditure of its funds. This environment will produce many opportunities and challenges for both CHFV and its members.

The Victorian Government's Housing Policy Directions and Funding

The Victorian Government has, for a number of years, been growing the community housing sector through the development of regulatory infrastructure and the provision of capital funding. The Government has nominated community housing as its preferred vehicle for the development of new social housing stock and, increasingly, the redevelopment of its public housing portfolio. In part, this strategic direction has been driven by the community housing sector's capacity to deliver gearing (in addition to the funding received) and to capture Commonwealth Rental Assistance (CRA), which supports a viable rental income stream.

The Victorian Government has:

- Required all agencies receiving funds or managing its stock to become registered and regulated either as providers or associations (growth vehicles);
- Provided capital funding of more than \$390m in the last three years;
- Predominantly allocated these growth funds to housing associations;
- Required private developers to partner with housing organisations when bidding for public housing estate redevelopment;
- Transferred the ownership of community-managed stock to housing

associations;

- Promoted a competition-based model for allocation of funds, with significant emphasis on delivering 25% gearing on the projects;
- Targeted the stock developed by housing associations to low wage workers; and
- Required all agencies managing OoH stock to maximise CRA.

The Federal Government's Housing Policy Directions and Funding

The Federal Housing Minister has articulated a housing reform agenda linked to the provision of funds under both the National Affordable Housing Agreement (NAHA) and Federal Stimulus Package. The reforms to social housing will focus on a number of key objectives, such as to:

- Support a small number of community housing organisations to grow to a scale and competence where they can provide contestability within social housing, particularly against public housing provision;
- Implement a national independent prudential supervision for social housing providers (both public and community housing) to include national regulation and registration;
- Renegotiate how the Commonwealth funds social housing to States, to provide an incentive for States to increase and improve their stock;
- Deliver better stock to meet the current and future needs of tenants by better matching homes and households and linkages to required services and supports; and
- Provide tenants with a choice of provider via a single access gateway.

As well as negotiating a new broader Commonwealth/State housing funding agreement (NAHA) to replace the previous (Commonwealth State Housing Agreement – CSHA), the Federal Government has committed to a number of funding initiatives including:

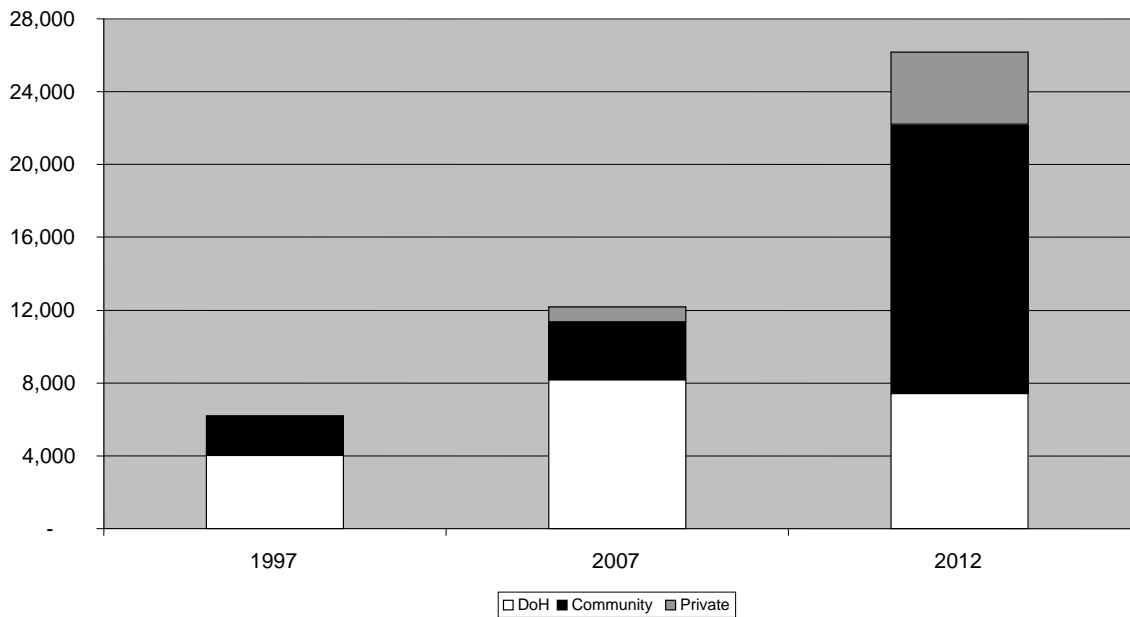
- **National Rental Affordability Scheme (NRAS)** – a 10 year private rental subsidy scheme targeted to construct 50,000 new houses by 2012 (of which Victoria could typically expect to secure on a per capita basis 12,500 units). As a shallow subsidy scheme, this has received some support from both the Victorian Government and institutional investors. However this is an opportunity with Victorian based community Housing Associations having been granted a solid share of new housing approvals in the first round of this scheme in Victoria and across Australia. Further this Strategic Plan seeks to place CHFV in the longer term landscape where community housing is entrenched as part of the Victorian and Australian housing system. It is noted the Commonwealth plan to extend NRAS with similar targets for a

further five years subject to demand. Also the intention of the Commonwealth to extend the scheme means CHFV can scenario plan beyond the term of this three year plan to capture significant growth, in a period when the current counter-cyclical investment era will have ended.

- Federal Stimulus Package** – this has provided approximately \$1.5b for social housing in Victoria and is currently anticipated to fund in excess of 5,000 housing units, with half of the funding allocated to the community housing sector. As the Victorian community housing sector is structured to lever growth it is anticipated it shall deliver more than half of the houses, that is more than 3,000 units. Of those owned by the Director of Housing (DoH), a proportion is expected to be managed by the community housing sector and potentially transferred to community ownership.

The extent of the growth in this sector can be illustrated by a comparison with the growth achieved in the decade from 1996/07 to 2006/07. While the number of units under management is projected to grow from approximately 6,000 units in 1996/96 to more than 26,000 in 2011-12, it is the growth in ownership and the associated required development capacity that is the most striking feature. In this area, the number of units owned by community housing agencies is anticipated to grow from 2,000 units in 1996/07 to more than 14,500 units during the timeframe of this Strategic Plan (with an associated asset value of more than \$3.5b).

Ownership of Community Housing Stock



Challenges and Opportunities for CHFV Members

With Government funding flowing predominantly to growth providers (Housing Associations), the size and resulting complexity of their portfolios will increase rapidly. By 2012, it is anticipated that the number of community housing agencies owning more than 1,000 units will increase from the current two to seven or more. Notably at the start of this three year plan there are eight Registered Housing Associations and this is the level of scale of operations that would change the face of the Victorian sector.

CHFV members confront a number of challenges including:

- Finalisation of initial registration and the migration of organisations from provider to association status;
- Regulation and associated compliance requirements ;
- Pressure of delivering a large number of funded projects; and the lumpy nature of rolling these out;
- Increasing asset management responsibilities;
- Need to recruit and retain more and higher skilled staff;
- Increased scrutiny and accountability;
- Reform fatigue;
- Maintenance of the diversity of provider, tenure and tenant mix;
- Delivery of the State funding model requiring 25% equity contribution for growth; and
- Living with choice-based letting.

Challenges and Opportunities for CHFV

In such an environment and as the industry peak body, CHFV will confront a number of challenges and opportunities. Broadly, these opportunities will relate to the shaping of policy directions and the provision of services to CHFV's members.

The nature of CHFV's membership is changing, with registration leading to a reduced number of agencies. However, member agencies are likely to grow much larger in a short period of time and their complexity will increase. Challenges will include:

- Moving beyond a registration focus to broader engagement with Government;
- Increasing credibility on key issues;
- Building a more comprehensive and robust response;
- A reduction in the number of larger members as mergers take place;
- Competition from OoH going direct and from other networks;
- Overdependence on OoH core funding;

- The complexity involved in managing and spending OoH funding; and
- Capacity to deliver services.

2009 - 2012 Strategic Plan

Development process

The 2009-2012 Strategic Plan was developed through a four-phase process. It commenced with a review of performance under the 2006-2009 Strategic Plan through consultation with the Board and sector groups. This was followed by consultation with key OoH and Housing Registrar staff, and workshops at Board and members' meetings. Finally, the plan was drafted, then considered and finalised through a special purpose Board meeting. The process was resourced by CHFV staff led by the Executive Officer with the assistance from a housing consultant, Joseph Connellan of MC Two Pty Ltd.

As part of the project, a briefing note was prepared as a resource for the CHFV in its negotiations with OoH regarding its Funding and Service Agreement (FASA) negotiations.

This plan recognises that to deliver on the appropriate strategic actions and associated goals, commensurate resources will be required to lead on the core themes of this era, generational growth and diversity.

Strategic directions

CHFV has committed to six strategic directions that are consistent with its broad strategies of promoting growth and diversity:

- **Develop and maintain a leadership profile** - within the social housing industry and the broader social policy environment.
- **Promote community housing** - promote diversity of service and size of providers in community housing, and empower and resource small agencies to grow.
- **Increase community housing stock in Victoria** – advocate to State and Federal Government for growth within community housing utilising capital funds, stock transfers in particular of property managed by community housing organisations and estate redevelopments such as mixed tenancies.
- **Contribute to housing policy at all levels** – there is a firmly held view amongst CHFV members that CHFV needs to be a strong voice to all three spheres of government (Federal, State and Local). CHFV has a role to play to entrench community housing into the Victorian and Australian housing system so it flourishes beyond this era of anti-recessionary public investment.

- **Help organisations to meet regulatory requirements** – regulation is clearly a priority issue for many CHFV members. CHFV, a supporter of enabling regulation, has two roles in reducing its impact while promoting its effectiveness. The first is advocate to the Housing Registrar and government to modify regulatory practices and the second is to resource members to meet the regulation load in the most efficient way possible.
- **Strengthen CHFV’s organisational capacity** – as the community housing sector becomes a more significant provider of social housing, the opportunities to influence policy and practice as well as the demands on CHFV and its members will grow. CHFV will move to build more robust contributions to policy debates while reducing its proportional dependence on OoH funding. Specifically, it will provide services to members that both meet their needs and generate revenue.

Strategic Actions

The following table outlines specific strategic initiatives that will be undertaken in each CHFV functional area. Each strategic direction has clear objectives and priorities nominated for early focus within the strategic plan. It is anticipated that annual planning sessions will establish priorities for later years and be incorporated in yearly CHFV Business Plans. As with any funded organisation, CHFV’s capacity to deliver specific goals will be impacted by the amount and nature of funding it secures.

Community Housing Sector Development and Co-ordination

<i>Strategic Action</i>	<i>Measurable Goal</i>	<i>Initial Focus</i>
Compile business cases and development plan for the new services to members	2 business cases completed each year	Employment agency, insurance brokerage and maintenance service feasibility project
Develop partnership and undertake joint projects with other peak and industry bodies	2 projects commenced each year	Tax policy, inclusionary zoning and developer contribution, and rewrite of CHFV business kit
Resource smaller agencies to form partnerships	Partnership seminars delivered and Provider Special Interest Group (SIG) established	How to choose a larger partner for business operations such as tenancy or asset management
Establish private developer referral (non-brokerage) service	20 private operators (eg. developers, financiers, suppliers) referred to housing organisations	Promoting community housing to developer networks, electronic clearing house for project concepts

Policy Development and Analysis

<i>Strategic Action</i>	<i>Measurable Goal</i>	<i>Initial Focus</i>
Develop and promote a vision for social housing and place for community housing	Vision launched and promoted	Placing affordable housing within community housing
Complete substantial research into key policy issues	2 policy issues researched each year	Impact of 25% leverage model on tenant selection
Support regional and rural development	2 forums held annually	Growth opportunity sessions

Training and professional development

<i>Strategic Action</i>	<i>Measurable Goal</i>	<i>Initial Focus</i>
Develop new competitively priced training products for staff members and Board members	2 new courses developed annually	Orientation for new Board members and senior staff
Develop training and development for new high skill staff entries	4 seminars held annually	Chief Financial Officer seminars
Resource special interest SIGs	2 new SIGs developed per year (theme and task based)	Regulation and financial reporting

Advocacy

<i>Strategic Action</i>	<i>Measurable Goal</i>	<i>Initial Focus</i>
Resource and co-ordinate campaign on issues of shared concern to CHFV members	One campaign completed each year which achieves its stated goal and enjoys members' support	CHFV staff to compile a list of possible issues and likelihood of common support and success.
Review the regulatory workload	Regulatory practice changed to reduce workload	Financial compliance
Develop position paper on sectors under pressure	2 papers produced each year	Transitional housing, and rental co-ops
Review and adapt workforces plan	Robust community housing workforce plan developed and promoted	Impact of growth on the number and skills of staff required

Develop communication strategy	Plan completed, includes media and promotional actions	Redo CHFV produced material
Maintain and develop relationship with State Ministers and staff	Quarterly contact with Minister and staff	Planning Minister and staff
Develop relationship with State Treasury and DPCD	Strategic contact with departmental staff for budgetary and planning issues	Meetings held with appropriate officers

Information and support

<i>Strategic Action</i>	<i>Measurable Goal</i>	<i>Initial Focus</i>
Run a State-based, nationally significant conference	Conference every two years	Women's Housing Conference
Run special interest seminar	Run twice per year	Making the common waiting list work
Engage with Local Government	Run two joint seminars with Local Government peak bodies/networks	VLGA, MAV and key councils session
Develop resource material for the industry	2 resource kits developed per annum	Environmentally sustainable community housing

CHFV Management

<i>Strategic Action</i>	<i>Measurable Goal</i>	<i>Initial Focus</i>
Reduce CHFV's reliance on OoH Funding	Increase the proportion of non OoH funding by 10% each year (eg from 15% to 25% of revenue)	Revenue sources may include conferences, seminar, sponsorship, training and projects funded by Government Departments other than DHS.
Explore a property-based membership fee structure	Total membership income increased by 50%	Matching CHFV income growth with service demands and ability to pay
Review and renew Strategic Plan Progress	Annual joint Board staff planning days completed	Staff session after FASA settlement to review actions related to resources, EO report to Board for review

Conclusion

As community housing enters the largest growth period in its history, CHFV's strategic vision is to support the growth of the housing associations while also supporting the diverse provisions delivered by its smaller members. During this period of significant growth and change CHFV will continue to deliver its core functions of:

- Community housing sector development and coordination;
- Policy development and analysis;
- Training and professional development;
- Advocacy; and
- Information and support.