

NATIONAL AFFORDABLE HOUSING AGREEMENT

Council of
Australian
Governments

An Agreement between

- the Commonwealth of Australia;
- the States and Territories, being:
 - ◆ the State of New South Wales;
 - ◆ the State of Victoria;
 - ◆ the State of Queensland;
 - ◆ the State of Western Australia;
 - ◆ the State of South Australia;
 - ◆ the State of Tasmania;
 - ◆ the Australian Capital Territory; and
 - ◆ the Northern Territory of Australia;and
- ◆ the Australian Local Government Association on behalf of local government.

This Agreement defines the objectives, outcomes, outputs and performance indicators, and clarifies the roles and responsibilities, that will guide the Commonwealth and the States and Territories in the delivery of services across the housing and homelessness services sector.

National Affordable Housing Agreement

INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

1. This agreement is created subject to the provisions of the *Intergovernmental Agreement on Federal Financial Relations* and should be read in conjunction with that Agreement and subsidiary schedules. In particular, the schedules include direction in respect of performance reporting and payment arrangements.
2. The Parties are committed to addressing the issue of social inclusion, including responding to Indigenous disadvantage. That commitment is embodied in the objectives and outcomes of this agreement. However, the Parties have also agreed other objectives and outcomes - for example, in the National Indigenous Reform Agreement - which the Parties will pursue through the broadest possible spectrum of government action. Consequently, this agreement will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships entered into by the Parties.
3. This National Affordable Housing Agreement provides the framework for the Parties to work together to improve housing affordability and homelessness outcomes for Australians.
4. The Parties to this Agreement are committed to:
 - (a) providing direction for a range of measures including: social housing; assistance to people in the private rental market; support and accommodation for people who are homeless or at risk of homelessness; and home purchase assistance;
 - (b) working towards improving coordination across housing related programs to make better use of existing stock and under-utilised Government assets and achieve better integration between housing and human services, including health and disability services; and
 - (c) reducing the rate of homelessness.
5. This Agreement is ongoing, but may be amended as necessary by the Agreement of the Council of Australian Governments (COAG).

OBJECTIVES

6. The aspirational objective is that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation.

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OUTCOMES

7. The Parties commit to the achievement of the following outcomes:
 - (a) people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion;
 - (b) people are able to rent housing that meets their needs;
 - (c) people can purchase affordable housing;
 - (d) people have access to housing through an efficient and responsive housing market;
 - (e) Indigenous people have the same housing opportunities (in relation to homelessness services, housing rental, housing purchase and access to housing through an efficient and responsive housing market) as other Australians; and
 - (f) Indigenous people have improved housing amenity and reduced overcrowding, particularly in remote areas and discrete communities.

OUTPUTS

8. The objectives and outcomes of this Agreement will be achieved through a range of outputs. The outputs include the:
 - (a) number of people who are homeless or at risk of homelessness who are assisted to secure and sustain their tenancies;
 - (b) number of people who are assisted to move from crisis accommodation or primary homelessness to sustainable accommodation;
 - (c) number of households assisted in social housing;
 - (d) number of households in private rental receiving subsidies;
 - (e) number of people receiving home purchase assistance;
 - (f) number of zoned lots available for residential construction; and
 - (g) number of Indigenous households provided with safe and appropriate housing.
9. The COAG Reform Council, subject to the provisions of the *Intergovernmental Agreement on Federal Financial Relations*, will report on the baseline output in 2008-09 and will report annually to COAG on performance data relating to this National Agreement.

ROLES AND RESPONSIBILITIES

10. Each Party is accountable to the community for achieving outcomes in its area of responsibility. This section clarifies the outputs or roles that are the responsibility of each Party.

Role of the Commonwealth

11. The Commonwealth is responsible for:
 - (a) leadership for national housing and homelessness policy including Indigenous housing policy;
 - (b) income support and rental subsidies;
 - (c) immigration and settlement policy and programs;
 - (d) financial sector regulations and Commonwealth taxation settings that influence housing affordability;
 - (e) competition policy relating to housing and buildings;
 - (f) provision of national infrastructure;
 - (g) housing-related data collected by the Australian Bureau of Statistics and Centrelink; and
 - (h) coordination of homelessness data collection from States and Territories.

Role of the States and Territories

12. The States and Territories are responsible for:
 - (a) leadership for housing and homelessness policy, including Indigenous housing policy;
 - (b) housing and homelessness services, administration and delivery;
 - (c) housing for Indigenous people, including in remote areas;
 - (d) land use, supply and urban planning and development policy;
 - (e) housing-related financial support and services for renters and home buyers;
 - (f) housing-related State and Territory taxes and charges that influence housing affordability;
 - (g) infrastructure policy and services associated with residential development;
 - (h) tenancy and not-for-profit housing sector legislation and regulation; and
 - (i) collection and publication of data from housing providers and agencies that provide services to people who are homeless.

Role of the Local Government

13. Local governments operate under State regulation, local governments (and the Australian Capital Territory Government and the Northern Territory Government) are responsible for:
 - (a) building approval processes;
 - (b) local urban planning and development approval processes; and
 - (c) rates and charges that influence housing affordability.

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Shared roles and responsibilities

14. The Parties will collaborate to:
 - (a) develop national policy for housing, homelessness and Indigenous housing;
 - (b) identify and share best practices;
 - (c) share data, including a commitment to provide data for the national minimum data set and a commitment to the continuous improvement of data;
 - (d) provide home purchase assistance; and
 - (e) set joint priorities for evaluation and research.

PERFORMANCE INDICATORS

15. All Parties are accountable to the community for their performance, against the agreed objectives and outcomes, and in respect of their allocated roles and responsibilities.
16. To assist the community to assess the performance of governments toward achieving these outcomes, performance will be indicated by the following performance indicators:
 - (a) proportion of low income renter households in rental stress;
 - (b) the number of homes sold or built per 1000 low and moderate income households that are affordable by low and moderate income households;
 - (c) proportion of Australians who are homeless;
 - (d) proportion of people experiencing repeat periods of homelessness;
 - (e) proportion of Indigenous households owning or purchasing a home;
 - (f) proportion of Indigenous households living in overcrowded conditions including in remote and discrete communities;
 - (g) proportion of Indigenous households living in houses of an acceptable standard including in remote and discrete communities; and
 - (h) estimated cumulative gap between underlying demand for housing and housing supply, as a proportion of the increase in underlying demand.
17. The Parties agree that the Select Council on Housing and Homelessness will report to COAG in the first quarter of 2013 on:
 - (a) a potential indicator on rental accommodation that is affordable and available to low income households;
 - (b) any proposed improvements to the indicator at clause 16(h) above; and
 - (c) the costs and benefits of improving data and reporting on remote and discrete communities.
18. The Steering Committee for the Review of Government Service Provision will identify the baseline performance indicators in 2008-09, and the COAG Reform Council, subject to the

provisions of the *Intergovernmental Agreement on Federal Financial Relations*, will report annually to COAG on performance data relating to these indicators.

PERFORMANCE BENCHMARKS

19. To assist the community to assess the performance of governments toward achieving outcomes, performance will be measured against four provisional performance benchmarks, which will be subject to review following the Standing Council for Federal Financial Relations' review of funding adequacy in 2013:
 - (a) In relation to the performance indicator at paragraph 16 (a): From 2007–08 to 2015–16, a 10 per cent reduction nationally in the proportion of low-income renter households in rental stress;
 - (b) In relation to the performance indicator at paragraph 16 (c): From 2006 to 2013, a seven per cent reduction nationally in the number of homeless Australians;
 - (c) In relation to the performance indicator at paragraph 16 (e): From 2008 to 2017–18, a 10 per cent increase nationally in the proportion of Indigenous households owning or purchasing a home ; and
 - (d) In relation to the performance indicator at paragraph 16 (f): From 2008 to 2017–18, a 20 per cent reduction nationally in the proportion of Indigenous households living in overcrowded conditions.

REFORM AND POLICY DIRECTIONS

20. The reform and policy directions listed below are priority areas for effort over the near term, noting that the rate of progress in many areas will be contingent on available resources.
21. The Parties commit to ongoing reforms in the housing sector. The agreed policy actions to achieve this are:
 - (a) improving integration between the homelessness service system and mainstream services;
 - (b) taking joint action and a nationally coordinated approach on homelessness;
 - (c) creating mixed communities that promote social and economic opportunities by reducing concentrations of disadvantage that exist in some social housing estates;
 - (d) improving access by Indigenous people to mainstream housing, including home ownership;
 - (e) contributing to the achievement of 'Closing the Gap' housing targets;
 - (f) establishing a nationally consistent approach to social housing to create a more transparent, accountable and efficient sector, including common costing and financial management reporting, practices and methodologies;
 - (g) providing compulsory rent deductions and improved information exchange between the Commonwealth and the States and Territories to improve the operational efficiency of public housing and to reduce evictions from public housing;

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- (h) creating incentives for public housing tenants to take up employment opportunities within the broader employment framework;
- (i) enhancing the capacity and growth of the not-for-profit housing sector, supported by a nationally consistent provider and regulatory framework;
- (j) planning reform for greater efficiency in the supply of housing;
- (k) improving supply of land for new dwellings identified through audits of Commonwealth, State and Territory surplus land; and
- (l) increasing capacity to match new housing supply with underlying demand, including as a result of work undertaken by the National Housing Supply Council.