



An ESG Reporting Standard for Australian Community Housing

Annual Review
FY2022-23

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Contents

Message from CHIA	4
Executive Summary	5
1. About the ESG Reporting Standard	6
1.1 Background	6
1.2 Composition and features	9
1.3 Report purpose and structure	9
2. A step change in financing community housing	12
2.1 Trends in social and affordable housing investment	12
2.2 Key actors in financing Australian community housing	13
3. ESG review FY22/23	16
3.1 Overview	16
3.2 Adopter profile	17
3.3 Environmental dimension	18
3.4 Social dimension	28
3.5 Governance dimension	36
4. The road ahead	47
Appendix A: Adopters and Supporters	48
Appendix B: Acknowledgements	50

Message from CHIA

The idea for developing the Environmental, Social and Governance (ESG) reporting standard for community housing came from a conversation with a major UK facilitator of institutional investment in social and affordable housing. During our chat in late 2019, which took place to inform CHIA's input into the then National Housing Finance and Investment Corporation (NHFIC) statutory review, this investor urged us to push for NHFIC to support a sector ESG standard. He spoke about the growing interest in ESG factors amongst UK investors and predicted that it was only a matter of time before the same occurred in Australia. The advice: don't wait for investors to devise their own individual ESG questionnaires but get ahead of the curve and develop your own.

At the same time, a number of our members had started to measure their social impact and had already recognised that potential investors were keen to understand the value generated by their finance. Their early interest and support for a sector standard was instrumental in CHIA being able to raise the funds to develop this standard during 2022. A dream team of SGS Economics and Planning, Paxon Group and RITTERWALD led the development of the standard, with the active involvement of multiple community housing organisations (CHOs) and the input of financial institutions.

We launched the standard in March 2023 at the super fund HESTA's offices with the Housing and Homelessness Minister, the Hon Julie Collins MP, opening proceedings. And then the really hard work began. We were very grateful to receive financial support from Housing Australia and the Lord Mayor's Charitable Foundation to help implement the standard. The sector's response to signing up, collecting the data, and reporting has been amazing, as demonstrated in this first annual report.

Here in Australia, we are at the early stages of what may be a wave of investment in social and affordable housing, which, along with government funding, will play a vital role in developing much-needed new housing. The not-for-profit community housing sector has moved quickly and efficiently to respond to the opportunities provided by the Commonwealth government's Housing Australia Future Fund and National Housing Accord and is looking forward to playing a prominent role in solving the country's housing challenges. This annual report on the standard enables us to provide evidence to investors and other stakeholders of the sector's sustainability credentials. There is further work planned to support more CHOs in adopting the standard and to embed robust reporting on our environmental impact.

We would like to thank all the organisations and individuals who have committed the time and financial support to deliver this project. Our thanks especially to SGS Economics and Planning, which was ably assisted by RITTERWALD for overseeing the standard's implementation. We also thank our project steering committee and the CHOs who contributed to this first annual report. We hope that going forward, the standard will become widely adopted and provide transparent, consistent and comparable ESG reporting in the community housing sector.

Wendy Hayhurst
CEO, Community Housing Industry Association



Executive Summary



The community housing sector is well into its transition from a cottage industry to a major player in the Australian housing system. It is not unrealistic to imagine that within three decades, 1 in 7 Australians will be living in community housing.

A sector of this weight in the Australian economy and society will need to manage and report on a range of risks to gather consistent support from investors and retain credibility with community and policymakers.

Launched in 2023, the ESG Standard for Australian Community Housing (the Standard), fast-tracks the ability of the community housing sector to capitalise on the opportunities ahead. Standard risk and sustainability performance measures promote transparency. They also streamline reporting to save costs for community housing providers. Therefore, the key functions of ESG reporting are:

1. To attract mandated finance and to raise the competitiveness of community housing providers in gaining Housing Australia Future Fund support,
2. Self-development and organisational enhancements
3. To better project the sector's contribution to wider stakeholder groups.

The Standard builds on a model which is tried and tested in the UK, and which will be relevant to a global audience of investors.

Additionally, the value of the ESG data reported by Australian CHO Adopters will grow over time. With this evidence, it will be possible to quantify the value created by the sector to tenants, the community, and society at large.

This report is the first Annual Review, consolidating the ESG data of 14 CHO Adopters. It highlights the background to this initiative (Chapter 1), recent developments in community housing financing (Chapter 2), a snapshot of the sector's ESG performance FY22/23 (Chapter 3), and what lies ahead for Standard (Chapter 4).

1. About the ESG Reporting Standard

This chapter describes the impetus behind the development of the Standard and its potential to bring CHOs, their lenders, and prospective investors into closer partnerships in the current investment environment. An overview of the Standard's composition and key features is also set out below.

1.1 Background

A brief timeline of development and implementation

The ESG Reporting Standard for Australian Community Housing was launched in March 2023. The Standard is a strongly recommended, sector-specific disclosure approach for CHOs to consistently and transparently demonstrate their ESG credentials. CHOs play a key role in the Australian social and affordable housing sector, providing rentals to low and moderate income or special needs households who may otherwise be unable to afford safe and secure private rentals without assistance.

The rationale for a sector-specific standard¹ is to:

- Report on key sustainability issues that are material to the sector
- Reduce risk of reporting variation within the sector, noting the array of voluntary sustainability reporting standards and initiatives globally
- Mitigate greenwashing risks
- Enable a consistent sector narrative
- Build a community of practice, including opportunities to connect with peers internationally.

One year since its launch, the Standard now has 21 Adopters and 14 Supporters (Appendix A). These organisations include CHOs, lenders and investors, sustainability service providers, and others dedicated to growing the pipeline of safe and affordable housing for all Australians.

Membership categories

The Standard has two categories of membership: Adopter and Supporter. Any CHO or finance institution may sign up to become an Adopter however, their roles and requirements differ:

- Adopter CHOs commit to annual reporting against the Standard and to publishing an ESG report.
- Adopter lenders and investors commit to integrating the criteria (or proportion of the criteria) of the Standard into their investment and credit policies, processes, and/or to inform new product design.

Any organisation may sign up to become a Supporter. Supporters in any sector are ambassadors and commit to raising awareness of the Standard's value. Supporters are also recognised for their role in the sustainability 'orbit' of CHOs, lenders and investors, and who contribute in diverse ways to create an enabling environment for a stronger pipeline of community housing.

Sign up as an Adopter or a Supporter [here](#).

1. Global standards setting organisations are also investigating the need for industry-specific standards. The Global Reporting Initiative (GRI), the world's most widely used sustainability reporting standards, will develop standards for 40 sectors. This effort will help to identify a sector's most significant impacts and the expectations of its stakeholders to promote targeted action and decision-making. GRI (2024), 'Sector Program', <https://www.globalreporting.org/standards/sector-program/>

The Standard was commissioned by CHIA, the peak body representing over 150 not for profit CHOs managing over 122,000 social and affordable housing tenancies across Australia, and Housing Australia, the nation's independent housing authority. The Standard is loosely based on the Sustainability Reporting Standard for social housing in the UK. It was fine-tuned to the Australian context, in consultation with 28 CHOs and over 20 lender and investor stakeholders throughout 2022.

Following the launch, a Steering Committee was established to oversee the implementation of the Standard to June 2024 and to establish a strategic forum for the Standard to be examined from multiple perspectives. The Steering Committee is tasked with laying the foundations for a solid governance approach, growing the Adopter and Supporter base, and facilitating cross-sectoral collaborations. The Committee comprises CHO representatives (St George Community Housing, CHC, and Bric Housing) as well as CHIA, Housing Australia, the Green Building Council Australia, Super Members Council of Australia, Corrs Chambers Westgarth, SGS Economics and Planning, and RITTERWALD.

The introduction of any new reporting regime demands significant upfront investment internally. Compared to the finance sector, in which ESG claims its roots,² routine ESG and sustainability disclosures are relatively new to the Australian community housing sector.

This report, therefore, celebrates the significant strides made by early Adopters to co-ordinate ESG reporting in recent months. The time commitment and resources involved in preparing a sustainability report will diminish in future reporting years as organisations scale up their capacity, processes, and tools to streamline reporting.

This has been the experience of 84 per cent of housing providers surveyed in the United Kingdom who had reported against the Sustainability Reporting Standard in consecutive years.³ Quality delivery of community housing can only be enhanced with reliable data on how CHOs meet tenant and stakeholder expectations of building environmental performance, social value creation, and good governance.

In the short-term, it is envisaged that implementation efforts will need to continue. Feedback from early Adopters suggests a desire to strengthen CHO reporting capacity, particularly on the Environmental dimension. Consultation with financial institutions and industry associations indicates a desire for structured guidance on incorporating the Standard into lending and investment procedures. Substantive refinements to the Standard and the establishment of a governing entity to oversee its evolution will also form part of the future roadmap.

The publication of the first Annual Review for FY2022/23 highlights the clear potential for a step change in the financing of more social and affordable housing. The wider context is also promising, following a year of landmark progress on national housing policy, the rise of ethical investing, and ESG mainstreaming in many sectors.



2. The mainstreaming of ESG is attributed to the 'Who Cares Win's report, a joint effort of the UN Global Compact and 23 financial institutions. UN Global Compact (2004), 'Who Cares Wins: Connecting Financial Markets to a Changing World', <https://documents1.worldbank.org/curated/en/280911488968799581/pdf/113237-WP-WhoCaresWins-2004.pdf>

3. SFH (2023), 'The Sustainability Reporting Standard for Social Housing: Annual Review', https://sustainabilityforhousing.org.uk/wp-content/uploads/2023/06/The-Sustainability-Reporting-Standard-for-Social-Housing-2023_FINAL26062023.pdf

The role of ESG in bridging the investment gap

The opportunity that stems from the uptake of the Standard can be summarised as the intersection of two trends:

- Australian housing affordability: To meet annual demand for 36,000 new social and affordable homes nationwide will require co-investment by all sectors, innovative financing models, and diversity of housing solutions.⁴ It is vital that the needs of all Australians feature in the mix: low- and middle-income households, essential workers, aspiring homeowners, and renters alike. The cost of delaying action on affordable housing is considerable. Recent research estimates that Australia's housing crisis will cost the nation \$25 billion annually by 2051 due to the health, productivity and crime costs borne by the community from unmet housing need.⁵
- The global rise in ethical investing: At the same time, global developments signal that sustainability reporting is here to stay. It is no longer tenable for lenders and investors to dismiss as 'peripheral' the factors that shape a sustainable planet, a healthy civil society, and a vibrant low-carbon economy. Regardless of investment strategy, no investor is immune to the butterfly effect of incremental steps by shareholders, companies, and countless others in the global financial market towards a more sustainable system.

The ability to communicate sustainability performance is paramount in the current investment context. Accessible and quality ESG data is key in informing prospective investors of investment risks and opportunities. At the same time, ESG data empowers CHOs to better advocate – as a sector – for the societal good they create. Over time, the compilation of ESG data can be used to indicate performance improvements and to evaluate levels of sector resilience to external shocks. This goes hand in hand with ESG integration by lenders and investors, which streamlines reporting and enhances a collective focus on long-term value creation.

Both sides of this equation are critical if much-needed public and private investment in Australian community housing are to scale. In Australia, private investment in social and affordable housing is vastly under-developed compared to comparable jurisdictions.⁶ It has been argued that this is due to the stereotype of compromised return outcomes⁷ and the absence of targets and subsidies to incentivise new capital injections.⁸ Here, ESG data has a role to play in countering the prevailing narrative. Sector-wide reporting against the Standard helps to achieve this by growing the body of evidence from which asset performance may be quantified. The data can also be used to inform baseline and stretch targets for the sector.

It is also worth noting ESG's influence on the wider supply chain. These affect the broader investment market and will interest ethical investors. For example:

- Labour market: CHOs with a strong ESG proposition benefit from internal alignment and can leverage a competitive advantage when attracting employees who share a commitment to the greater good.
- Asset management: ESG data helps to establish a baseline for asset improvements. Although actions to update operations or retrofit buildings are costly, ESG data can demonstrate that the costs of a 'do-nothing' approach far exceed early and timely action.
- Tenant information: An ESG focus can improve the tenant experience by illustrating when or where an initiative or program has generated positive outcomes. This should inform the types of housing in the right locations for different tenant cohorts.
- Procurement: An ESG focus can also encourage companies to revisit their compatibility with suppliers on sustainability priorities and subsequently to manage supplier relationships accordingly.
- Tenant engagement: If tenants are supported to participate economically and socially in society, this has flow-on impacts for the wider economy and community cohesion. Importantly, the social dimension of the Standard offers a way to consistently elevate the voice of key beneficiaries, here the tenants, in creating and designing solutions to best meet their needs. The tenant voice was previously identified as an omission in wider descriptions of impact investing for housing and homelessness outcomes.⁹

4. Benedict, R., Gurrán, N., Gilbert, C., Hamilton, C., Rowley, S. and Liu, S. (2022) Private sector involvement in social and affordable housing, AHURI Final Report No. 388, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/finalreports/388>, doi: 10.18408/ahuri7326901

5. SGS Economics and Planning & Housing All Australians (2022), Give Me Shelter: The long-term costs of underproviding public, social and affordable housing, https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning_Give-Me-Shelter.pdf

6. Williams, P., Williamson, P., & Marlow-Stevens, S. (2020). Funding housing associations: changing models for changing times?. HOUSING POLICY IN A CHANGING WORLD, 122.

7. Song, D. (2024), 'Low returns stereotype 'misunderstands' social housing investments', <https://www.investmentmagazine.com.au/2024/01/low-returns-stereotype-misunderstands-social-housing-investments/>

8. Benedict, R., Gurrán, N., Gilbert, C., Hamilton, C., Rowley, S., & Liu, S. (2022). Private sector involvement in social and affordable housing. AHURI Final Report. <https://www.ahuri.edu.au/sites/default/files/documents/2022-09/AHURI-Final-Report-388-Private-sector-involvement-in-social-and-affordable-housing.pdf>

9. Muir, K., Michaux, F., Sharam, A., Flatau, P., Meltzer, A., Moran, M., & Ramia, I. (2018). Inquiry into social impact investment for housing and homelessness outcomes.

1.2 Composition and features

The Standard is a strongly recommended, sector-specific disclosure tool for CHOs to demonstrate their ESG credentials. A transition to independent verification is anticipated in the future. However, the Standard is self-certifying at present, meaning that Adopters are not required to seek independent assurance. This is so that the early years of implementation can maintain a focus on supporting more Adopters to report against the Standard and to identify the key metrics that are most material to lenders and investors in their climate-related disclosures.

The Standard comprises 41 criteria across 12 themes (Table 1). As a set of indicators, they are distinct from the non-financial data sought for the standard compliance assessments under the National Regulatory Code.¹⁰ However, some elements are cross-cutting in theme. These include the Standard’s criteria on tenant / resident satisfaction (C21), the number of complaints and actions in response (C22), and criteria under the governance dimension (C25-C41), all of which are present in the standard compliance return.

The first edition of the Standard designates 27 of the criteria as Core and 14 as Enhanced. This is to recognise that ESG reporting is relatively new to the sector and to promote early adoption. The detailed ESG workbook is available [here](#).

1.3 Report purpose and structure

- Chapter 2 outlines the opportunity to scale institutional investment in Australian social and affordable housing.
- Chapter 3 details the results from the first annual compilation of Adopters’ ESG data.
- Chapter 4 discusses what is next for the Standard.



Source: SGS Economics & Planning

¹⁰. NRSCH (2024), 'Standard compliance assessment', <https://nrsch.gov.au/providers/compliance/standard-compliance-assessment.html>

TABLE 1: OVERVIEW OF THEMES IN THE ESG REPORTING STANDARD FOR AUSTRALIAN COMMUNITY HOUSING

ESG Dimension	Theme	Rationale
Environmental	E1 Climate Change	<p>This theme addresses how the activities of the housing provider are impacting on climate change, and how they are mitigating the physical risks of climate change. This theme considers current practice, as well as the changes being made to improve performance in the future.</p> <p>The theme is made up of seven criteria, including Scope of greenhouse gas emissions, energy efficiency actions and related savings, climate risk mitigation actions and the provision of energy management guidance for residents.</p>
	E2 Ecology	<p>This theme addresses how the housing provider is protecting the local environment and ecology.</p> <p>The theme is made up of two criteria around green space, biodiversity and pollutant management.</p>
	E3 Resource management	<p>This theme seeks to identify the extent to which the housing provider has a sustainable approach to materials in both the construction and management of properties.</p> <p>The theme is made up of three criteria relating to CHO policy on sourcing materials, waste and water management.</p>
Social	S1 Affordability and Security	<p>This theme addresses the extent to which the housing providers provide long-term homes that are genuinely affordable to those on low incomes.</p> <p>The theme is made up of five criteria including the tenure mix of new and existing properties, tenant support for energy bill management and the distribution of rental homes by tenure.</p>
	S2 Building Safety and Quality	<p>This theme addresses how effective the housing provider is at meeting its legal responsibilities to protect residents and keep buildings safe.</p> <p>The theme is made up of two criteria: the proportion of homes with up-to-date gas safety checks and fire risk assessments.</p>
	S3 Resident Voice	<p>This theme addresses how effective the housing provider is at listening to and empowering residents.</p> <p>The theme is made up of three criteria on accountability for service provision, resident satisfaction and complaints handling.</p>

ESG Dimension	Theme	Rationale
Social	S4 Resident Support	<p>This theme addresses the effectiveness of the initiatives that the housing provider runs to support individual residents.</p> <p>The theme is made up of one criterion relating to the direct or third-party provision of resident support services and their impact on residents' quality of life.</p>
	S5 Placemaking	<p>This theme seeks to highlight the wider set of activities that housing providers undertake to create well-designed homes and places that meet local needs and provide great places for people to live and enjoy.</p> <p>The theme is made up of one criterion relating to CHO engagement with placemaking activities.</p>
Governance	G1 Corporate and Governance	<p>This theme addresses the housing provider's overall structure and approach to governance.</p> <p>The theme is made up of two criteria covering code of governance, where applicable, and regulatory findings resulting in action.</p>
	G2 Board and Trustees	<p>This theme addresses how staff are supported and how their wellbeing is considered.</p> <p>The theme is made up of eight criteria including demographics of the board and the experience and independence of the board.</p>
	G3 Staff Wellbeing	<p>This theme addresses how staff are supported and how their wellbeing is considered.</p> <p>The theme is made up of six criteria including salary information, the gender pay gap, adoption of a Reconciliation Action Plan (RAP) and average staff turnover.</p>
	G4 Supply Chain	<p>This theme addresses if the housing provider procures responsibly.</p> <p>The theme is made up of one criterion assessing how ESG factors are considered during procurement.</p>

Source: ESG Reporting Standard for Australian Community Housing (2023)

2. A step change in financing community housing

Over the last year, the impetus for developing a new, investment-grade risk adjusted asset class in social and affordable housing has grown steadily following the landmark \$10 billion Housing Australia Future Fund and the National Housing Accord.

Yet housing has always been ‘investible’, even if not reflected in conventional investment trends. After all, housing is a human right, enshrined in international law and inseparable from the wellbeing and prosperity of Australian society. The financialisation of housing and focus on commercial risk and return have veiled an opportunity in plain sight to remedy a system in crisis. ESG disclosures and their integration into investment decisions offer a means to rebalance, in both rhetoric and practice, how housing providers, institutional investors, and governments collectively drive investment in social and affordable housing. ESG offers a consistent and credible way for all parties to accept a common baseline understanding that:

Housing is uniquely complex. It can be a fundamental shared infrastructure, slow-moving durable good, industrial output, financial asset, cultural expression and, most importantly, a home. It is often all of these things at the same time (Hill & Mazzucato, 2024)¹¹

This chapter highlights the opportunity for ESG and sustainability-linked finance to engage at scale in the social and affordable housing sector in Australia. The discussion will focus on a subset of mainstream investors, such as superannuation funds, banks, and specialist impact funds, with significant capacity to strengthen the market for social and affordable housing.

2.1 Trends in social and affordable housing investment

Recent data indicate that the rise of ESG and the impact investing movement is encouraging investment in social and affordable housing. The Responsible Investment Association Australia reports that:¹²

- The value of impact investing in Australia doubled between 2021 and 2022 to \$59 billion. Based on data from 13 investment managers surveyed for the Responsible Investment Association Australia’s annual benchmark report, 6 of 23 impact investment funds targeted housing, particularly social and disability housing

- The subset of sustainability-themed investing, i.e. investment in themes or assets specifically geared towards improvements in social or environmental outcomes, was valued at \$235 billion in 2022. Social impact-related investments, including in accessibility and disability housing, attracted \$41.7 billion of sustainability-themed funds
- In 2022, Australia’s total responsible investment market was valued at \$1.3 trillion, an eight-fold increase in the total funds under management in 2012.

A role for Australia’s \$3.5 trillion superannuation system¹³ is also in the spotlight following the National Housing Accord commitments. 10 superannuation funds and associations are parties to the Accord. However, there is continued debate around the sector’s role. The Interim National Housing Supply and Affordability Council considered these issues in its 2023 report ‘Barriers to Institutional Investment, Finance and Innovation in Housing’, citing a ‘first mover problem’ given the ‘unproven’ nature of affordable housing as an asset class.¹⁴ Those opposed to the sector’s investment in housing also posit that it would run counter to core objective of acting in the best financial interest of superannuation members.

11. Hill & Mazzucato (2024), ‘Modern Housing: An environmental common good’, <https://www.ucl.ac.uk/bartlett/public-purpose/publications/2024/mar/modern-housing-environmental-common-good>

12. RIAA (2023), ‘RIAA benchmark report Australia 2023’, https://responsibleinvestment.org/wp-content/uploads/2023/11/RIAA_benchmark_report_australia_2023_v09.pdf

13. APRA (2023), ‘APRA releases superannuation statistics for March 2023’, <https://www.apra.gov.au/news-and-publications/apra-releases-superannuation-statistics-for-march-2023>

14. Australian Government (2023), ‘Barriers to Institutional Investment, Finance, and Innovation in Housing’, https://nhsac.gov.au/_assets/downloads/barriers-to-institutional-investment-report.pdf

Aside from the fact that such investments have already been underway for some time (see section 2.2), proponents highlight several attractions to investment in affordable housing. These include ‘infinite demand...[from] unmet housing need across different market segments’, a growing appetite for socially beneficial investments, and a largely de-risked investment.¹⁵ In February 2024, it was announced that four of Australia’s leading profit-to-member superannuation funds (Cbus Super, CareSuper, Hostplus and Rest) would come together under an IFM Investors-managed structure to provide debt financing for CHOs under the HAFF.¹⁶

Overall, the share of institutional investment in Australia lags behind other jurisdictions. In the United Kingdom, for example, private capital in 2023 accounted for 70 per cent of all capital flows into affordable housing. This is up from 30-40 per cent in the 2000s.¹⁷ And in the United States, over 100,000 new affordable rental units were financed by private investors in 2020 alone.¹⁸

2.2 Key actors in financing Australian community housing

Housing Australia’s Affordable Housing Bond Aggregator represents a major gateway to debt capital markets for CHOs. Since 2018, it has approved \$3.8 billion in long-term loans to 39 CHOs and firmly positioned social and affordable housing as an investible asset class. Its bonds are supported by over 70 domestic and international institutions comprising Australian superannuation funds, sovereign wealth funds, and offshore ethical investment funds.¹⁹

In January 2024, Housing Australia opened its first funding round under the Housing Australia Future Fund Facility and National Housing Accord Facility. Registered charities (including CHOs), State, Territory and Local Governments, and Special Purpose Vehicles (i.e. consortia comprising aforementioned entities partnered with private sector entities) are eligible to apply a range of financing arrangements.²⁰

- Availability payments – Regular, ongoing payments to eligible funding recipients for a period of up to 25 years for the provision of housing on agreed terms. These payments aim to close the gap between commercial development costs, supplying and maintaining social and affordable housing, and rent received.
- Concessional loans – Provide upfront financing to eligible project proponents on a highly concessional basis, including interest-free loans for terms of up to 25 years.
- Upfront capital grants – Available in exceptional circumstances where proposed housing meets a high need, but the project is extremely financially challenging (e.g. smaller in scale; located in remote areas) where private financing cannot be sourced.



15. Benedict, R., Gurrán, N., Gilbert, C., Hamilton, C., Rowley, S., & Liu, S. (2022). Private sector involvement in social and affordable housing. AHURI Final Report.

16. IFM Investors (2024), ‘Super collaboration set to inject funds into affordable housing, delivering returns for members’, <https://www.ifminvestors.com/en-au/news-and-insights/media-centre/super-collaboration-set-to-inject-funds-into-affordable-housing-delivering-returns-for-members/>

17. NHFIC (2023), ‘Private capital flows into affordable housing – international trends’, https://www.housingaustralia.gov.au/sites/default/files/2023-03/international_capital_flows_into_social_and_affordable_housing.pdf

18. Benedict, R., Gurrán, N., Gilbert, C., Hamilton, C., Rowley, S., & Liu, S. (2022). Private sector involvement in social and affordable housing. AHURI Final Report.

19. Housing Australia (2024), ‘Our contribution’, <https://www.housingaustralia.gov.au/who-we-are/our-contribution>

20. Australian Government (2023), ‘Delivering social and affordable housing under the Housing Australia Future Fund and National Housing Accord’, <https://treasury.gov.au/sites/default/files/2023-10/c2023-458116-fs.pdf>

Key institutions who are Supporters of the ESG Reporting Standard for Australian Community Housing are:

- **Lighthouse Infrastructure** is a Melbourne-based investment firm and fund manager focused on sustainable infrastructure investment. It was established in 2007. Recent affordable and specialist housing investments include: A partnership with St George Community Housing on an initial investment in the provision of 85 residential apartments for key workers (2021), followed by a second investment in 76 apartments (2022), funding as part of a consortium with Home In Place and BlueCHP Limited to the Home4Life disability housing project for over 300 residents (2018), and partnership with Liverty Housing for 77 apartments providing independent living for young people living with disability (2018).
- **Super Housing Partnerships** is a specialist housing fund manager focused on increasing housing supply through partnerships with institutional asset owners and investors. It was launched in 2022 with \$240 million of founding investment from HESTA to develop mixed-tenure, built-to-rent apartment projects in Victoria, in partnership with Assemble and Housing Choices Australia.
- **Tetris Capital** is Melbourne-based sponsor, advisor, investor, and manager of infrastructure and structured projects. Founded in 2017, Tetris Capital primarily services sectors such as education, health, transport, justice, social housing, and student accommodation. Tetris Capital previously partnered with Compass Housing to source, develop, deliver, and maintain 190 dwellings in NSW's Hunter and Central Coast Regions (2021). More recently, Tetris Capital led a consortium with Community Housing Limited and the specialist providers Aboriginal Community Housing Limited and Women's Property Initiatives on an innovative 40-year Ground Lease Model Project to deliver 1,370 social, affordable, market, and specialist disability homes. The \$517 million lending deal is the largest to date for Housing Australia.
- **Conscious Investment Management** is a dedicated impact fund manager focused on social and affordable housing in Australia. The firm was founded in 2019 to unlock mainstream investment markets to fund assets aligned with positive social and environmental impact. Conscious Investment Management has invested approximately \$150 million for the acquisition of 307 apartments for social and affordable housing tenants, to be head leased to HousingFirst (2021), and financed 84 new Specialist Disability Accommodation apartments around Australia. In 2023, Conscious Investment Management partnered with Bridge Housing to invest up to \$65 million to deliver 90 social housing properties across Sydney.

Other institutions active in social and affordable housing investment include:

- **Bank Australia** is a Victoria-based customer-owned bank founded in 1957 as the CSIRO Co-operative Credit Society. Since 2006, Bank Australia²¹ has lent over \$400 million to the community housing and Specialist Disability Accommodation sectors.
- **Commonwealth Bank** is an Australian multinational bank. In 2018, It established what is now a \$225 million debt facility with St George Community Housing to deliver 545 homes. It is one of several joint lead managers of Housing Australia's sustainability bond issuance in November 2023.²²
- **Westpac** is an Australian multinational bank. In 2014, it provided a \$61 million facility for St George Community Housing to enable the construction of 285 dwellings across Sydney. As of 2018, Westpac has lent over \$1.34 billion to the social and affordable housing sector.²³
- **National Australia Bank** is a multinational bank with a presence in Australia, New Zealand, Asia, the United Kingdom, and the United States. In 2023, NAB provided \$2.2 billion in finance to affordable and specialist housing providers, tracking against its cumulative target of \$6 billion between 2022 and 2029. In 2019, NAB set a target to provide \$2 billion of financing to affordable and specialist housing over three years. This was surpassed with financing totalling \$3.6 billion.

NAB in the UK was an early Adopter of the UK's Sustainability Reporting Standard for Social Housing.

- **AustralianSuper** is the nation's largest superannuation fund. In June 2020, AustralianSuper bought a 25 per cent stake in Australian affordable housing development Assemble Communities. In March 2023, AustralianSuper extended funding of \$364 million (90 per cent of required equity) to acquire and develop three build-to-rent sites in Melbourne.
- **Aware Super** is Australia's third largest superannuation fund, with \$150 billion under management. Aware Super has committed \$1.5 billion to expand its residential real estate portfolio in Australia, including 1,250 affordable housing units by 2025.
- **Cbus Super** is Australia's leading superannuation fund in the building and construction industry. As part of the National Housing Accord, Cbus Super has committed up to \$500 million over five years to facilitate the development of new social and affordable housing. Cbus forms part of the IFM Investor-managed partnership with community housing providers alongside CareSuper, Hostplus, and Rest.



21. Then known as the Members & Education Credit Union.

22. Housing Australia (2023), 'Housing Australia executes its largest lending deal of \$517 million and issues new sustainability bond to support delivery of 1,370 new homes in Melbourne', <https://www.housingaustralia.gov.au/media/housing-australia-executes-its-largest-lending-deal-517-million-and-issues-new-sustainability>

23. Westpac (2019), 'ASX Interim Financial Announcement', https://www.westpac.com.au/content/dam/public/wbc/documents/pdfawlic/ASX_Interim_Financial_Announcement_2018.pdf

3. ESG review FY22/23

3.1 Overview

This chapter characterises the ESG performance of early Adopters, based on FY22/23 data provided by 14 CHOs. The data from the first year of reporting indicates that:

- CHOs are active in planning and implementing energy efficiency upgrades to their portfolios. Common actions include focusing on quality insulation and retrofits (lighting, gas, shower heads, air conditioning units). Tenant education on ventilation, heating, mould prevention, and recycling also features strongly in CHOs' routine activities.
- While all CHOs had procedures and strategies in place to mitigate climate risks, CHOs differed in whether they had policies for pollutant reduction, an increase in the use of environmentally friendly sourced building material, waste, and water management.

- The monitoring of homes' rating performance and the calculation of carbon emissions are two areas where ESG reporting could be further improved and where more specific guidance could be provided to CHOs (e.g. specifying the emissions boundary for the purposes of reporting and whether this includes business operations only and/or the property portfolio). In some cases, the availability of data was complicated by the portfolio mix of owned and managed properties and the history of public stock transfers.
- CHOs social purpose was evidenced through sector performance on the five social dimension themes: affordability and security, building safety and quality, resident voice, resident support, and placemaking. CHOs were compliant with the requisite safety checks for gas and fire risk assessments. Rates of complaint were generally low, and CHOs employed a range of mechanisms to gather tenant feedback. CHOs also highlighted a rich array of placemaking activities, from community building activities to neighbourhood improvements.
- Areas where governance criteria could be improved in the future include in the identification of Aboriginal and Torres Strait Islander Board members and employees, the gender pay gap, and progress on an approved Reconciliation Action Plan.

On average, the completeness of reporting was 89 per cent across the 14 reporters.²⁴ A breakdown by ESG dimension shows that the largest proportionate reporting gap was in the Environmental dimension (14.2 per cent; 24 unanswered fields across the 14 Adopters), followed by the Governance dimension (11.3 per cent; 27 fields), and the Social dimension (8.3 per cent; 14 unanswered). Overall, responses to the 14 Enhanced criteria were reasonably complete, suggesting that some could comfortably shift in status to Core criteria. Each of the Standard's 41 criteria is further detailed in sections 3.2 – 3.4.

Note: As the Standard is currently voluntary and self-certifying, the data contained in this report has not been independently verified. This analysis represents a snapshot of the sector, which should not be generalised to represent the Australian community housing sector. Over time, as more CHOs adopt and report against the Standard and the ESG dataset expands to allow longitudinal analysis, a richer analysis of the sector's ESG performance will emerge.

24. 122,000 social and affordable housing tenancies managed plus nearly 40,000 dwellings owned by CHOs in 2020-21. CHIA (2023), 'Australia's community housing industry in profile: 2021', <https://www.communityhousing.com.au/wp-content/uploads/2023/06/CHIA-Profile-2023-Final-1.pdf?x57237>

3.2 Adopter profile

A summary profile of the 14 CHOs is outlined below.

Registration tier

Year 1 CHO reporters are predominantly Tier 1 providers (86 per cent; 12 providers), followed by Tier 2 or otherwise compliant providers, in the case of providers registered under the Victorian Regulatory System (2 providers).

Primary geographic market

The operational footprint of the 14 CHOs covers all Australian states and territories, with the exception of the Australian Capital Territory and Tasmania. Half of reporting CHOs operate in New South Wales (50 per cent, 7 providers), followed by Queensland and Victoria (each 21 per cent, 3 providers). Two providers predominantly operate in South Australia, while one predominantly operates in the Northern Territory. One primarily Victorian-based CHO also operates in Tasmania and Western Australia.

Portfolio size (Owned and managed stock)

It is estimated that the 14 CHOs collectively own and manage over 44,500 properties across their states and territories of operation. Of these properties, approximately 27 per cent (just over 12,000 properties) are owned and 73 per cent (32,450) are managed.

The 44,500 properties represent around 27 per cent of the 162,000 total social and affordable housing tenancies owned and managed by the 100 largest CHOs nationally.²⁵ The majority (nine) are larger CHOs who own and manage over 2,000 properties, followed by four who own and manage between 500 and 2,000 properties. Only one CHO who undertook ESG reporting in Year 1 owns and manages under 500 properties.

A breakdown of ESG reporters by the number of owned and managed stock reveals that 10 CHOs manage more properties than they own. The proportionate share of owned versus managed stock varied significantly by CHOs. This highlights a challenge for Environmental dimension disclosures, particularly Scope 3 carbon emissions present throughout a property's life cycle, from building construction to maintenance and renovation. This is further discussed in section 3.1.

Vacancy rate

Nine CHOs reported vacancy rates ranging from 1 to 9 per cent in 2023. Six CHOs experienced vacancy rates under 5 per cent, one CHO experienced a vacancy rate of just over 5 per cent, and two CHOs had vacancy rates between 8-9 per cent.

Development pipeline

The development pipeline amongst the 14 CHOs varied considerably, ranging from three CHOs with fewer than 50 properties to two CHOs with over 1,000 properties in the development pipeline.

Rental subsidies

Five CHOs indicate that all or close to 100 per cent of their tenants in both owned and managed stock received rental subsidies. Two CHOs reported that between 83 and 95 per cent of their tenants received rental subsidies, while other CHOs either reported lower proportions of subsidised tenancies or did not provide this information for FY22/23.

²⁵. Does not include non-responses in the 'General Company Information' tab of the Standard.

3.3 Environmental dimension

Number	Criteria	Reporting rate*	Rationale
C1	<p>Number and percentage of homes assessed against an energy ratings scheme (e.g. BASIX, NaTHERs)</p> <p>Provide a portfolio breakdown of those assessed by ratings performance (e.g. <6 stars, 6-7, 7-8, 8+ stars)</p>	<p>9</p> <p>64%</p>	<p>The proportion of homes assessed against an energy ratings scheme ranged between 12-43 per cent of the CHO's portfolio.</p> <p>Four CHOs provided a breakdown by ratings performance, while others provided this for new builds only.</p>

*Reporting rate is number and percentage of CHOs

There are several energy ratings schemes in Australia: Green Star (developed by the Green Building Council of Australia), NatHERS (CSIRO), NABERS (now administered by the NSW Department of Environment and Climate) and BASIX (NSW Government). These schemes vary by assessment theme, areas of focus, assessment method, mandatory vs voluntary nature, and geographic scope of application.

The analysis reveals that:

- Six CHOs who reported against the Standard said they use the NaTHERS rating scheme, administered by the Department of Climate Change, Energy, the Environment and Water. NaTHERS provides energy ratings for residential dwellings across Australia. A minimum 7-star rating out of 10 is now required for newly constructed houses and units.
- One CHO said they used both BASIX and NaTHERS, while other CHOs did not specify which scheme is used.
- Three providers said they have assessed over 30 per cent of existing homes against an energy ratings scheme. This proportion of their respective portfolios is equivalent to between 96 and 640 homes being assessed.
- A further four providers have assessed between 10-30 per cent of existing homes against an energy rating scheme. This proportion of their respective portfolios is equivalent to between 11 and 966 homes being assessed.
- In terms of a breakdown by ratings performance, three CHOs said that, on average, between 20-40 per cent of their homes had a NatHERS rating lower than 6 stars; another 3 CHOs said that 40 per cent or more of their homes were rated between 6-7 stars. Three CHOs said that between 11 and 28 per cent of their homes were rating 7.5+ stars.

Number	Criteria	Reporting rate*	Rationale
C2	Report Scope 1, Scope 2 (core) and Scope 3 (enhanced) greenhouse gas emissions separately.	6 43%	Six CHOs reported estimates of greenhouse gas emissions (predominantly Scope 1 and Scope 2 emissions). One CHO reported Scope 3 emissions.

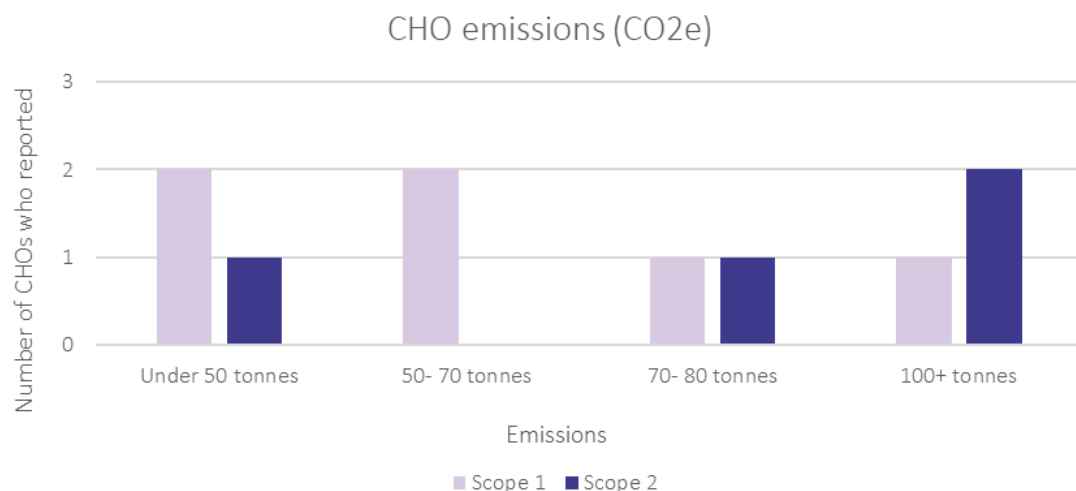
*Reporting rate is number and percentage of CHOs

Most CHOs indicated they do not collect this data and require further guidance on collecting data inputs and estimating carbon emissions. In this first ESG reporting year, six CHOs reported Scope 1, four CHOs reported on Scope 2, and one CHO reported on Scope 3 (enhanced criteria). Generally, the inclusions for Scope 1 emissions were fuel usage for work-related purposes and refrigerant leakage, purchased electricity at CHO offices for Scope 2, and employee commuting and working from home for Scope 3.

A breakdown of CHOs by emissions is shown below (Figure 2). Note that the scope of emissions reported may vary between CHOs, with some reporting the emissions generated through their business operations and some also including emissions generated through their broader property portfolio.



FIGURE 2: EMISSIONS VOLUME OF REPORTING CHOS



Those who reported these criteria had either engaged environmental consultancies or applied methods developed by Australian Government²⁶ to estimate Scope 1 and 2 emissions using available fuel usage and electricity consumption data. As this is the first year that many CHOs have calculated emissions data, we note that these figures are estimates only.

What are Scope 1, 2, and 3 emissions?

Greenhouse gas emissions (GHG) emissions can be categorised into different scopes based on their relation to an organisation’s activities, products, or services. Understanding their context and source informs how organisations mitigate emissions.

The Clean Energy Regulator distinguishes each scope as follows:

- Scope 1: direct emissions released into the atmosphere as a direct result of activities at an organisation’s facility. For example, emissions from refrigerants, transport fuels, and electricity consumption.
- Scope 2: indirect emissions released outside your facility boundary to produce the electricity you import and use.
- Scope 3: broader indirect emissions, such as upstream and downstream emissions.

Australian sources of technical guidance

- Infrastructure Australia: Guide to assessing greenhouse gas emissions (2024)
- Department of Climate Change, Energy, the Environment and Water: National Greenhouse Accounts Factors (2023)

International practice in emissions calculations

- Partnership for Carbon Accounting Financials (PCAF) – aim is to harmonise the application of GHG Protocol by financial institutions.

26. For example, the Australian National Greenhouse Accounts Factors (2023), <https://www.dceew.gov.au/sites/default/files/documents/national-greenhouse-accounts-factors-2022.pdf>

Number	Criteria	Reporting rate*	Rationale
C3	Report what energy efficiency actions the housing provider has undertaken in the last 12 months and what are the related energy savings?	13 93%	Nearly all providers identified retrofits as part of energy efficient actions already completed or underway.

*Reporting rate is number and percentage of CHOs

Four CHOs reported using quality insulation to address energy efficiency under a ‘fabric first’ approach. Additionally, all providers relied on additional elements, such as a combination of retrofit activities (gas replacements, installation of solar panels and energy-efficient heating and cooling systems) and policy and design levers to improve energy efficiency. One CHO said that they were revising internal design guidelines to embed sustainability matrices that would enable the measurement of environmental sustainability in future projects. In contrast, others had established internal working groups to lead energy efficiency initiatives and/or set aspirational targets for new builds to achieve an 8-star NatHERS rating.

Other energy efficient actions included replacing petrol and diesel vehicles with electric or hybrid vehicles (2 providers), changing maintenance and contractor processes, and partnerships with like-minded sustainable companies.

Several CHOs also linked their energy efficiency actions to carbon savings and Scope 1 and 2 emissions offsets, which result in annual savings for residents from lower consumption.



Number	Criteria	Reporting rate*	Rationale
C4	Report what energy efficiency actions and investments in renewables the housing provider has planned for the following 12 months.	14 86%	The majority of CHOs identified planned retrofits – insulation, LED lighting, solar panels, heat pumps, gas replacements, shower head replacements, and reverse cycle air conditioning. Other planned actions include establishing a social enterprise for maintenance services, whose profits would be reinvested into energy efficiency actions, procuring renewable energy supply, and collaborating with designers and builders to deliver more efficient outcomes.

C4 is an Enhanced criterion in the Standard. Nine CHOs collectively identified a range of retrofits for the year ahead: LED lighting, solar panels, heat pumps, gas replacements, shower head replacements, and reverse cycle air conditioning.

Four CHOs provided additional detail about their plans to develop and run educational campaigns for staff and residents, minimise Scope 3 emissions, investigate the consolidation of office space, and invest in a hybrid fleet.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Rationale
C5	What is the share of homes with rooftop solar installed?	10 71%	Most indicated that a proportion of homes they own and manage have rooftop solar installed.

C5 is an Enhanced criterion in the Standard. Most providers indicated that a proportion of homes they own and manage have rooftop solar installed. The breakdown of respondents by proportion of solar-installed homes is as follows:

- No homes: two CHOs. CHOs states that solar installations were not always possible due to constraints on solar viability in high density areas with overshadowing from other buildings, equipment, and plants.
- 1-10 per cent of homes: four CHOs
- 10-20 per cent of homes: two CHOs
- 20+ per cent of homes: two CHOs

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C6	<p>Report how the housing provider is mitigating the following climate risks:</p> <ul style="list-style-type: none"> • Increased flood risk • Increased risk of bushfires • Increased risk of homes overheating • Increased weather risk. 	<p>14 100%</p>	<p>All CHOs who reported against the Standard indicated that they have procedures and strategies for mitigating climate risks, design and building considerations, and education and advice for residents about climate risk mitigation.</p>

*Reporting rate is number and percentage of CHOs

The responses to this ESG criteria highlighted the diversity of physical and environmental contexts that reporting CHOs operate in.

10 CHOs indicated they have procedures and strategies to mitigate climate risks. These ranged in their focus area(s) from ensuring that new projects avoid high-risk flood and wildlife zones to safe homes standards which included retrofitting homes, and to developing a climate resilience strategy.

Eight CHOs said that they have design and building considerations in place. This included considered site selection outside of high-risk zones, collaborating with builders to ensure developments are appropriate, and consulting experts before acquiring housing.

Three CHOs also said that they provide education and advice to residents about climate risk mitigation. This included encouraging residents to register with support services and providing education on how to prepare evacuation plans.

In terms of how the 14 CHOs are mitigating specific climate risks:

- Increased flood risk: consulting specialists and building to cyclone standards.
- Increased risk of bush fires: establishing buffer zones, using fire resistant building materials, and consulting specialists.
- Increased risk of homes overheating investigating the implementation of syntropic gardens, thermal comfort design considerations, installing ceiling fans and air conditioning, and cross ventilation design measures.
- Increased weather risk: installing gutter guards and removing high risk debris around homes.

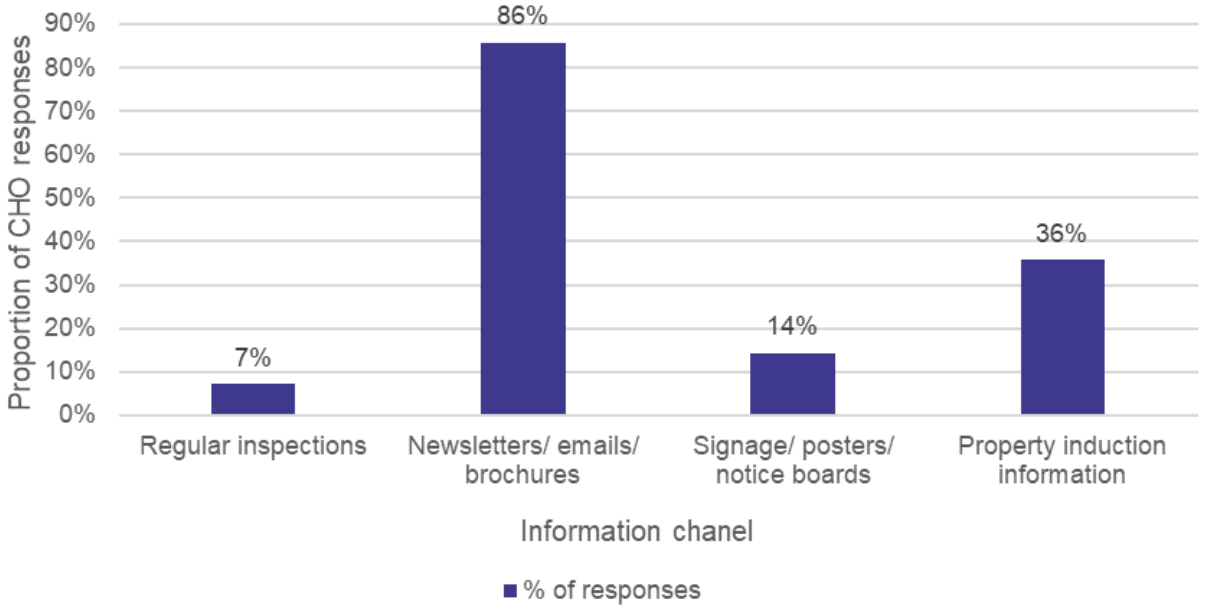
Number	Criteria	Reporting rate*	Rationale
C7	Report if and how the housing provider informs residents about correct ventilation and mould prevention, heating, waste recycling etc.	13 93%	<p>Almost all reporting CHOs said that they inform residents about correct ventilation and mould prevention.</p> <p>The majority indicated that they routinely provide information through newsletters, emails and brochures, as well as during tenant inductions.</p>

C7 is an Enhanced criterion in the Standard. 13 CHOs reported that they inform residents about correct ventilation and mould prevention via regular newsletters, emails, and brochures (channels used by eight CHOs). 5 CHOs also said that they provided relevant information at the point of property induction.

Less commonly, other CHOs provided information through community workshops and through developing mould reduction and other strategies.

*Reporting rate is number and percentage of CHOs

FIGURE 3: PROVISION OF RESIDENT INFORMATION ON VENTILATION, MOULD PREVENTION, HEATING, WASTE RECYCLING



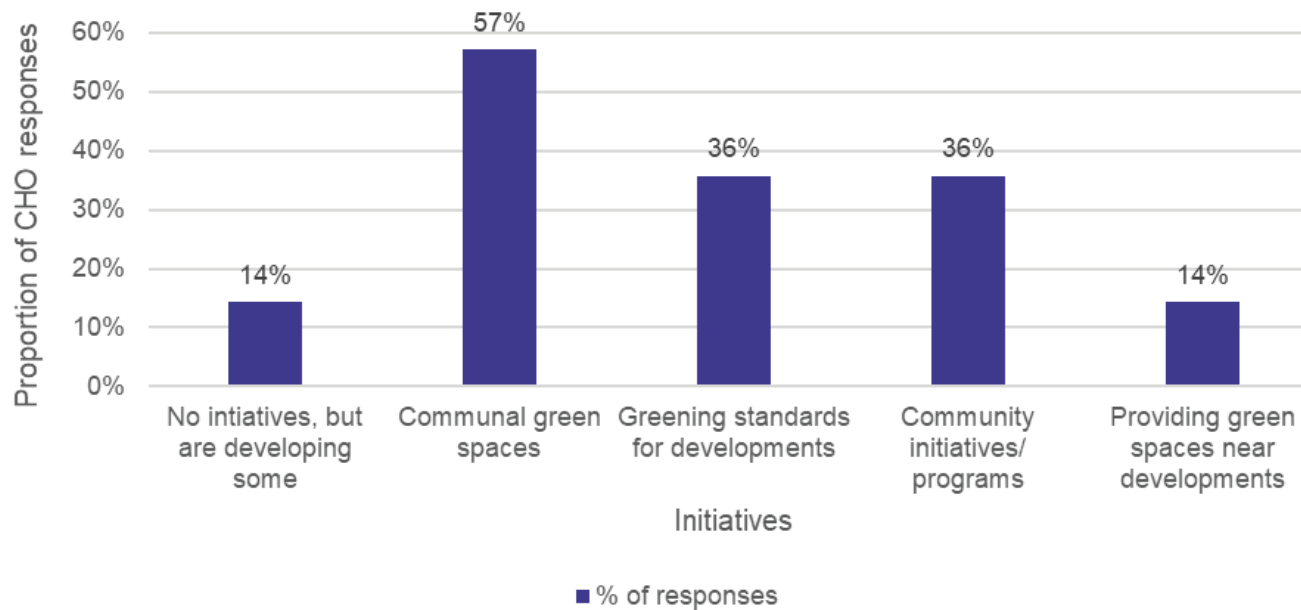
Number	Criteria	Reporting rate*	Key findings
C8	Report how the housing provider is expanding green space and promoting biodiversity on or near their homes.	14 100%	Most providers indicated they provide communal green spaces, followed by implementing greening standards, and community initiatives and programs.

CHOs were expanding green space and promoting biodiversity using a range of initiatives:

- Eight CHOs provide communal green spaces such as community gardens and rooftop gardens
- Five CHOs have developed Design Guides that specify minimum thresholds for the proportionate site space dedicated to landscape and/or proportion of native and drought resistant plants.
- Five CHOs also mentioned wider community involvement in other initiatives such as local community greening and tree planting programs, participation in Royal Botanic Garden Community Greening program, and internal annual garden awards which encourage residents to green their homes.

*Reporting rate is number and percentage of CHOs

FIGURE 4: EXPANDING GREEN SPACE AND PROMOTING BIODIVERSITY



Number	Criteria	Reporting rate*	Key findings
C9	<p>Report if the housing provider has a policy in place to actively manage and reduce all pollutants.</p> <p>If so, report how does the housing provider target and measure performance?</p>	<p>12</p> <p>86%</p>	<p>The majority of reporting CHOs indicated that they do not currently have a pollutant management and reduction policy in place but are planning to develop one.</p>

C9 is an Enhanced criterion in the Standard. One CHO said they have a policy in place to manage pollutants throughout the build process for new developments. The policy involves targets to reduce the use of certain materials to ensure that tenants and staff are not exposed. Another CHO has an Environmental Hazards Policy that guides the timely and safe removal of hazardous material.

Nine CHOs said they do not currently have a pollutant management and reduction policy but plan to develop one.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C10	<p>Report if the housing provider has a policy in place to use or increase the use of environmentally friendly sourced building materials?</p> <p>If so, report how does the housing provider target and measure performance?</p>	<p>14</p> <p>100%</p>	<p>Five CHOs who reported against the Standard currently have a policy in place.</p> <p>The majority of CHOs who do not have such a policy in place said they planned to develop a policy within the year.</p>

Nearly all CHOs identified they currently have a policy (or requirements) in place or are planning to develop a policy this year to increase the use of environmentally friendly sourced building materials. Some CHOs also noted that even in the absence of a formal policy, it is routine practice for them to work with local builders to maximise the use of environmentally friendly materials.

It was unclear from the data how most CHOs currently measure performance. One CHO has introduced reporting on building materials such as green concrete and steel and intends to track their usage over time.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C11	<p>Report if the housing provider has a strategy for waste management incorporating building materials?</p> <p>If so, report how does the housing provider target and measure performance?</p>	<p>14</p> <p>100%</p>	<p>Four CHOs currently have a policy in place or have embedded practices within Design Guidelines and Management Plans.</p> <p>The majority of CHOs who do not have a water management policy are planning to develop a policy this year.</p>

Nearly all CHOs identified they currently have a policy in place or are planning to develop a strategy for waste management incorporating building materials. Seven CHOs currently have a policy, strategy, or guidelines in place for waste management. A further 6 CHOs indicated they do not have a policy but are planning to develop a policy this year.

Three CHOs have set targets, adding a clause in development contracts to ensure that between 80-90 per cent of construction and demolition waste must be diverted from landfill.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C12	<p>Report if the housing provider has a policy for water management.</p> <p>If so, report how does the housing provider target and measure performance?</p>	<p>13</p> <p>93%</p>	<p>Five CHOs who reported against the Standard currently have a policy in place.</p> <p>The majority of CHOs who do not have such a policy in place said they planned to develop a policy within the year.</p>

Four CHOs currently have a policy in place or have embedded practices within Design Guidelines and Management Plans. It was unclear how providers measure performance, with 1 provider noting performance is not tracked, and other providers not specifying.

Nine CHOs indicated they do not have a dedicated water management policy but are planning to develop one this year. However, many noted that broader sustainability management plans were in place that encourage water conservation and reuse through minimum Water Efficiency Labelling and Standards (WELS) regulated products.

*Reporting rate is number and percentage of CHOs

3.4 Social dimension

Number	Criteria	Reporting rate*	Key findings
C13	What is the % of tenants in social housing (rents charged calculated at 30% or below of income) affordable housing (<75% of market rents), market rent and other (including disability housing, crisis accommodation, other rental support)?	13 93%	13 CHOs provided social and/or affordable housing. Four CHOs said they provide market housing, but this represented a significantly smaller proportion of their homes compared to social and affordable housing. Four CHOs said they provided other types of housing (disability, crisis and transitional).

*Reporting rate is number and percentage of CHOs

For most CHOs, the provision of social and affordable housing represents the largest share of their homes. Market and other types of housing typically represent a smaller share:

- Eight CHOs said that between 80-100 per cent of their homes are social housing
- Two CHOs said that over 60 per cent of their homes are affordable housing
- Four CHOs reported <10 per cent of their homes as being market housing
- Two CHOs reported 10-40 per cent of their housing being a mix of transitional, targeted, and/or specialist disability housing (collectively 'other') while two CHOs said that <10 per cent of their homes fell into this category.

Number	Criteria	Reporting rate*	Key findings
C14	Report the share and number of existing homes (owned and managed) completed (in terms of construction) before the last financial year allocated to tenure (eg. general needs, transitional housing, specialist disability accommodation, housing for indigenous/First Nations people among others). Include homes acquired in the last financial year that were constructed before the last financial year.	14 100%	Almost all CHOs provided a breakdown of existing homes by needs category. The majority of CHOs' homes are provided as general low-cost homes. Transitional and disability accommodation generally represented the second-largest share, while few CHOs provided women's and First Nations housing.

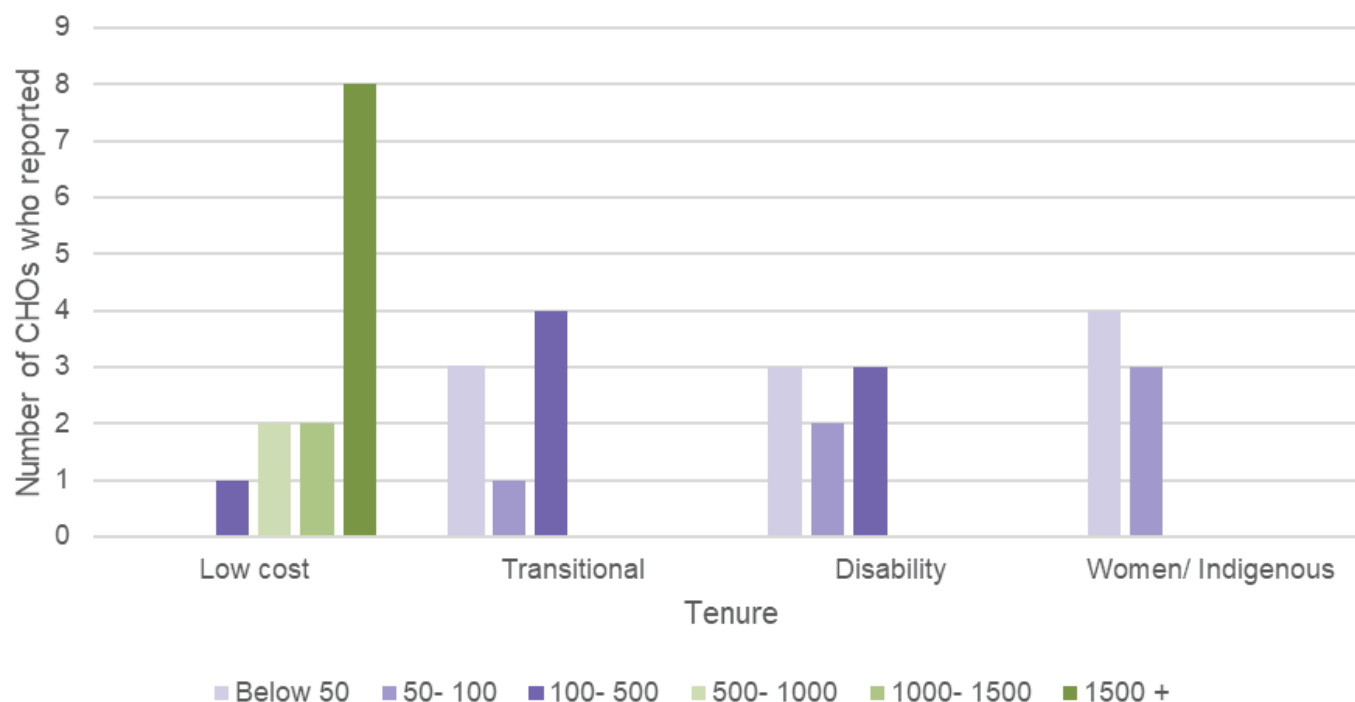
*Reporting rate is number and percentage of CHOs

CHO Adopters were asked to provide a breakdown of properties (number and proportionate share) per the following categories:

- General low-cost housing – Social and affordable housing provided on the basis of income and asset criteria, and which does not fall under a more specific category below
- Transitional housing – Housing for people who are homeless or at risk of homelessness. It provides a temporary housing option before tenants move to permanent housing, e.g. public housing, community housing, or the private rental market
- Specialist disability accommodation – The range of housing designed for people with extreme functional impairment or very high support needs so they can live more independently and so other supports can be delivered better and more safety,
- Housing for First Nations people – Dwellings targeted to Aboriginal and Torres Strait Islander tenants
- Housing for other cohorts, e.g. Women’s Housing.

Figure 5 below shows that for eight CHOs who reported against the Standard, the largest share of their homes (accounting for 1,500+ properties per CHO) falls under the general low-cost category. Four CHOs also said they provide a moderate volume of transitional housing (100-500 homes). Of the reporting CHOs, the provision of disability, women’s and Indigenous housing was less common.

FIGURE 5: EXISTING HOMES BY HOUSING CATEGORY



Number	Criteria	Reporting rate*	Key findings
C15	Report the share and number of new homes (owned and managed) completed (in terms of construction) in the last financial year allocated to tenure (eg. general needs, transitional housing, specialist disability accommodation, housing for indigenous/First Nations people among others). Include homes acquired in the last financial year that were constructed in the last financial year.	14 100%	<p>10 CHOs had completed new homes in the last financial year. The majority of these homes were general low-cost homes.</p> <p>Five CHOs completed new transitional, disability, and/or women's, First nations, and/or essential worker accommodation in the last financial year.</p> <p>Three CHOs said that no new homes were completed or acquired in the last financial year.</p>

*Reporting rate is number and percentage of CHOs

Similarly, CHO Adopters were asked to report on more recent completions (within the last financial year) by housing category (Figure 6). The distribution across housing categories was comparable to responses to criteria C14:

- Nine CHOs said that new homes primarily comprised general low-cost housing. The number of homes per CHO ranged from 23 to 152.
- Additionally, two CHOs also completed between 1-13 transitional and disability homes in the last financial year.
- One CHO said that their recent new homes were predominantly women's and children's housing, while another CHO had recently completed over 50 new homes for key workers.

Number	Criteria	Reporting rate*	Key findings
C16	Report how the housing provider is supporting residents to manage their energy bills for heating and cooling? For example, ventilation systems, smart devices etc.	13 93%	<p>Resident education programs were the most common action by CHOs to support residents in managing energy bills.</p> <p>Other actions include completing retrofits and partnerships with energy providers to develop energy efficiency fact sheets issued during tenant inductions.</p>

*Reporting rate is number and percentage of CHOs

13 CHOs were using a combination of initiatives to help residents manage heating and cooling bills. These initiatives range from education programs and information via newsletters, tenant handbooks, and other channels (10 CHOs) to exploring programs and partnerships with energy providers and state governments (six CHOs). This included collaborating with state governments to deliver education sessions, participating in specific climate related projects, internal programs like supporting residents financially to pay bills, and partnering with sustainable businesses to execute retrofits and provide energy saving advice for residents. Six CHOs said they were undertaking retrofits to install solar and replace appliances (see also responses to criteria C3 and C4).

Number	Criteria	Reporting rate*	Key findings
C17	Report the distribution of rental homes per tenure.	10 71%	10 CHOs reported the proportionate distribution of homes by length of tenure, most of which had been in place for 3-10 years.

C17 is an Enhanced criterion in the Standard. CHOs were asked to report the share of homes by the following length of tenure categories: <1 year, 1-3 years, 3-10 years, and > 10 years

10 CHOs reported a breakdown of homes by the length of the relevant fixed tenancy agreement:

- Six CHOs reported that the majority of tenancies had been in place for 3-10 years
- One CHO reported that the majority of tenancies had been in place for less than 3 years
- One CHO reported that the majority of tenancies had been in place for >10 years

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C18	Report what % of homes with a gas appliance have an in-date, accredited gas safety check?	13 93%	Many CHOs indicated that accredited gas safety checks are not a requirement in their state. However, gas safety inspections are conducted as part of vacancy maintenance and as part of the CHO's own programs. Four CHOs said that between 30 and 77 per cent homes had been checked.

11 CHOs stated that between 90 and 100 per cent of homes have an in-date and compliant Fire Risk Assessment. The high instance of compliant Fire Risk Assessments amongst providers is due to Essential Safety Measures requirements for all properties, which includes the maintenance of fire protection systems.

Two CHOs indicated that it was not a requirement in their respective states. However, they assess homes in high-risk bushfire zones and maintain properties according to Australian Standard AS1851- Maintenance of Fire Protection Systems.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C19	Report what % of homes have an in-date and compliant Fire Risk Assessment.	13 93%	12 CHOs said that between 90-100 per cent of all homes are subject to and compliant with Essential Safety Measures requirements and Fire Risk Assessments.

11 CHOs stated that between 90 and 100 per cent of homes have an in-date and compliant Fire Risk Assessment. The high instance of compliant Fire Risk Assessments amongst providers is due to Essential Safety Measures requirements for all properties, which includes the maintenance of fire protection systems.

Two CHOs indicated that it was not a requirement in their respective states. However, they assess homes in high-risk bushfire zones and maintain properties according to Australian Standard AS1851- Maintenance of Fire Protection Systems.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C20	Report what arrangements are in place to enable residents to hold the housing provider accountable for provision of services?	14 100%	All CHOs cited a combination of channels. These include formal complaints and appeals mechanisms (e.g. through NRSCH where applicable) and hiring dedicated staff to oversee tenant feedback.

Policies and frameworks varied by CHO, ranging from internal feedback mechanisms to Code of Conduct policies, the compilation of a complaints register, and the establishment of customer forums. Internal policies, surveys, and establishment of feedback platforms were the most cited arrangements (Figure 6).

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C21	Report how the housing provider measures and acts on Resident Satisfaction (external provision, comparability) and how Resident Satisfaction scores have changed over the last three years?	14 100%	<p>All CHOs issue an annual or biannual tenant survey to measure resident satisfaction and gather feedback to inform CHO actions. Insights from surveys are often utilised to improve services, initiate a workplan of improvements, and inform plans.</p> <p>Overall satisfaction scores have remained relatively stable, generally varying within the range of 1-3 per cent from previous years.</p>

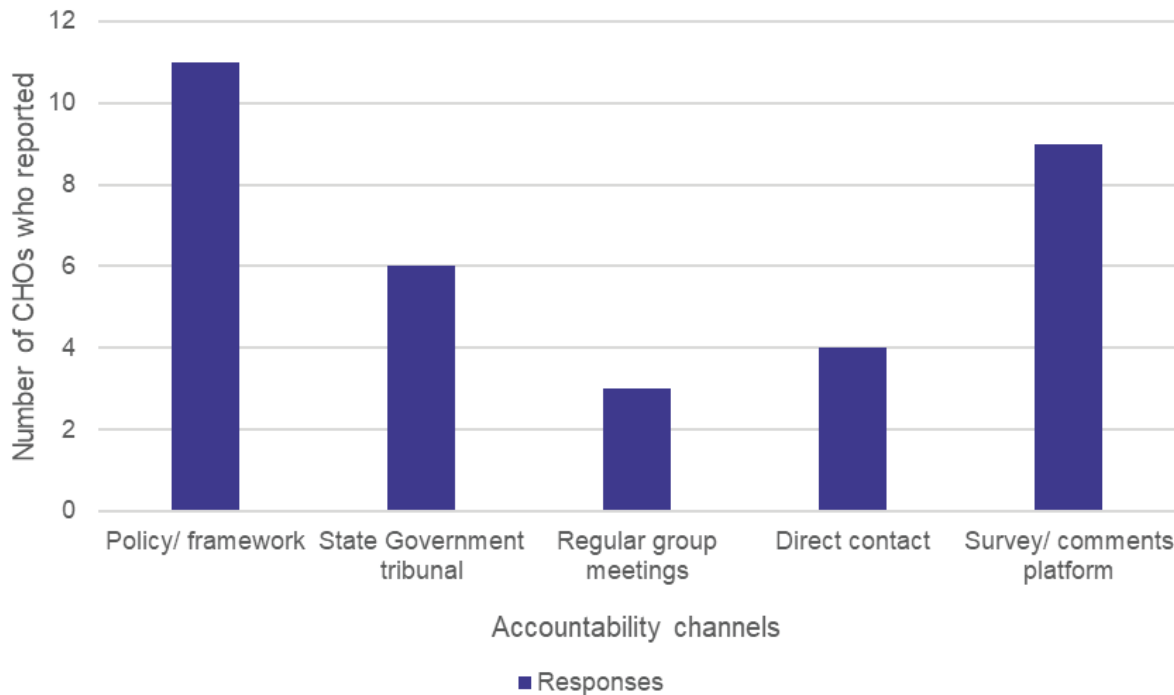
*Reporting rate is number and percentage of CHOs

Policies and frameworks varied by CHO, ranging from internal feedback mechanisms to Code of Conduct policies, the compilation of a complaints register, and the establishment of customer All CHOs who reported against the Standard said they use annual or biannual tenant surveys to measure resident satisfaction. Several noted that they engage CHIA NSW to design, prepare and deliver the Annual Tenant Survey.

CHOs indicated that comments received in the survey are followed up and addressed with the tenant. A respondent noted that alongside the survey, they also provide regular opportunities for tenants to discuss issues through pop up locations and have invested internally in staff training to ensure compliance with customer service standards. Insights gained from surveys are often utilised by providers to:

- Refine and improve services and identify key themes to act on
- Initiate a workplan of improvements and guide future service delivery to address the issues raised
- Inform customer service and other plans.

FIGURE 6: CHO ACCOUNTABILITY CHANNELS



The overall tenant satisfaction scores reported by CHOs ranged between 75 to 91 per cent over the last three years (2020-2022), compared to an NRSCH benchmark of 75 per cent. Most CHOs reported that satisfaction scores have remained relatively stable over the past three years, generally staying within the range of 1 to 3 per cent from previous years.

Number	Criteria	Reporting rate*	Key findings
C22	<p>Report the total number of complaints that have been captured by the relevant State or Territory residential tenancy tribunal in the last 12 months.</p> <p>Report if and how these complaints have resulted in a change of practice by the housing provider.</p>	<p>14</p> <p>100%</p>	<p>Two CHOs recorded more than 10 complaints in FY22/23.</p> <p>Four CHOs recorded between 1-5 complaints.</p> <p>There was insufficient data to characterise how complaints had resulted in a change of practice.</p>

Three CHOs said that no complaints had been lodged by residents in the past 12 months. 4 CHOs said that there had been 1-5 complaints during the year and 3 CHOs said that there had been between 11 and 29 complaints over the same period.

CHOs said these complaints were utilised to improve customer experience, communication methods, and updating action plans. Some also noted that no change occurred as the CHO was not found to be at fault.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C23	<p>Report what support services the housing provider offers to its residents, including those through third party providers and co-designing with residents. How successful are these services in improving residents' quality of life?</p>	<p>14</p> <p>100%</p>	<p>Seven CHOs had internal measures in place to support residents, such as providing dedicated personnel who work with tenants on quality-of-life concerns, cost of living, and other matters.</p> <p>Most providers reported connecting residents with external organisations for specialised support.</p>

CHOs undertake a range of initiatives to provide resident support:

- 11 CHOs said they create referral pathways and linkages to support services, which offer specialised support when needed and included safety assistance, general wellbeing and health advice/programs, employment support, targeted support for women and Indigenous communities, and financial wellbeing.
- Five CHOs also said they employ dedicated wellbeing contact / mentor / support partners who work with tenants to provide wraparound support on health and wellbeing matters, and financial literacy.
- One CHO reported that they provide public domain improvements such as public art and common areas.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C24	Report examples or case studies of where the housing provider has been engaged in placemaking or place shaping activities, such as playgrounds, small commercial spaces, pedestrian zones, greenspaces, community areas, neighbourhood improvement or accessible property (among others).	12 86%	Providers provided a multitude of placemaking activities for the local community. The most common placemaking activities were facilitating community building activities and events, providing shared spaces, and neighbourhood improvements.

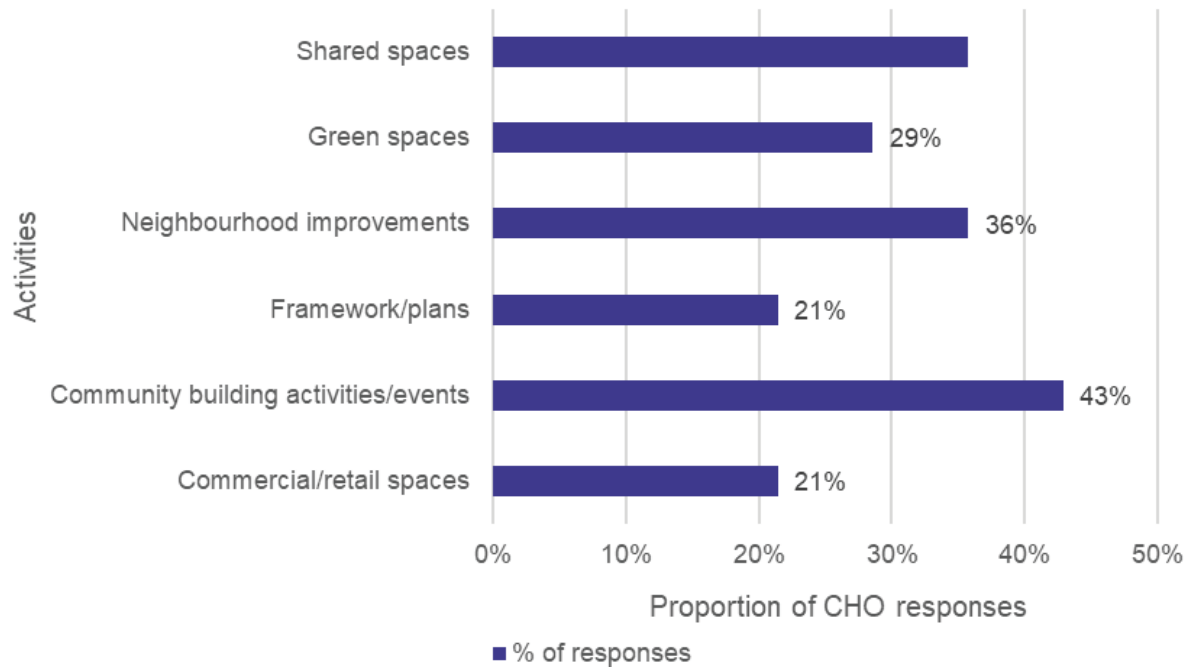
*Reporting rate is number and percentage of CHOs

C24 is an Enhanced criterion in the Standard. CHOs described a range of initiatives to reduce tenants' social isolation, add vibrancy to streetscapes, and improve the vibrancy and liveability of neighbourhoods.

The most common placemaking activities were facilitating community building activities and events (six CHOs) and providing shared spaces and neighbourhood improvements (each mentioned by five CHOs). Specific initiatives include:

- Community building activities: hosting plant workshops and competitions, school holiday activities, community markets, and collaborating with local community alliances.
- Designing and incorporating shared spaces: informal gathering spots, communal BBQ space, exercise rooms, community rooms and multi-use spaces.
- Investing in neighbourhood improvements: installing public art, taking Crime Prevention Through Environmental Design (CPTED) measures, improving and upgrading shared spaces, and improving accessibility to green space.

FIGURE 7: CHO PLACEMAKING AND PLACE-SHAPING ACTIVITIES



What is placemaking?

Placemaking is the process of creating quality places where people want to live, work, play, and learn. Placemaking initiatives can range from small, incremental improvements to elements of place to larger-scale interventions. One measure of success is when placemaking enables residents and visitors to feel safe, welcome, connected, and comfortable and promotes a sense of belonging.

Why is placemaking an important focus for the community housing sector?

Placemaking may be particularly beneficial to community housing tenants whose lived experiences may lead them to use and experience place(s) in ways not adequately accounted for in mainstream planning design and public space management. Although placemaking has received considerable research and policy attention, its intersection with public housing has received little attention despite being a 'route to greater wellbeing'.²⁷

3.5 Governance dimension

Number	Criteria	Reporting rate*	Key findings
C25	Which Code of Governance does the housing provider follow, if any?	14 100%	All reporting CHOs are registered under the relevant regulatory framework (NRSCH or VRS). Seven CHOs said they followed a Code of Governance (most commonly the Australian Charities and Not-for-profits Commission (ACNC) Governance Standards).

All CHO Adopters are registered under the relevant regulatory framework (NRSCH or VRS). Seven CHOs said they followed a Code of Governance (most commonly the Australian Charities and Not-for-profits Commission (ACNC) Governance Standards).

Other Codes of Governance that CHOs adhere to include the Australian Service Excellence Standards Quality Framework, the ASX's Corporate Governance Council Corporate Governance Principles and Recommendations, and the Australian Institute of Company Directors' Not-for-profit Governance Principles.

*Reporting rate is number and percentage of CHOs

27. Chisholm, E., Olin, C., Randal, E., Witten, K., & Howden-Chapman, P. (2023). Placemaking and public housing: the state of knowledge and research priorities. *Housing Studies*, 1-26.

Number	Criteria	Reporting rate*	Key findings
C26	Report if the housing provider has been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches etc) that resulted in enforcement or other equivalent action?	14 100%	No reporting CHOs were subject to adverse regulatory findings in FY22/23.

None of the 14 CHOs in this report were subject to adverse regulatory findings in the past 12 months.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C27	Report separate turnover for both the executive board members and management team in the last two years.	14 100%	No reporting CHOs were subject to adverse regulatory findings in FY22/23. 13 CHOs reported Board turnover, ranging from 0-33 per cent. Nine CHOs reported management team turnover, ranging from 14 to 50 per cent (equivalent to 1-3 individuals).

Six CHOs experienced turnover ranging between 10 and 20 per cent, while 4 CHOs experienced turnover of 30-40 per cent in their management teams.

*Reporting rate is number and percentage of CHOs

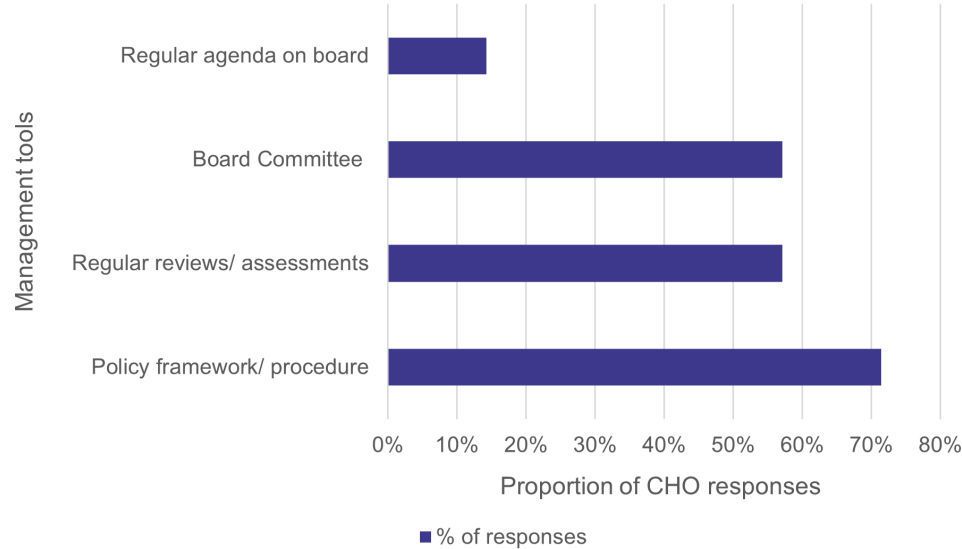
Number	Criteria	Reporting rate*	Key findings
C28	Report how the housing provider's Board manages organisational and financial risks.	12 86%	12 CHOs employed a variety of measures to manage organisational and financial risks.

10 CHOs said they have a policy framework and procedures in place, such as a risk management framework and regularly update a risk register. Eight CHOs conduct regular reviews and assessments. This included updating risk controls, plans and policies, and risk statement review. The timing of reviews and assessments varied between providers, from annually, quarterly, and fortnightly depending on the assessment being undertaken.

Eight CHOs had established a Board committee (finance, risk, audit) to oversee policy frameworks and accountability.

*Reporting rate is number and percentage of CHOs

FIGURE 8: CHO MANAGEMENT OF ORGANISATIONAL AND FINANCIAL RISKS



Number	Criteria	Reporting rate*	Key findings
C29	Has the housing provider submitted a Modern Slavery Statement to the Australian Government or voluntarily elected to prepare a Modern Slavery Statement?	12 86%	Six CHOs either report annually on the Modern Slavery Act or have a Modern Slavery Policy in place. Six CHOs do not report on the Modern Slavery Act and are not required to. Some CHOs are considering the preparation of a Modern Slavery Statement.

10 CHOs said they have a policy framework and procedures in place, such as a risk management framework and regularly update a risk register. Eight CHOs conduct regular reviews and assessments. This included updating risk controls, plans and policies, and risk statement review. The timing of reviews and assessments varied between providers, from annually, quarterly, and fortnightly depending on the assessment being undertaken.

Eight CHOs had established a Board committee (finance, risk, audit) to oversee policy frameworks and accountability.

*Reporting rate is number and percentage of CHOs

What is modern slavery?

Modern slavery has no agreed legal definition. It covers a range of exploitative practices: slavery, servitude, trafficking in persons, forced labour, and others. These terms are defined in international legal instruments.

What are the reporting requirements?

Entities with an annual consolidated revenue of at least AUD\$100 million have mandatory reporting requirements under the Modern Slavery Act 2018 (Cth). The Act aimed to encourage proactive efforts to identify and address modern slavery risks. Entities who do not meet this threshold may nonetheless voluntarily prepare and submit a Modern Slavery Statement to demonstrate leadership and commitment on modern slavery (and will be bound as if they were a mandatory reporting entity).

In 2023, the findings of a statutory review into the first three years of the Act were published, concluding that 'there is no strong storyline that the drivers of modern slavery are being turned around'. The review makes thirty recommendations for change to address three weaknesses in the present Act: variable standard slavery reporting, enforcement of reporting obligations, and the volume of incompatible Modern Slavery statements.

28. Parliament of Australia (2017), Inquiry into establishing a Modern Slavery Act in Australia, https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/ModernSlavery/Final_report/

29. Australian Government (2023), 'Report of the statutory review of the Modern Slavery Act 2018 (Cth)', <https://www.ag.gov.au/sites/default/files/2023-05/Report%20-%20Statutory%20Review%20of%20the%20Modern%20Slavery%20Act%202018.PDF>

Number	Criteria	Reporting rate*	Key findings
C30	Report, where applicable, the maximum tenure for a Board member.	14 100%	10 CHOs said the maximum tenure for a Board member is 9 years.

The maximum tenure for Board members was fairly consistent across the 14 CHOs. 10 said that the maximum tenure was nine years, based on three terms (upon re-election) of three years. One CHO said there is no limit; however, an internal governance framework recommends a maximum of 10 years

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C31	Report the number of Board members on the Audit Committee with recent and relevant financial experience.	14 100%	Responses from the 14 CHOs ranged between two and six Board members.

Responses ranged between two and six Board members with recent and relevant financial experience. Further analysis shows that seven CHOs had four Board members on the Audit Committee with recent and relevant financial experience, and six CHOs had two or three Board members on the Audit Committee with relevant experience. One CHO said that six Board members had recent and relevant financial experience.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C32	Report for how many years the housing provider's current external audit partner has been responsible for auditing the accounts.	14 100%	Responses from the 14 CHOs varied considerably, from 1 year to 12 years. The most common timeframe was 1-5 years (eight CHOs).

An analysis by CHO of the number of years the current external audit partner has been responsible for auditing accounts is as follows:

- 1-5 years: nine CHOs
- 5-10 years: three CHOs
- 10+ years: two CHOs

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C33	Report the month and year of the last independently-run, Board-effectiveness review, as well as by whom it was conducted	11 79%	Seven CHOs said that the most recent instance was in 2022 or 2023. A range of external consultancies were engaged to undertake the reviews.

CHO responses ranged between 2018 and 2023. A breakdown by year is as follows:

- 2023: three CHOs
- 2022: four CHOs
- 2021: two CHOs
- 2020: one CHO
- 2018: one CHO

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C34	How does the housing provider handle conflicts of interest at the board?	12 86%	Multiple measures are in place including an expectation to declare, policy guidelines, and maintaining a conflict of interest register.

C34 is an Enhanced criterion in the Standard. 11 CHOs said that Board members are expected to declare conflicts of interest, which is often a standing agenda item for Board members. The person is excluded from receiving relevant Board information or discussions if a perceived conflict arises.

Nine CHOs said they had guidelines in place, for example, conflict of interest policies, a director code of conduct, and a Board charter. Maintaining a conflict-of-interest register was also common practice identified by seven CHOs.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C35	Does the housing provider pay a Real Living Wage and/or is there the ability for staff to bargain collectively to improve conditions of employment?	14 100%	All CHOs said they pay at or exceed award rates. Two CHOs employ non-award employees whose salaries are benchmarked annually and consider factors like the wage price index.

All providers identified that they pay a Real Living Wage. Most providers stated that they pay above the minimum wage per relevant awards such as the Social, Community, Home Care and Disability Services Industry (SCHADS) Award. Some providers noted that staff are supported in their right to collectively bargain and support relevant unions where employees can attain collective bargaining power.

Two CHOs hire non-award employees and noted that salaries are benchmarked annually, accounting for the wage price index and other relevant factors.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C36	Report the median gender pay gap	10 71%	Nine CHOs reported median gender pay gaps ranging from 0 to 24 per cent. One CHO reported a 70 per cent pay gap in favour of women.

C36 is an Enhanced criterion in the Standard. Nine CHOs reported median gender pay gaps in favour of men ranging from 0 to 24 per cent. One CHO reported a 70 per cent pay gap in favour of women. Some CHOs said they were actively monitoring and progressing towards gender pay parity.

CHOs were not asked to provide their calculation of the median gender pay gap. Drivers of the gender pay gap may include gender imbalances at different career levels within the organisation and pay gaps within career levels.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C37	Report how the housing provider supports the physical and mental health of their staff.	12 86%	12 CHOs said that they have an Employee Assistance Program in place.

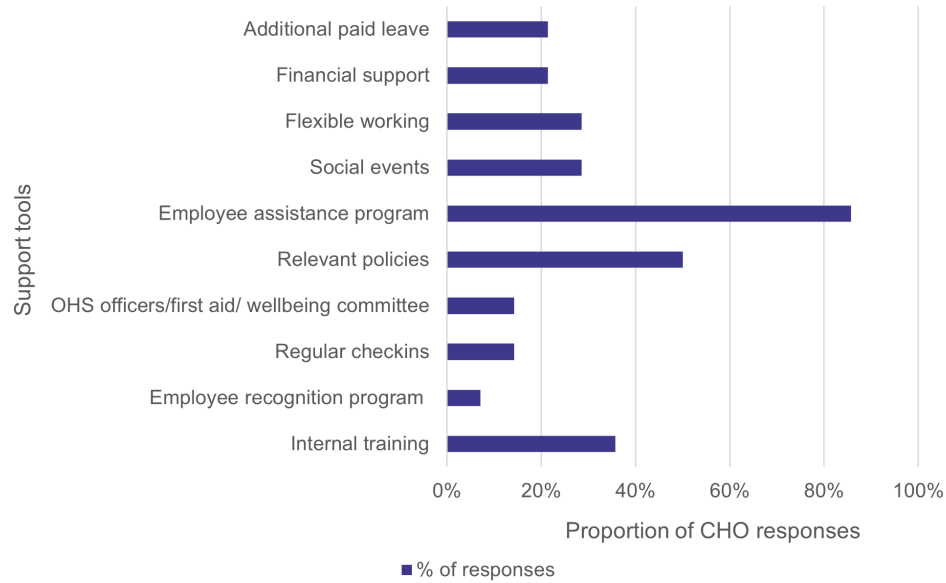
C37 is an Enhanced criterion in the Standard. 12 CHOs said that they have an Employee Assistance Program in place to support staff. Seven CHOs also had policies in place to address occupational health and safety, a respectful workplace, and staff wellbeing. Five CHOs said they ran internal training on a range of topics:

- Complaints handling practices
- Risk assessment and psychological safety/wellbeing
- Ergonomic assessment
- Trauma informed training

Other supports provided by CHOs is shown in Figure 9.

*Reporting rate is number and percentage of CHOs

FIGURE 9: CHO SUPPORTS FOR STAFF PHYSICAL AND MENTAL HEALTH



Number	Criteria	Reporting rate*	Key findings
C38	Report the average staff turnover in the last 12 months	14 100%	Average staff turnover ranged between 11 and 48 per cent. Eight CHOs reported average staff turnover in the range of 10-20 per cent.

Eight CHOs reported an average staff turnover in the last 12 months as between 10 and 20 per cent. Four CHOs reported staff turnover between 20 and 30 per cent. CHOs with higher turnover rates of 30 per cent and over also said they were developing workforce retention strategies.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C39	Has the housing provider adopted a Reconciliation Action Plan (RAP), approved by Reconciliation Australia?	11 79%	Six CHOs have adopted a RAP approved by Reconciliation Australia.

C39 is an Enhanced criterion in the Standard. 6 CHOs have adopted a RAP approved by Reconciliation Australia, of which 4 specified that they had prepared a Reflect RAP. A Reflect RAP is one of four RAP types and helps prepare organisations to engage in reconciliation meaningfully and is implemented over 12-18 months.³⁰ One CHO has prepared a second Innovate RAP, which will be implemented over two years and focus on strengthening relationships with Aboriginal and Torres Strait Islander people.

Five CHOs are either in the process of or will soon consider the preparation of a RAP.

*Reporting rate is number and percentage of CHOs

Number	Criteria	Reporting rate*	Key findings
C40	Report the proportion of the Board and employees who identify as Aboriginal and/or Torres Strait Islander	8 57%	Three CHOs said they did not have any Board members who identify as Aboriginal and Torres Strait Islander CHOs also said that between 1 and 21 per cent of staff identify as Aboriginal and Torres Strait Islander.

C40 is an Enhanced criterion in the Standard. Three CHOs reported that no Board members identified as Aboriginal and Torres Strait Islander. Other CHOs responded with the proportion of Aboriginal and Torres Strait Islander staff, which ranged from <1 per cent to 21 per cent. One CHO has set an aspirational target to increase the proportion of Aboriginal and Torres Strait Islander staff to 10 per cent.

CHOs noted the challenges of self-reported data collection. This mirrors the general paucity of data on the Aboriginal and Torres Strait Islander workforce in many sectors.

*Reporting rate is number and percentage of CHOs

30. Reconciliation Australia (2024), 'The RAP Framework', <https://www.reconciliation.org.au/reconciliation-action-plans/the-rap-framework/>

Number	Criteria	Reporting rate*	Key findings
C41	Report if and how ESG credentials of suppliers are considered when procuring goods and services?	11 79%	10 CHOs said that certain ESG factors, e.g. Modern Slavery, is considered during procurement.

C41 is an Enhanced criterion in the Standard. 10 CHOs said that ESG factors are considered when procuring goods and services, usually as part of the CHO's procurement policy. One CHO noted that incorporating ESG credentials is a future consideration, and three CHOs said that this was not currently tracked.

Several CHOs provided additional detail on embedding ESG factors into procurement processes, describing their objective to support local economies and achieve values alignment with delivery and service partners.

*Reporting rate is number and percentage of CHOs

4. The road ahead

The vision for the Standard is for it to be adopted across the sector. Success on this measure will mean that investors can better engage with individual providers and the sector with confidence and minimal friction. Community housing providers will also save costs as reporting becomes more streamlined and repeatable, with data collection processes and systems in place.

As noted in the Standard's launch report, its success will also depend on keeping it current, fine-tuning its alignment with the global sustainability ecosystem, and maintaining the governance arrangements in place.

CHIA and Housing Australia's strategic partnership will also be critical for the success of the Standard. Housing Australia is the predominant gateway to debt capital markets for CHOs. A key activity of Housing Australia's Affordable Housing Bond Aggregator is to 'issue bonds that meet ESG requirements', such as from the International Capital Market Associations Social Bond Principles, Green Bond Principles, and Sustainability Bond Guidelines. Housing Australia's Corporate Plan 2023-24 indicates that the number and value of bond issuances will be measured and reported annually to 2026-27: 1-2 bond issuances per year, each with a value of \$200-400 million.

Refining the Standard

The first year of implementation highlighted several areas for future refinement of the Standard and the guidance provided to reporting entities:

- Carbon emissions reporting (C2) – Recent legislative developments signal a broader effort to align climate-related disclosures with global practice. For the community housing sector, data availability, portfolio composition and the history of public stock transfers, as well as the range of calculation methods indicate that this is an area where CHOs would benefit from targeted support. The development of a peer-reviewed, sector-standard approach to carbon accounting, for the purposes of reporting against the Standard, is one way that this could be achieved.
- Placemaking (C24)—A CHO's governance model can significantly influence its approach to placemaking. Some models, such as the co-operative housing model, may see tenants assume a more prominent role in placemaking activity than the CHO. In the future, the specification of placemaking measures and other amendments could improve the quality and consistency of data.

Refinement of these and other criteria in the Standard will require sector consultation alongside a review of the latest developments in global sustainability reporting frameworks and reporting standards.

Ongoing governance arrangements

It is expected that an independent, not-for-profit entity would need to be established in the future. This entity would be responsible for the Standard's promotion, evolution, and strategic direction. Specific functions could include:

- Research and consultation to align the Standard with the global ESG landscape,
- Transition from a self-certifying Standard to one requiring independent verification,
- Benchmarking to grow community housing into an investment-grade, risk-adjusted asset class, and
- Expansion of the Adopter base to other providers of social and affordable housing.

Subject to funding support, the ESG Steering Group will continue to promote growth in the Adopter and Supporter base and oversee the publication of the second Annual Review for FY2023/24.

Appendix A: Adopters and Supporters

Adopters



Supporters



Appendix B: Acknowledgements

We acknowledge the funding provided by Housing Australia and the Lord Mayor's Charitable Foundation to support the first year of implementation of the Standard.



We thank members of the ESG Steering Group for their expertise and contributions to the first year of ESG implementation.



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