

**MISSION
AUSTRALIA**

Northern Territory Government Request for Information Community Housing Strategy

From Mission Australia and Mission Australia Housing



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Introduction

Mission Australia (MA) and Mission Australia Housing welcome the opportunity to provide comment on the Northern Territory Government's Community Housing Strategy.

Items 1-3: About us

Mission Australia is a national non-denominational Christian organisation, with more than 155 years' experience in standing together with Australians in need on their journey to independence. Our evidence-based, client-centred community services are focused on reducing homelessness and strengthening communities across Australia.

In the 2015-16 financial year we supported over 130,000 Australians through 452 programs and services. We work with families and children, young people and people experiencing homelessness and also provide specialist services for mental health, disability and alcohol and drug issues. We stand together with people in need until they can stand for themselves.

To achieve our goal, we work in partnership with communities, supporters, government, businesses and other organisations. We measure our impact, collecting evidence of what works to inform our service design and delivery, and to advocate for change.

In 2009 MA established Mission Australia Housing (MAH), a Tier 1 Community Housing Provider. MAH currently owns or manages more than 2,000 social and affordable homes, including Sydney's \$32 million Common Ground development in Sydney.

We know that great communities thrive where there are connections, opportunities and engagement across the economic spectrum. We know that individual service responses are not sufficient to address the challenges of deep and persistent disadvantage. That's why we use a place-based model which manage tenancies; co-ordinate support services; and target intergenerational disadvantage through education and employment. We use a research and evidence based approach to our work and services, so we can measure our impact and demonstrate program outcomes.

In the Northern Territory, our housing-related services include the following (with further detail at Appendix 1):

- Tenancy Support Program:
 - delivered by Mission Australia in Darwin, Katherine and Alice Springs
 - funded through the Northern Territory Department of Housing
 - supports at-risk public housing clients to maintain successful, sustainable public housing tenancies that result in reducing preventable exits from public housing and homelessness
- Supported Accommodation:
 - Mission Australia runs an 8 bedroom facility in Darwin
 - funded through the Northern Territory Department of Housing
 - supports young men to transition to stable accommodation, find pathways to work and access long term housing
- Aherlkeme Village
 - 28 secure accommodation units in Alice Springs for individuals and families
 - funded through the Northern Territory Department of Housing

- provides case management and life-enhancing module support to residents for 6 to 12 months and assist them to move into longer term affordable housing
- Post Release Support Program
 - uses a Housing-First approach to prevent people exiting detention becoming homeless
 - provides early pathways to jobs and/or training opportunities
- Personal Helpers and Mentors Service (PHaMs)
 - delivered in Alice Springs, where Mission Australia works in partnership with the Centacare Job Services Australia team in the Papunya community
 - funded by the Commonwealth Government
 - provides community-based supports for people experiencing mental health issues

Items 4-12: Policy

Community Housing Providers (CHPs) can deliver tenancy and property management services efficiently and tailored to the needs of different Territory communities through a program of management transfer.

CHPs can deliver quality social housing tenancy management which is responsive to the needs of residents and their communities. The primary focus of CHPs should be on improving social outcomes for tenants and their neighbourhoods. Government can facilitate this through an alignment of community service delivery with CHP portfolio management. Importantly, when CHPs are provided with long-term management tenure of social housing properties and tenancies they can, in consultation with the community, make long-term plans to deliver real and lasting positive change.

To achieve any of this, CHPs need to be of sufficient scale. The NT Government can seed the creation of a viable community housing sector in the Territory through transfers of public housing management. Vesting of assets is not a necessity, but management contracts need to be long-term (over ten years) so that CHPs can deliver this generational social change. A pilot program of portfolio management should be of no less than 500 homes in a neighbourhood close to urban amenity. Please see Appendix 2 for an overview of a successful long term management transfer of 500 social homes.

A related and positive service that could be introduced through this model of social housing management transfer is that of case coordination for social housing residents and a deliberate program of community development.

MA's model of **Tailored Support Coordination Service** (TSCS) could be delivered to social housing residents and their household members in a separate, parallel and coordinated approach with tenancy management. We understand that sometimes getting access to services is difficult, the process can be complex and overwhelming. When a resident moves into one of our social homes, we can work with them to understand their needs and their goals. Our qualified social workers will put together a plan to help them achieve the best outcomes for them. It could be support in financial and household management. It could be greater independence at home through in home care and social connections to groups, activities and trips. It could be links to education, training and employment opportunities with our business partners.

The strength of a community is enhanced when its members take control of the things that determine their wellbeing. While our tailored support coordination helps that happen on an individual level; our model of community development – **Strengthening Communities** - ensures this can happen at a community wide level. Really good community development goes beyond a BBQ and seeks to build

the capacity of residents to live a 'good life'; that is, where their affairs are managed well and people are flourishing

Strengthening Communities brings all sectors of the community together. It builds social inclusion and confidence in its members. Our role is to create opportunities for social networks to be developed, enhanced and maintained.

Items 13 – 16: Stock Transfer

CHPs can also play an active role in supporting new housing supply through managing new stock and delivering the associated individual and community support functions. However, CHPs are not the solution to the housing supply problem, as the sector does not have the financial capacity to deliver this through either their own capital or through leverageⁱ.

Even if the title to existing social housing assets were transferred to CHPs and tenants were able to obtain access to Commonwealth Rental Assistance (CRA), all revenue would be directed towards management, maintenance and community programs. CHPs are unable to leverage significant amounts against most social housing portfolios due to the limited cash flows that these assets deliver. Social housing rent together with CRA just covers the proper operation of tenancy and property management (including a long-term strategic asset management plan) together with limited support coordination and community engagement for social housing tenants. Further, there is risk in requiring a high level of gearing for CHPs as this could lead to an industry focus on financial outcomes for lending institutions over social outcomes for clients.

Partnerships for Success

What do you need to deliver new social and affordable housing stock; create communities of opportunity and increase resident well-being? Partnerships.

Guided by the vision and leadership of the local community, CHPs and service providers can work with government and the private market to deliver solutions where residents are housed in accommodation they are proud of; where communities flourish and their leaders strive for the future; where government obtains value for money and the best quality.

MAH, in partnership with one of Australia's largest developers, Frasers Property Australia and the Citta Property Group have been awarded the opportunity to renew the community of Ivanhoe, located in Sydney. Currently consisting of 259 aged social housing dwellings; over the next decade, this neighbourhood will be transformed into a vibrant mixed community of at least 950 social homes, market and affordable housing, two childcare centres, a residential aged care facility, a school and many beautiful public spaces. Overseen by NSW Government and part of the Communities Plus program, this is an exciting and innovative way to restore a community and facilitate a new vision for the future.

This model of collaboration between government, not-for-profit, the community and private development is replicable in many different locations, in many different market settings. We would welcome the opportunity to share our work with you.

The Northern Territory – advocating for change

As the Commonwealth negotiates bilateral housing and homelessness agreements with each state and territory, there is an opportunity for not only more accountability, but for genuine progress towards real and lasting change.

The NT Government has a critical role to play in ensuring the Commonwealth recognises its role in housing supply. Housing affordability in the Territory, and across the country, will not improve substantially without Commonwealth leadership. Federal responsibilities for taxation, welfare and infrastructure as well as the Commonwealth's transfers to the States to deliver housing services make this very clear.

These 'macro' settings have profound influences on housing affordability. Without Commonwealth leadership and coordination through the Council of Australian Governments, State and Commonwealth policies are too often pulling in opposite directions. In particular the Commonwealth can provide a clear subsidy to give certainty and viability to investment in affordable rentals.

The Commonwealth has significantly greater borrowing capacity than the States and Territories, and can be a much more effective catalyst for investment in social and affordable housing. States and Territories with relatively small populations, such as the NT, may not be able to provide an adequately scaled pipeline of projects to attract institutional investment; this needs to be engineered at a national level.

It is in this context that we set out 10 recommendations for boosting the supply of social and affordable housing which will make a significant contribution to preventing and addressing homelessness:

1) DELIVER 200,000 NEW SOCIAL HOMES AND REVIVE CURRENT SOCIAL HOUSING STOCK

Targets for social housing growth must be set in each state. Increases in social housing stock need to meet the housing needs of the 200,000 people currently on waiting lists across Australia. Renewal of social housing that has been left to languish without vital maintenance and repairs also needs to be a priority.

2) CREATE A NEW CLASS OF TRULY AFFORDABLE HOUSING AND DELIVER 250,000 NEW AFFORDABLE RENTAL HOMES

We will always need social housing, as a critical part of the housing continuum. But more affordable private rental housing is also necessary, especially given sky rocketing rents in many areas which are now pushing unprecedented numbers of people into rental stress.

For rental housing to be truly affordable to households on low incomes, a substantial discount of up to 50% is needed on market rents. While the current gap between social housing rent and market rent is impossible for many people to meet, a new class of 'mezzanine' level affordable housing will allow some social housing tenants to move into the private rental market, reducing pressure on social housing waiting lists.

3) BRIDGE THE FUNDING GAP FOR BOTH SOCIAL AND AFFORDABLE HOUSING

The States and Territories cannot deliver any significant increase to social or affordable housing in isolation. It takes a multi-government approach to address the funding gap over the long term and in any meaningful way.

The Commonwealth's recent announcement of a bond aggregator model will make a useful contribution by assisting Community Housing Providers (CHPs) to finance new developments. But it is insufficient in itself to generate greater investment in social and affordable housing. Cheaper finance is not the key problem stalling delivery of new below-market rental stock. What is desperately needed is a clear subsidy from government, so that investors in affordable rental housing have surety around the future viability of their investments.

A direct government subsidy would address the funding gap in both social and affordable housing.

4) ADJUST TAX SETTINGS TO ADDRESS HOUSING AFFORDABILITY AND FUND NEW SOCIAL AND AFFORDABLE HOUSING

Many governments across Australia have professed housing affordability to be a key policy priority, but all too often this is narrowed to providing assistance to first home buyers. The Federal Government has shown an ongoing reluctance to address the significant tax breaks given to investors through negative gearing and capital gains tax discounts and little attention is given to those struggling to pay the rent in increasingly difficult markets.

Tax breaks provided to property investors come at an annual cost of \$11.7 billion to government revenue. If the significant tax concessions provided to investors were re-directed to social and affordable housing we could significantly boost supply.

To see this approach in action, we only need to look to the United States where a stable funding mechanism has been in practice for 30 years. Introduced in 1986 with bipartisan support, the Low Income Housing Tax Credit provides a mechanism for private institutional investors to purchase tax deductions. The funding generated from this deduction goes directly into the creation of new below market housing. Since 1986 it has stimulated the production or rehabilitation of nearly 2.97 million affordable homes.

5) DELIVER PERMANENT SUPPORTIVE HOUSING FOR VULNERABLE GROUPS

For vulnerable people including those who have experienced chronic homelessness, have health issues, are ageing or are leaving institutional care, the Housing First model is the most effective way to maintain tenancies and improve wellbeing. These models have been shown to achieve strong positive outcomes for vulnerable clients, as well as providing substantial savings to governments. The MISHA Housing First project delivered by Mission Australia demonstrated savings of \$8002 per person per year as well as 89% of tenancies sustained; a halving of mental health disorders; and a decrease of substance use disorders from 37% to 30% over 2 years.

6) DELIVER SUPPORTIVE ACCOMMODATION IN A STEPPED CARE APPROACH

There are many effective models of supported accommodation that cater for particular needs. This includes: Youth Foyers which link young people to education and employment while they are safely accommodated; rehabilitation facilities for people seeking treatment for substance misuse; and supported accommodation for people experiencing mental illness and exiting institutions.

This intensive service provision delivers good results, but what is missing is the next step in their journey to independence which would include a safe place to live and scaled back support. The expectation that people can exit directly to the community can create unsustainable outcomes, putting people into a cycle of insecurity and homelessness. Capital investment is required in purpose built or adapted buildings for a stepped care model with person-centred services.

7) LISTEN AND FACILITATE SOLUTIONS FOR ABORIGINAL AND TORRES STRAIT ISLANDER HOUSING NEEDS

The pressing need for investment in Aboriginal owned and controlled social and affordable housing to address over-crowding and the shocking over-representation of Aboriginal and Torres Strait Islander people among those experiencing homelessness in Australia is well documented. Such investment must be directed by Indigenous organisations, with local responses developed to suit each community's strengths, housing needs and development aspirations. At a minimum, immediate investment is required to provide 4,200 new Aboriginal owned and controlled homes in remote communities and regional centres.

8) REFORMING PLANNING LAWS

Inclusionary zoning – where planning instruments require a component of below-market rental housing in specified areas – is an effective and proven way to stimulate new supply. It is widespread and effective across the USA, but only has fragmented and small-scale use in Australia. Along with planning experts and economists, we have advocated for a minimum target of 15% of all new developments on private land, and 30% on government land in order to have a long-term and significant effect on the housing crisis. The affordable housing stock should be managed by CHPs in accordance with current regulations and allocation processes, in order to significantly boost community housing stock. To be effective this will also require changes to affordable housing planning rules. Reforms to planning laws should also ensure that a proportion of value gained through rezoning and public infrastructure investment is captured for broader community benefit.

9) USE HOUSING INVESTMENT TO BUILD STRONGER COMMUNITIES

Communities of entrenched disadvantage need more than just new homes. To enable long-term change and facilitate true transformation, community housing providers must work with community service providers to enable understanding of each local community's social assets, strengths and focus areas for improvement. The best prospect for community development comes when support provision is coordinated and communities are empowered to be directly involved in decision making around construction or renewal. Mission Australia and Mission Australia Housing have taken such a long-term community development approach in Clarence Plains in Tasmania. A 10 year plan was developed by the community to achieve both physical and social change including improved safety, links to jobs and training and better health and nutrition.

10) SET CLEAR TARGETS TO REDUCE HOMELESSNESS.

We have been consistently advocating for whole of government commitments to halve youth homelessness by 2020 and to halve overall homelessness by 2025. These are achievable targets but depend on strong commitments and immediate action from the Commonwealth Government and from States and Territories. What gets measured is what gets done and we are hoping for genuine commitments to targets in the National Housing and Homelessness Agreements.

Conclusion

We welcome the Northern Territory Government's intention to develop an urban Community Housing Strategy (the Strategy) including the proposed release of up to 750 public housing dwellings to the community housing sector and an increased role for Community Housing Providers in the delivery of social housing in the NT.

We hope that this forms a positive starting point to the further investment needed in social and affordable housing. Models can be tested and later expanded to prevent homelessness for those in rental stress and ensure sustainable exits from homelessness through stable and secure housing.

Appendix 1

Mission Australia's housing-related services in the Northern Territory

Tenancy Support Program

The Tenancy Support Program provides case management to at-risk public housing clients for up to 12 months. Clients are assisted to understand their obligations as a tenant and work towards independence. They are supported to achieve outcomes that lead to successful, sustainable public housing tenancies that result in reducing preventable exits from public housing and homelessness. The Tenancy Support Program is delivered by Mission Australia in Darwin, Katherine and Alice Springs and is funded through the Northern Territory Department of Housing.

Under the Program in urban and town camps, Mission Australia has worked with 335 clients experiencing tertiary homelessness and who are at risk of eviction in 2014-15. Of these, 62% were women, and over 85% were Aboriginal. The majority of referrals are from the Department of Housing and Central Australia Affordable Housing. There is growing demand for this program to expand the target cohort to include chronically rough sleepers.

Supported Accommodation

Mission Australia provides accommodation, case management and linkages to other key services for single males over the age of 18 years who are homeless or at risk of homelessness.

The program supports young men to transition to stable accommodation, find pathways to work and access long term housing. Mission Australia runs an 8 bedroom facility in Darwin. The program is funded through the Northern Territory Department of Housing.

Aherlkeme Village

Aherlkeme in Alice Springs has 28 secure accommodation units designed to suit individuals and families. The service provides case management and life-enhancing module support to people for 6 to 12 months, with the expectation they will move into longer term accommodation once they adjust to town living. Mission Australia supports residents by providing onsite accommodation, improving life skills, helping create plans around managing visitors and increasing access to education training and employment. This program is funded through the Northern Territory Department of Housing.

Aherlkeme Village provided accommodation to over 164 at-risk and homeless clients in 2014-15, referred through the Department, to obtain tenancy references and address tenancy issues. 78% of clients were Aboriginal and 62% were women, often victims of Domestic and Family Violence and single parents. Each client agrees to participate in the Living Skills program and case management, with a medium term view to exiting into affordable housing.

Post Release Support Program

Mission Australia supported 50 ex-offender clients to transition from prison in 2014-15, through a Housing-First approach to prevent people exiting detention into homelessness, combined with holistic case management. We work with local health and community providers to ensure client's physical and health needs are met and monitored, and our holistic and tailored support services are practical and client-driven. Mission Australia provides early pathways to jobs and/or training opportunities, placing strong emphasis on education, training and employment for clients.

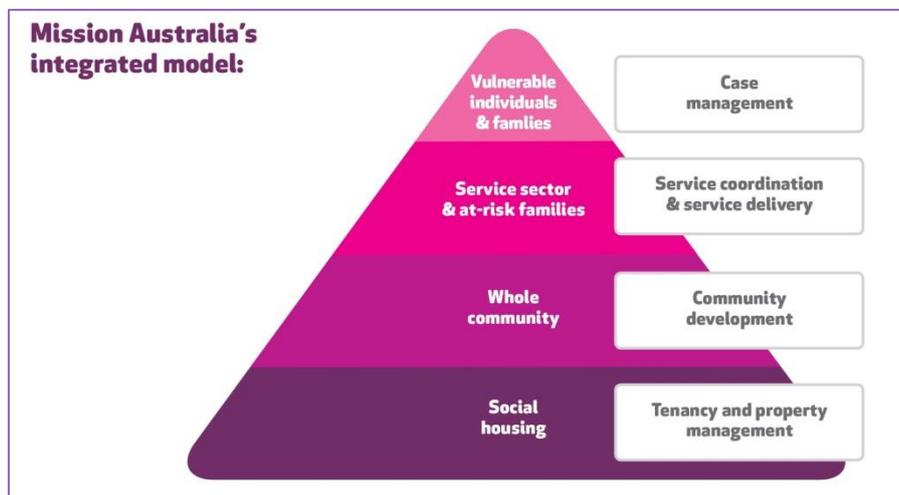
Personal Helpers and Mentors Service (PHaMs)

Mission Australia's PHaMs service provides community-based supports for over 110 clients each year experiencing mental health issues. Mission Australia's Alice Springs team works in partnership with the Centacare Job Services Australia team in the Papunya community. We support PHaMs clients to overcome their barriers and participate in meaningful activities such as minor maintenance jobs.

Appendix 2

Our Integrated model at work – Clarendon Vale and Rokeby

Successful collaborations between government housing authorities, CHPs, service providers and the community are already seeing results. Clarendon Vale and Rokeby, near Hobart Tasmania, is one of the country's most disadvantaged communities. Here, MAH practices deliberate and measurable community development. We are at the forefront of community renewal of large social housing estate. In 2013 we were commissioned to manage 500 homes for Housing Tasmania over a 10 year period and have developed a decade long plan to provide management, maintenance, property upgrades and new homes. We also oversee case coordination for those tenants most in need, connecting them to the existing service network for case management. In partnership, Mission Australia has developed a community renewal model, involving a 10 year community development plan, encompassing community improvement projects which will see generational change. Housing Tasmania is an engaged and responsive stakeholder and together everyone is working on delivering, measuring and refining positive impact.



ⁱ Ferrer E. (2014) *The cost of increasing social and affordable housing supply in NSW*, Shelter NSW