

# ***Walking the Talk***

## ***Towards Sustainability in the Aboriginal Housing Sector in New South Wales***

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# Aboriginal Housing Office Context

## ■ Purpose of the NSW Aboriginal Housing Office

### ■ What we do

- ▶ Coordinated planning, development and delivery of Aboriginal housing programs
- ▶ National and Statewide Policy development
- ▶ Capital works – growing and maintaining assets
- ▶ Capacity building and community development strategies with the Aboriginal Housing sector, eg. governance and skills development
- ▶ Design and deliver training in housing management
- ▶ Promote and incorporate Aboriginal Employment Strategies into our business

# History of the AHO

- **In 1996 the Aboriginal Housing Development Committee conducted extensive consultations to address structural issues associated with the administration of Aboriginal housing in NSW, issues included:**
  - ▶ **Too many Government agencies involved in planning and delivery of Aboriginal housing programs**
  - ▶ **Lack of coordinated planning, duplication and gaps in service provision and planning Lack of resources to fund maintenance and operational costs**
  - ▶ **Need for training and skilled staff in provision of Aboriginal housing**
  - ▶ **Lack of accountability for objectives and outcomes of Aboriginal housing programs**

# History of the AHO

- **AHDC recommended strategies to address the identified issues, including:**
  - ▶ **New management structure and decision making framework for Aboriginal housing**
  - ▶ **A single State level agency be established to administer coordinated Aboriginal housing**
  - ▶ **Aboriginal Rental Housing Program and Housing for Aborigines be transferred to this new agency**
- **The Aboriginal Housing Act 1998 was proclaimed and the NSW Aboriginal Housing Office was established in July 1998**

# AHO's 10 Year Vision for the Sector

- **A sector that meets the diverse range of Aboriginal Housing needs - consistent with Building a Better Future 2010 Objectives AHDC**
- **Fewer Aboriginal housing providers for efficiencies and economies of scale purposes**
- **Organisations that are financially viable and can cover operating costs from income generation – self sustaining**
- **Skilled staff and management – well trained to deliver quality services**

# AHO's 10 Year Vision for the Sector

- **Culturally appropriate services which are tailored to address unique needs of tenants Contributes to a healthy sector to narrow gap in unmet housing need**
- **Contributes to a healthy sector to narrow gap in unmet housing need**
- **Effective engagement with Government – strong alignment and partnerships**
- **Managing all Aboriginal housing properties effectively**
- **Community “ownership” and involvement in Aboriginal housing**

# AHO's 10 Year Vision for the Sector

- **Access to mainstream and community housing - a seamless social housing system with adequate support A continuum of coordinated housing options from complex high support needs to home ownership Aboriginal controlled at a community and regional level**
- **A continuum of coordinated housing options from complex high support needs to home ownership**
- **Aboriginal controlled at a community and regional level**
- **Home ownership % on a par with mainstream**

# The AHO's Strategic Priorities

## ■ 3 Strategic Priorities Focus on Sustainability

1. Sustainable services
2. Sustainable growth
3. Sustainable assets

**The interdependence of these priorities**

# What does Sustainability mean to the AHO and the Aboriginal Housing Sector?

- **The Standing Committee on Indigenous Housing' (SCIH) definition of sustainability**
  - ▶ **Recognising the co-dependence of housing and community**
  - ▶ **Community factors such as employment, health, skills and infrastructure all affect and are all affected by the delivery of sustainable services to the Indigenous community.**
  - ▶ **Sustainable housing outcomes are successfully achieved through the provision of affordable, safe and culturally appropriate housing that is energy efficient, well-maintained and responsive to the needs and aspirations of Aboriginal people.**

# Characteristics of the Aboriginal Housing Sector in NSW

- **NSW is the most populous Indigenous State in Australia – In 2001, 134,000 or 29% of all Aboriginal people in Australia lived in NSW**
- **Population to rise to 151,000 by 2009**
- **In NSW majority live in regional and urban centres**
- **In 2001 (ABS), 1,376 Aboriginal people were homeless on Census night**
- **Aboriginal people are over represented in SAAP services**

# Characteristics of the Aboriginal Housing Sector in NSW

- In 2001, 1,272 Indigenous households were overcrowded in NSW
- In 2001, 11,524 or 40% of Indigenous households were in affordability need in NSW (number paying more than 25% of household income as rent or mortgage)
- In 2002 (NATSISS), 20,200 Indigenous households were in dwellings with structural problems
- Home Ownership rates for Aboriginal people increased from 21.5% in 1994 to 27.4% in 2002 but is still approximately 40% lower than in mainstream

# Characteristics of the Aboriginal Housing Sector in NSW

- In 2004 approximately 284 Aboriginal Community Housing Providers (ACHP) in NSW
- Managing 4616 community properties funded through the Aboriginal Housing Program or other funding, such as FaCS or (former) ATSIC funds
- 90 of the ACHPs were local Aboriginal land councils
- More than 50% of the total ACHPs manage less than 50 properties - not sustainable
- In 2004, 168 of the 284 were actively registered with the Aboriginal Housing Office

# Characteristics of the Aboriginal Housing Sector in NSW

- **Mainstream community housing providers also provide housing for Aboriginal tenants through the Office of Community Housing**
  - ▶ **Approximately 588 households based on 2001 Census (1)**
- **Department of Housing (DoH) – AHO properties**
  - ▶ **Service Agreement for DoH to manage 4088 AHO properties**
  - ▶ **Access for Aboriginal people to Mainstream**
  - ▶ **8700 households in DoH mainstream public housing are Indigenous**
  - ▶ **Represents approximately 8% of all DoH households**
  - ▶ **Inconsistent policies across the Aboriginal housing sector**

# Issues to be addressed in achieving our Vision

- **Sector viability and vulnerability**
  - ▶ **Economies of scale for efficiencies and financial viability**
  - ▶ **Affordability for tenants**
- **Lack of regulation and performance based registration**
- **Need for consistency in policies and standards in areas such as:**
  - ▶ **Governance**
  - ▶ **Management and Planning**
  - ▶ **Rent setting**
  - ▶ **Asset management**
  - ▶ **Tenant relationships**
  - ▶ **Waiting lists**

# Policy Context

- **The National Framework Principles for Service Delivery to Indigenous Australians endorsed at the COAG Meeting on 25 June 2004.**
- **Building a Better Future: Indigenous Housing to 2010**
- **Overarching Agreement on Aboriginal Affairs**
- **Aboriginal Land Rights Act 1983 Review**
- **Budgetary restraints**
- **Reshaping Public Housing - DoH Reforms**
- **Two Ways Together**
- **Community – Regional Assembly**

# Challenges to achieving our 10 Year Vision

- **Uncertainty in Government policy reforms and strategic directions, including post ATSIC arrangements and the outcome of the Aboriginal Land Rights Act 1983 Review**
- **Aboriginal Rental Housing Program focussing on rural and remote areas**
- **The health and sustainability of the sector – high % of insolvent/inefficient/financially unviable organisations**
- **The size of the Aboriginal housing sector - rationalise the number of providers for economies and efficiencies of scale**

# Challenges to achieving our 10 Year Vision

- **Capacity for NSW to develop and deliver affordable home ownership products**
  - ▶ **Socio economic position of Aboriginal people**
  - ▶ **Increasing property prices and barriers to access**
  - ▶ **Availability of land / planning regimes**
  - ▶ **Previous lack of involvement by the private sector in NSW**

*Which all means -*

***Reform – Reform – Reform !***

# AHO's Strategic Approach to Achieve our Vision and Overcome the Challenges

- **Statewide and National Policy Frameworks and Reforms are being planned and adopted to ensure consistency with broader strategic outcomes**
- **Participation in and delivering on whole of Government planning through coordinated planning – ie. Two Ways Together Policy Framework <sup>(1)</sup>**
- **Advocate for all Aboriginal housing programs in NSW to be delivered through a pooled funding approach for better coordination and efficiencies of service delivery**

**(1) NSW Government's integrated "whole of Government" approach to improving outcomes for Aboriginal people in NSW**

# AHO's Strategic Approach to Achieve our Vision and Overcome the Challenges

- **Development of strategic alliances with Government agencies and partners, including the private sector**
- **Participation in policy reviews including Housing Ministers' Conference (HMC) Resolutions *“Progressing an Indigenous Housing Reform and Investment Strategy”***
- **Establish a “Sector Reform Taskforce” comprising AHO staff and partner agencies to undertake data analysis and research to inform the development of a coordinated sector sustainability plan**
- **Introduction of management standards and performance based funding for ACHPs**

# AHO's Strategic Approach to Achieve our Vision and Overcome the Challenges

- **Implementation of a Monitoring and Compliance Framework for ACHPs**
- **Development of a regulatory framework and performance based registration of ACHPs along similar lines as proposed by the NSW Office of Community Housing**
- **Strategic planning for upgrading and repairs to AHO and community managed properties – balance short term and long term outcomes**
- **Implementing policy frameworks for planning and resource allocation methodology – needs based planning**

# AHO's Strategic Approach to Achieve our Vision and Overcome the Challenges

- **Rent modelling strategies**
  - ▶ **Cost rent or income based 20% - 25% of gross household income**
- **Implement policies on Aboriginal employment in Program delivery across AHO Capital Works Program**
- **Continue to implement and refine Sustainable Housing Management models**
- **Introduction of a new AHO structure with a greater emphasis on regional services and support to ACHPs**
- **Adoption of “Reshaping Public Housing” DoH Reforms – consistency of policies across AHO properties and DoH “mainstream” properties**

# AHO's Strategic Approach to Achieve our Vision and Overcome the Challenges

- **Develop Home Ownership products and partnerships**
  - ▶ **Indigenous Business Australia, DoH, NSW Aboriginal Land Council and the private sector**
- **Greater emphasis on targeted training and Aboriginal Employment Programs – partnerships and economic development initiatives**
- **Planned Asset Management for existing and future stock**
- **Capacity building focussing on Governance and Asset Management capabilities**

## Presentation Notes

This presentation will discuss some of the particular challenges and complexities that we and the sector face in the endeavour to achieve a sustainable Aboriginal Housing sector.

There are a number of major policy reforms and changes occurring in NSW, some of which have not been finalised, including the review of the NSW Aboriginal Land Rights Act 1983 – the outcomes of which may have major impacts on the planning and delivery of Aboriginal housing in NSW.

This presentation will discuss some of the issues, challenges and strategies that the NSW Aboriginal Housing Office is currently delivering or plans to deliver in partnership with the Aboriginal housing sector and Government agencies in coming months and years.

Policy documents and tools and further background material in relation to the items in this presentation can be provided on request.

### **Purpose of the AHO**

- The 2005/06-2007/08 Aboriginal Housing Strategic Plan as in the previous Strategic Plans articulate New South Wales Aboriginal Housing Office's (AHO) purpose. The AHO was established to:
- Ensure that Aboriginal people and Torres Strait Islanders have access to affordable, quality housing
- Ensure that such housing is appropriate to the social and cultural requirements, living patterns and preferences of the Aboriginal people or Torres Strait Islanders for whom it is provided
- Enhance the role of Aboriginal people and Torres Strait Islanders in determining, developing and delivering policies and programs relating to Aboriginal housing
- Ensure that priority is given in providing housing assistance for Aboriginal people and Torres Strait Islanders to those individuals most in need
- Increase the range of housing choices for Aboriginal people and Torres Strait Islanders to reflect the diversity of individual and community needs
- Ensure that registered Aboriginal housing organisations are accountable, effective and skilled in the delivery of Aboriginal housing programs and services
- Ensure that the Aboriginal Housing Office's programs and services are administered efficiently and coordinated with other programs and services to assist Aboriginal people and Torres Strait Islanders; and
- Encourage the sustainable employment of Aboriginal people and Torres Strait Islanders in the delivery of Aboriginal housing assistance.

AHDC Report – Future Directions for Housing Aboriginal People in NSW 1996. Full Report is available on request.

Affordability and sustainability are closely related and the AHO's view is that without affordable housing products and services we cannot achieve sustainability. Affordability is about a number of things, all of which relate to

sustainable outcomes. Affordable and sustainable housing outcomes contribute to:

**Individual** : capacity to afford housing and sustain themselves in a place where they want to live;

To participate in the community –

To have healthy and safe living conditions

An ability at an **individual and community** level to retain, adapt and develop human and social capital over time through capacity building and strengthening governance and skills of AHPs leads to affordable rent to repairs of dwellings, leads to well maintained stock to capacity to grow stock and address further need.

**Agency level:** organisation's capacity to plan for , commit fund to repairs and maintenance and to grow stock.....financial viability, rent setting.

For the AHO, as with similar agencies one of the challenges is the balance of short term outcomes with long term outcomes. And the allocation of funds to different components of our business in order to achieve our aims – as described in the AHO's purpose.

Affordable services and products should aim to achieve broader socio economic outcomes for Aboriginal individuals and communities.

**Capacity to access the market** – Issues such as affordability, particularly in the Sydney and Metropolitan areas of NSW, racism and employment opportunities are some of the barriers that Aboriginal people experience in accessing the private rental market. For many, home ownership is not even regarded as an option given the cost of home purchase and the greater likelihood of lower incomes.

**Choice of Tenure Options.** Given the interrelationships between home ownership, private and public rental in the provision of different tenure options the AHO is concerned about the contracting public and private markets to meet the housing needs of people at the lower end of the income scale – which includes Aboriginal people.

**Sector viability and vulnerability:** governance, skills, core business, optimum housing management etc. The AHO currently utilises a lot of resources on “rescue packages” to assist Aboriginal Community Housing Providers which are in financial crisis. The AHO's position is to ensure the assets are maintained and that tenancies are not jeopardised. The challenge for the AHO is balancing efforts in capacity building, assisting the organisation and saving the properties. Many small organisations which may not be financially viable experience this type of crisis and require intervention. Often, properties are salvaged and management is transferred to the AHO or management is transferred to another Aboriginal Community Housing Provider.

The AHO **registers** Aboriginal housing providers in accordance with the provisions of the *Aboriginal Housing Act 1998*. Registration of providers provides the AHO with critical data about housing providers which assists with the AHO's planning and allocation of funding across the State. Registration also provides the AHO with a snapshot of some of the key indicators which tell us about the

“health” of the sector and also to undertake some analysis of the properties and their state of maintenance. The National Reporting Framework under the Building a Better Future 2010 collects data from jurisdictions on Aboriginal housing, both from community and state managed properties. The AHO’s registration process is the mechanism by which this required data is collected. A condition of the AHO’s Performance Funding Agreement with the Commonwealth Government is that the AHO must collect and report annually under the NRF.

**Sector viability and vulnerability:** governance, skills, core business, optimum housing management etc

It is evident that for the number of housing stock in NSW and to maintain financial viability there are too many providers in NSW – Some manage 5 or 6 dwellings to several hundred.

Early findings from the AHURI research project *Indigenous Housing Accessing the Long term costs and optimal balance between recurrent and capital expenditure 2004/5*, show that around 50% of ACHPs manage less than 50 dwellings. This has an enormous impact on financial viability and efficiency of the ACHP, particularly on their capacity to repair and maintain the dwelling stock and grow the stock at a sustainable rate.

Sector viability and vulnerability is a major issue that requires Government attention and focus.

Optimum number of dwellings for viable management >200

Economies of scale for efficiencies and financial viability

affordability for tenants Affordability and sustainability are closely related and the AHO’s view is that without affordable housing products and services we cannot achieve sustainability. Affordability is about a number of things, all of which relate to sustainable outcomes.

**Lack of regulation and performance based registration** : this has been requested from the Sector. Current registration system.

## **Statewide and National Policy Frameworks and Reforms**

As well as the *Aboriginal Housing Act 1998*, there are a number of policy frameworks which underpin the AHO’s policy and business directions include the following:

National Policy Framework *Building a Better Future: Indigenous Housing to 2010 - National Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islanders Two Ways Together*, the Aboriginal Affairs Plan 2003-2012.

Overarching Agreement on Aboriginal Affairs between the Commonwealth of Australia and the State of New South Wales, 2005 to 2010.

### **Indigenous home ownership**

Increased between from 21.5% in 1994 to 27.4% in 2002 but is still approximately 40% lower than in mainstream

NSW Home ownership initiative: Joint AHO/ATSIC Home ownership.

Administered by ATSIC now IBA. AHO pays legal fees, Long term tenants of AHO properties. At Market price. In 2004/5 only 9 loans have been approved for total loans of \$1,862,600.

### **Emphasis on sustainability**

The Australian Government's core objective for safe, healthy and sustainable housing for Indigenous Australians recognises, among other strategies, that existing housing must be maintained to an appropriate standard at all times.

The sustainability of the Indigenous housing sector depends on an integrated approach to:

- better housing design
- removing backlog maintenance
- ongoing regular maintenance of properties aimed at maintaining standards and extending their economic life
- improving the financial viability of community providers
- enhancing the capacity of those providers to engage with and effectively manage their housing and tenancy issues
- encouraging tenants to meet their housing responsibilities.

NSW has been deploying available resources to address that range of priority areas in a carefully apportioned and explicitly coordinated manner. Planning processes at regional and local levels are being used to determine the appropriate mix and timing of expenditure that will optimize sustainability. These processes recognize the critical linkage between, for example, actions on the one hand to reduce backlog maintenance and to improve housing standards and those to enhance rent collections, on the other.

There remains significant work to be undertaken to address the barriers to achieving sustainable outcomes for Aboriginal communities where individuals and families have access to adequate, safe and affordable housing. These challenges include:

- exploring and developing frameworks and policies to reform the sector, including the introduction of a regulatory framework for Aboriginal Housing Providers.
- Applying the NSW Department of Housing "Reshaping Public Housing" Reforms to AHO properties and to explore introducing these policies to Aboriginal Housing Providers;
- exploring housing tenure options including long-term ownership and management options.
- providing a firm policy response to the outcomes of the Review of the NSW Aboriginal Land Council Act 1983;
- developing strategies in partnership with key stakeholders to address issues such as affordable housing, overcrowding, sector viability and

sustainability, as well as preventative strategies to address poor governance and poor management of stock. Strategies include:

1. developing home ownership product options, which are affordable and accessible subject to policy, effectiveness and funding considerations;
2. capacity building, skills development and employment strategies; and
3. development of a planned maintenance and asset management program.

**Management models** - Regional consolidated models of management to address financial viability issues, strengthen resources and share skills. Project aggregates small ACHPs in selected areas to provide more effective management and reduce operating costs. 3 MM operating, managing over 900 properties.

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**Aboriginal Employment** and training – Certificate IV Housing Management and Social Housing accredited training. — explore partnerships with DoH and private sector, such as IT, service industries. Current employment strategies include Aboriginal apprentices and builders for design and construct, scoping works, repairs and maintenance.

**Adoption of the DoH reforms** - consistency of policies to address **inequity Streamline; rationalise**; Standard governance and compliance accountability measures required. Sector reform for management models, economies of scale. **Rationalisation of small AHPs** that are struggling to maintain their assets and remain financially viable.

**Development of a regulatory framework** - to be developed in partnership with NSW DOH

**Planned Asset Management** - balancing and sharing expenditure between new housing provision, upgrading and maintenance and housing management – capital with recurrent costs – balancing and investing in the areas which will achieve results.