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SECTOR STRENGTHENING - TOWARDS
SUSTAINABILITY IN ABORIGINAL
COMMUNITY HOUSING IN NSW

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Introduction – Slide 1

This paper will outline the reform approach adopted by the NSW Aboriginal Housing Office (AHO) to entrench factors of sustainability into the key characteristics of the NSW Aboriginal community housing sector.

The effectiveness of such reform is focussed on firm strategic governance and management of assets and tenancies at both the local and regional level consistent with the principles of choice, capability and self determination.

Such reform has begun and is set to be rolled out, where quality service provider performance standards (involving both governance and management), service improvement and recognised accreditation will become the norm rather than the exception.

The achievement of these reforms will ensure that the sector is positioned to ultimately address current sector needs including poor housing, lack of adequate maintenance and unsustainable tenancy arrangements (underpinned by appropriate rent setting and collection). It will also provide a more strategic platform for needs based planning and long-term effective program effort.

A key plank of the reform agenda is the establishment of a number of Regional Aboriginal Housing Management Service (RAHMS) organisations around the state established specifically to focus on the provision of specialist quality property and tenancy management services to the sector.

The Need for Housing for Aboriginal People in NSW Slide 1

There are 138,506 Aboriginal people in NSW. This is the largest Aboriginal population in Australia and represents 30.4% of Australia's Aboriginal people.

We know the alarming level of socioeconomic disadvantage experienced by Aboriginal people and we know it is entrenched, intergenerational disadvantage. Inevitably linked to disadvantage is a need for social housing.

The following are some of the key indicators of housing need: **Slide 3**

- Of the 138,506 Aboriginal people in NSW, 31.4% live in Sydney, and 84% live in urban areas (Sydney and regional towns and cities);
- Of all overcrowded Aboriginal households in NSW, 83% are located in major or other urban areas.
- Around 11.7% of Aboriginal people aged 15 years and over in NSW live in overcrowded households¹ and most of these are in rental housing. Overcrowding has negative consequences for health,

¹ Steering Committee for the Review of Government Service Provision (SCRGSP) 2007, *Overcoming Indigenous Disadvantage: Key Indicators 2007*, Productivity Commission, Canberra (Table 10A.3.3)

education and family relationships, and can contribute to family violence;

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- Nearly 40% of Aboriginal households in Australia in private rental who were finding it difficult to meet housing costs while also continuing to meet other basic living costs were located in NSW;
- Aboriginal people, like non-Aboriginal people, are leaving remote towns across NSW, resulting in greater demand for both social and private housing stock in rural and urban areas;
- Currently 8.1% of mainstream public housing is tenanted by Aboriginal people (approximately 9800) and the percentage of new public housing tenants who are Aboriginal increased from 10.5% in 2004-5 to 12.5% in 2006-07.
- Nearly a third of Aboriginal households in NSW live in social housing², compared to 6% for the non-Aboriginal population.
- In addition to lack of affordable private rental accommodation and a highly constrained public housing system, NSW has an Aboriginal homelessness rate of 110 per 10,000 people, compared to 40 per 10,000 people in the non-Aboriginal population.
- The Aboriginal population is younger than the non-Aboriginal population and Aboriginal population growth rate is double that of the general population, resulting in increasing demand for housing and related services.
- The percentage of Aboriginal people who own their own homes is 38% compared to 63% for non-Aboriginal people.

The Size and Scope of Aboriginal Housing in NSW

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The NSW Aboriginal housing sector is significant in the national context with 22% of Aboriginal community housing dwellings and approximately 47% of Aboriginal community housing providers located in this State.

The NSW Aboriginal Housing Office owns around 4360 properties which are managed on its behalf by Housing NSW.

In addition to the properties managed by Housing NSW, there are a further 4,650 properties owned and managed by some 230 community based Indigenous Community Housing Organisations (of which around 60% are Local Aboriginal Land Council housing assets).

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Indigenous community housing organisations manage between 1 and 400 properties with the majority managing less than 20 properties.

NSW has a mix of urban, regional and remote area housing need, and experiences particular housing problems linked to its highly urbanised Aboriginal population.

² This includes 17% of Aboriginal households living in public housing, 7% in AHO dwellings, 8% in Aboriginal community housing and 1% in community housing.

The Complexity of the Aboriginal Housing Sector

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As a result of its history (including past 'build and abandon' approaches by past governments) and progressive development, the Aboriginal social housing sector is more complex despite its much smaller size, than is mainstream social housing.

The Aboriginal social housing sector comprises of AHO owned housing stock (often referred to as State Owned and Managed Indigenous Housing {SOMIH}) and housing stock managed by community based Aboriginal housing organisations (often referred to in NSW as Aboriginal Community Housing providers {ACHP} or more broadly as Indigenous Community Housing Organisations {ICHO})

The reforms outlined in this paper focus primarily on the ACHP component of the Aboriginal social housing sector.

A major point to be made in discussions about the ACHP sector is that, unlike mainstream community housing (and the circumstances applying in some other jurisdictions), the title of Aboriginal housing managed by ACHPs is owned by those organisations. This impacts on the AHO's capacity to lever reform and precludes any compulsory withdrawal of properties where management has been found to be lacking.

Complexity is exacerbated by the existence of a diversity of legislative based governance arrangements including organisational regulatory and compliance regimes. In particular the NSW Aboriginal Land Rights Act has influence in the sector as over 60% of the NSW community sector housing is owned and managed by Local Aboriginal Land Councils who are governed by such legislation.

The sector also is characterised by complexities and diversity in ACHP governance, and management standards; and associated rent setting, collection and maintenance policies and practices which underpin diversity in sector tenancy arrangements. There is also significant diversity and complexity in housing design and construction standards.

The funding for the Aboriginal social housing sector is also more complex. Federally, funding is provided through the Commonwealth State Housing Agreement (around \$18M) and the Indigenous Housing Infrastructure Agreement (funded by the former Community Housing and Infrastructure Program funds of \$13.25M and other Australian Government program \$). At the state level, additional income comes through NSW State Government contributions (untied CSHA and additional monies) as well as rental revenue afforded through AHO owned properties managed by Housing NSW. Whilst the CSHA requires an annual report only, the Indigenous Housing Infrastructure Agreement requires bi-annual reports and comprehensive, detailed planning and performance reporting.

On a policy level, Aboriginal Housing is governed by multiple arrangements. At the National level there is the Commonwealth State Housing Agreement; the National Framework Principles for Service Delivery to Aboriginal Australians (under the Council of Australian Governments); and the National Policy Framework – Building a Better Future: Indigenous Housing to 2010 (Housing Ministers' Conference).

At the State level, Aboriginal housing comes under the State Planning arrangements as well as the whole of NSW government Two Ways Together policy and planning framework. In terms of government effort there are (including AHO) at least 3 NSW state government agencies and one Australian government agency involved in Aboriginal housing utilising various policy, program, planning, access and delivery mechanisms.

Recently NSW has been confronted with the loss of CHIP funding (\$13.25 million) from July 2008 and the Australian Government's intentions regarding funding under other arrangements, including the existing (\$18.76 million) Aboriginal Rental Housing Program component of CSHA and the recently established Australia Remote Indigenous Accommodation (ARIA) monies targeted at rural and remote areas, remain unclear.

AHO Sector reform attempts to address the major aspects of this complexity by introducing benchmarked standards, consistent operational practices and performance based funding and quality assurance measures.

In addition, AHO has long advocated a single government agency policy, planning and delivery mechanism for Aboriginal community housing and will continue to do so.

The Role of the AHO

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Through its enabling legislation and through formal bilateral arrangements between the NSW and Australian Governments, the NSW Aboriginal Housing Office is responsible for:

- Coordinated planning, development and delivery of Aboriginal housing programs for NSW utilising pooled funding;
- National and State-wide policy development;
- Capital works – growing and maintaining assets;
- Roll-out of capacity building strategies;
- Design and delivery of training in housing management;
- Promoting and incorporating Aboriginal employment strategies.

Accordingly, given its state/sector wide charter and coverage, the AHO is in a position to be able to influence and lead the required sector strengthening reforms aimed at entrenching characteristics of sustainability in the sector.

Engagement of Aboriginal Communities in the Aboriginal Social Housing Sector

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The AHO governance, policy and planning model is inclusive and consultative and predicated on the principle of community driven self determination.

For this reason the AHO governance model includes some very important cultural aspects which allow the AHO to operate effectively in the sector.

The AHO is strategically influenced by an 8 person all Aboriginal Board whose main function is to determine AHO policies and strategic direction.

In addition the AHO policy and program agenda is developed from a community driven needs based approach using (6) regional committees (known as Regional Aboriginal Housing Committees {RAHC}) whose membership is made up entirely of Aboriginal people who have expertise in housing.

All AHO Board and RAHC appointments are made on merit and in addition to having any formal professional and/or academic qualifications, all appointees have the benefit of a 'lived experience' in Aboriginal housing with strong connections to community.

Additionally 70% of AHO staff are Aboriginal including the Chief Executive and Deputy Chief Executive. All regional staff are Aboriginal.

The foregoing Aboriginal components of the AHO governance/staffing arrangements are significant and add cultural legitimacy to its place and relationship in and with the Aboriginal community housing sector.

The engagement of and participation by Aboriginal communities in the Aboriginal social housing sector is mandated by the NSW Aboriginal Housing Act 1998 through its objects. It is also a fundamental requirement of working effectively with Aboriginal community-based organisations who own title to properties.

The engagement of Aboriginal communities is achieved essentially through two main consultative mechanisms. The first being the engagement achieved through the Board and the RAHC interactions with the Aboriginal community and the second is the sector relationship developed by the AHO state wide administration in applying and monitoring our sector performance based funding regime, associated needs based planning and capacity building activities.

Engagement of and participation by Aboriginal communities is a hallmark of how the AHO does business but it inevitably adds to the degree of complexity of the Aboriginal social housing sector and makes the challenge of achieving change and reform a much slower task than in non-indigenous services.

The Case for Reform

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The case for reform across the Aboriginal social housing sector is multitudinous.

Firstly, as already mentioned, there are too many organisations, ie in excess of 230, owning and managing too few properties. The sheer volume of organisations precludes the effective administration and monitoring of appropriate housing management given the resources available to the Aboriginal Housing Office and the sector.

More importantly however, is that organisations with only 20 properties, however effectively governed, cannot achieve financial viability, thereby placing its assets at risk over time.

There is an unacceptable level of variation in the skills and capacity of community-based organisations to effectively manage tenancies, rent collection and assets.

There is a significant maintenance backlog across the sector which requires a major response. Due to funding constraints, it is imperative that any upgrading efforts be supported by an effective ongoing maintenance program. It is not possible to have confidence in some 230 small organisations being able to do so.

Future demands for housing for Aboriginal people will increase as the Aboriginal population grows. The sector needs to be positioned to take on the demands of growth and eventually alternate financing arrangements.

Keys to Sustainability and Future Reforms

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Ultimately any reforms seek to create a sustainable sector that meets the full range of Aboriginal housing needs (from homelessness to home ownership).

To achieve this sector outcome, the AHO has developed an Aboriginal community housing sector strengthening plan to enable and build:

- Aboriginal housing organisations which are well governed, financially healthy, transparent and accountable and as far as is practical self sustaining;
- Housing organisations where Aboriginal people reside in quality housing which is well maintained; and

- Culturally appropriate and high quality housing services (tenancy management, maintenance and ease of access to available support programs).

The Aboriginal Housing Office has developed a Sector Strengthening Strategy to secure Aboriginal housing for future generations of Aboriginal people and to deliver quality housing to existing tenants.

The Strategy was developed in response to:

- Limited funding sources;
- Increasing numbers of applicants for housing;
- Inadequate income streams for Aboriginal housing providers which are leading to increasing levels of debt and unmet maintenance;
- Shortage of affordable and appropriate housing;
- Deteriorating condition of housing stock; and
- Inability to recruit and retain appropriate skilled housing workers.

The Strategy comprises five main areas where Governments, Aboriginal housing providers and Aboriginal communities can work co-operatively to improve the health and wellbeing of Aboriginal people in NSW. Its will deliver:

- Capacity building in Aboriginal housing organisations – this will include skills development for organisations through the provision of education and training and delivery of tools to ensure high levels of governance and management;
- Sustainable and viable housing organisations through strategies which developing sound financial, tenancy and asset management by organisations, and economies of scale for sustainable management of services;
- An effective response to the diverse housing needs of Aboriginal people;
- Participation and engagement of Aboriginal people through joint communication projects, and collaborative implementation; and
- Monitoring, regulation and evaluation

The Strategy has three fundamental planks.

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Firstly, it establishes a platform on which housing will be managed by accredited service providers and is based on the principles of self-determination, choice and capacity.

This approach involves local ACHP provider organisations choosing to manage their own housing but, in doing so, will need to demonstrate a capacity to perform against agreed established standards.

If unable to meet performance standards local ACHP's will be encouraged to engage Regional Aboriginal Housing Management Service (RAHMS) organisations as a means of outsourcing their housing stock and tenancy management services (and thereby ensuring continued Program support).

RAHMS will be set up by the AHO and will manage stock and tenancies on behalf of client community based organisations and will themselves operate against rigorous performance and reporting requirements. It is proposed that RAHMS coverage will extend across the state (urban, regional, and remote)

Key characteristics of RAHMS:

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- Governance (and Board membership) based on skills not local membership and with strategic regional as rather than local focus;
- RAHMS operations driven by Business Plan approved by AHO;
- Focus on quality property/tenancy management services and must also meet AHO performance and reporting standards;
- Role and relationship underpinned by Service and Funding Agreements with AHO and with ARHP member organisations;
- Performance monitored in particular with regard to accountability to member organisations and tenants;
- Operational funding of RAHMS based on equitable model incorporating size and scope of housing portfolio and will incorporate maintenance element.
- Will ensure consistency and quality of governance to a high standard;

Under this model, both community-based properties and AHO owned properties will be managed by effective, performing organisations. In some regions this will involve as many as 2100 properties, whereas in other regions it will be around 800 properties.

This regional model represents a shift from reliance on small, community-based, small housing organisation to a professionally-based organisation that has the capacity to become financially viable and self-funding over time.

The second plank is the Service Improvement and Accreditation System which will deliver a culture of continuous improvement in organisations and assist the staff to achieve the standards required to deliver effective housing management.

The third plank of the reform process will deliver improved rental income streams for Aboriginal housing providers. Current rent policies will be reviewed to enable a more robust approach rent setting and to include the capture of Commonwealth Rental Assistance in ways which will undoubtedly change the financials of the sector and thereby strengthen the sector.

AHO Reform - Progress to Date

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The Aboriginal Housing Office has been in existence since 1998. During this time it has lead key improvements to the Aboriginal social housing sector. Some of these progressive developments and achievements include:

Completion of property condition assessments of more than 4,100 community managed dwellings.

Establishment and implementation of Standards for Building and Buying Properties including repairs and maintenance.

Development of an Aboriginal specific Service Improvement and Accreditation system, developed in collaboration with the Aboriginal housing sector, which will be rolled out later this year.

Completion of the Standards for Governance and Management of the Aboriginal Housing developed in partnership with the Aboriginal housing sector and Housing NSW.

Development and delivery of an accredited training course Housing Our Mob Everywhere (HOME) and associated tertiary Certificate III and IV in Social Housing courses specifically for Aboriginal people managing Aboriginal social housing.

Development and implementation of consultative needs based planning, equitable funding allocative methodologies and introduced a rigorous performance based funding regime.

Introduction of appropriate technology and back-up support to Aboriginal Community Housing Providers.

Consultative engagement of Aboriginal communities through four state wide conferences, 50 regional summits and 180 local forums.

We have developed effective relationships and partnerships with key sector participants and in some instances formalised them through formal Memoranda of Understanding e.g. with Housing NSW, the Department of Aboriginal Affairs and the NSW Aboriginal Land Council.

Added over 1000 housing units to supply.

Challenges to the Reform

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Effective implementation and the ultimate success of AHO reform agenda and its Sector Strengthening Plan will be influenced by a number of challenges. These challenges include addressing and resolving the funding uncertainty and the future level of support from governments and in particular the Australian Government.

In addition the need to take account of elements of other reforms (such as NSW Aboriginal Land Rights reforms and broader mainstream Public and Community Housing reforms) is also of prime significance.

Other challenges are to be found in the demographic changes in the Aboriginal population and the associated emergence of complex needs which

will test whole of government and related sector planning, policy and program capacity and effort. Skills shortages in the sector will also need to be overcome.

Conclusion

As stated the AHO aspirations towards a more sustainable sector – encapsulated in our Sector Strengthening Strategy - if achieved will ensure that the sector will ultimately (within a 5 to 10 year timeframe) address current sector deficiencies including poor housing, lack of adequate maintenance and unsustainable tenancy arrangements (underpinned by appropriate rent setting and collection) and provide a more strategic platform for future needs based planning and effective program effort.

Ultimately such reforms will be determined by the nature and level of response from the Aboriginal housing sector itself as to whether and how quickly all elements of the reforms are embraced and implemented.

However, if successful such an improved and more effective sector environment will represent a marked and sustainable improvement in the lives and life choices of many Aboriginal families who continue to rely on community based Aboriginal housing providers for their housing needs.

End