BACKING UP THE DOWN-PAYMENT:

What should be incorporated in a new National Affordable Housing Agreement and National Partnership on Homelessness?

An evidence based policy paper

Introduction

As we are now at the half-way mark of the first National Affordable Housing Agreement (NAHA) and National Partnership Agreement on Homelessness (NPAH), Homelessness Australia has turned our attention to what our members would like to see incorporated into new agreements that will begin to be negotiated next year.

While the NAHA is an on-going agreement, the first allocation of $6.2 billion is expended in 2013, the same year that the time limited five year NPAH expires.

At the time that the White Paper on Homelessness, The Road Home was released, the former Prime Minister, the Hon. Kevin Rudd MP and the former Minister for Housing, the Hon. Tanya Plibersek, MP noted:

“...This White Paper delivers a 55 per cent increase on the current investment in homelessness. This represents an additional $800 million over four years and is a down payment on the 12 year reform agenda. It also includes a commitment to additional social housing for homeless people of $400 million over the next two financial years...”

The NPAH has provided funding for the establishment and or expansion of some 192 homelessness programs and services across Australia. These programs and services are now operating and providing accommodation and/or support to many Australians who are experiencing homelessness. In order to continue playing a vital role in helping to meet the goals and targets outlined in the White Paper for 2013 and 2020, these services will need to be re-funded.

The NAHA is also a critically important federal financial agreement for the homelessness sector as it is out of NAHA that services formerly funded under the Supported Accommodation Assistance Program (SAAP) draw their funding. In 2008/09, these services supported just under 205,000 Australians who were experiencing homelessness including over 79,000 accompanying children. In 2008/09 the Australian Government provided funding to 1532 specialist homelessness services, for the foreseeable future at least, providers funded through the NAHA will continue to provide the bulk of the homelessness response in Australia.
Beyond being the funding instrument for services previously funded via SAAP multilateral agreements, the NAHA replaces the Commonwealth-State Housing Agreement which retired in 2009 after sixty four years of service\textsuperscript{v}.

This paper will explore the history of the Commonwealth State Housing Agreements which were the primary vehicle for the provision of social housing and housing assistance between 1945 and 2003 and examine the content of the current agreements and provide a starting point for us to consult with our members with a view to determining what Homelessness Australia and our members would like to see incorporated in new agreements, the negotiation process which is likely to commence in 2012.

**Background: The Commonwealth State Housing Agreement retires**

The Commonwealth State Housing Agreement (CSHA) is an example of a “Specific Purpose Payment” where the Commonwealth provides funds to the states under conditions as to how the funds may be spent. Thus it is a joint arrangement between the two levels of government. Housing is an area that is constitutionally the domain of the states.

The first CSHA was introduced in 1945 as a result of a severe housing shortage in Australia caused by the ‘great depression’ and the Second World War. According to the Commonwealth Housing Commission, the shortage was estimated at around 300,000 dwellings. Commonwealth involvement in an area Constitutionally left to the states was seen as necessary as the problem was national in scope and of a size beyond the resources of the states\textsuperscript{vi}.

From 1956 onwards the CSHA was broadened to provide housing assistance beyond that of public rental housing. As the e-brief on the Parliamentary Library of Australia website states:

“...Over the period 1956 to 1973 the main aim of the CSHA was to encourage home ownership via the provision of low interest loans to home builders and the sale of houses on highly concessional terms. Public rental housing was still important, particularly for low income households who could not afford to buy a home. Throughout this period the States had considerable leeway under the CSHA (including the level of rents, type of rebates, eligibility criteria and even the level of funding) and this resulted in substantial policy and funding differences between the various jurisdictions...\textsuperscript{vii}“

The broadened scope of the CSHA through this period of time saw public housing fill a key gap in the housing market and provide an opportunity for working people on low to moderate incomes to purchase their own homes much less expensively than they could through private sector home purchase.

The expansion in the ambit of the CSHA continued in the 1973 agreement which also included new eligibility requirements for both public rental housing and home purchase assistance. The 1978 agreement placed further limitations upon eligibility for housing assistance which established a trend that continued in 1981 and 1984\textsuperscript{viii}.

In 1984, the primary focus of the CSHA again shifted to the provision of more public rental housing and grants were provided for housing for specific groups of Australians who were disenfranchised from the housing market.
Aboriginal Australians, pensioners and people requiring crisis accommodation were earmarked for specific grants by parties to the 1984 agreement⁸. As the annual report on the 1996 CSHA states:

“...The 1984 CSHA introduced five ‘identified’ programs that quarantined resources for specific housing needs:

- Rental Housing Assistance Program for Aboriginals;
- Rental Housing Assistance Program for Pensioners;
- Mortgage and Rent Relief Program;
- Crisis Accommodation Program; and
- Local Government and Community Housing Program.⁹

The 1989 CSHA was the last agreement that explicitly mentioned the need to provide funding for the expansion of public housing stock⁹. At the same time the ideological imperative of Government began to shift towards targeting housing assistance towards individuals through the Commonwealth Rent Assistance Scheme (CRA).

By the time negotiations for the 1996 agreement were entered into the proportion of public housing stock was in decline and expenditure on CRA had increased from approximately one third of the value of the CSHA expenditure in 1989 to approximately one and a half times the expenditure on the CSHA⁸.

One of the key features of the 1996 agreement was an emphasis on housing outcomes for individuals as opposed to increasing the stock of public housing. The 1996 agreement also included specific housing targets and performance measures. Ironically, the inclusion of such measures coincided with a period of time in which good housing outcomes for people on low to moderate incomes began to decline.

The 2003 CSHA

The final CSHA covered the period 1 July 2003 to 30 June 2008¹⁰. The Commonwealth and the eight State and Territory Governments agreed to a set of eleven guiding principles on which funding for the 2003 CSHA was provided. These were:

1. To maintain a core Social Housing sector to assist people unable to access alternative suitable housing options.
2. To develop and deliver affordable, appropriate, flexible and diverse housing assistance responses that provide people with choice and are tailored to their needs, local conditions and opportunities.
3. To provide assistance in a manner that is non-discriminatory and has regard to consumer rights and responsibilities, including consumer participation.
4. To commit to improving housing outcomes for Indigenous people in urban, rural and remote areas, though specific initiatives that strengthen the Indigenous housing sector and the responsiveness and appropriateness of the full range of mainstream housing options.
5. To ensure housing assistance links effectively with other programs and provides better support for people with complex needs, and has a role in preventing homelessness.
6. To promote innovative approaches to leverage additional resources into Social Housing, through community, private sector and other partnerships.
7. To ensure that housing assistance supports access to employment and promotes social and economic participation.
8. To establish greater consistency between housing assistance provision and outcomes, and other social and economic objectives of government, such as welfare reform, labora regeneration, and community capacity-building.

9. To undertake efficient and cost-effective management that provides best value to governments.

10. To adopt a co-operative partnership approach between levels of government towards creating a sustainable and more certain future for housing assistance.

11. To promote a national, strategic, integrated and long term vision for affordable housing in Australia through a comprehensive approach by all levels of government\textsuperscript{xvi}.

The guiding principles were backed by a set of three responsibilities the Commonwealth had in relation to the provision of housing assistance and three held by State and Territory Governments.

Under the 2003 CSHA, the Commonwealth had responsibility to:

(a) Ensure that outcomes pursued through the agreement are consistent with broader national objectives, particularly in relation to support for individuals and communities;
(b) Report to the Commonwealth Parliament on the performance against agreed outcomes and targets of housing assistance under this agreement; and
(c) Advise States of Commonwealth objectives to be achieved under this Agreement and any subsidiary agreements under this Agreement.

Under the agreement, the States and Territories had responsibility to:

(a) Develop housing assistance strategies that are consistent with Commonwealth and State objectives and best meet the circumstances of each state/territory;
(b) Develop, implement and manage services and programs to deliver agreed outcomes; and
(c) Report on a basis that enables performance assessment by the Commonwealth and by the State, based on agreed performance indicators\textsuperscript{xv}.

The total value of expenditure for public housing and housing assistance over the life of the CSHA between 2003 and 2008 was just over $4.75 billion\textsuperscript{xvi}. The agreement provided funding for the following programs and initiatives:

- Base funding for public housing
- GST compensation
- Aboriginal Housing Rental Program (AHRP)
- Crisis Accommodation Program (CAP)
- Community Housing Investment Program (CHIP)

**The National Affordable Housing Agreement**

1.) What is the National Affordable Housing Agreement

The National Affordable Housing Agreement (NAHA) is a specific purpose payment (SPP) delivered by the Commonwealth to States and Territories. When the ALP Government was elected in 2007 they streamlined the process of federal financial relations and reduced the number of special purpose payments from ninety-two to five on-going Specific Purpose Payments (SPPs) under which a series of time limited National Partnership Agreements now sit. The NAHA is the main funding instrument through which funding for housing assistance, social housing maintenance and specialist homelessness services is provided. It replaced the CSHA which expired on 30 June 2008.
The NAHA is supported by three National Partnership Agreements:

- National Partnership Agreement on Homelessness 2009-2013 $800 million
- National Partnership Agreement on Social Housing 2008-2010 $400 million
- National Partnership Agreement on Indigenous Housing 2009-2018 $1.9 billion

It was also backed by the *A Place to Call Home* initiative:

- $300 million 2008/09-2012/13. The original dwelling target was 600 properties. Homelessness Australia understands that this target will be exceeded.

2.) What was/is funded through the current NAHA?

- Base funding for public housing under the CSHA
- Community Housing Program
- Specialist homelessness services
- Aboriginal Rental Housing Program
- First Home Owner Grant

3.) What is the value of the NAHA?

The NAHA provided a total of $6.2 billion in funding over five years to 2013.

The current NAHA contained no provision for growth funding. Indeed only $46 million was committed in terms of indexation in the first five years. Without the concurrent $400 million National Partnership Agreement (for maintenance and repairs) on Social Housing and the $5.7 billion Social Housing Economic Stimulus Package which provided for the construction of just over 20,000 social housing it is doubtful that the allocation of funding for the NAHA itself would have been sufficient to provide for the construction of additional public and/or community housing dwellings. Given that there is highly unlikely to be any economic stimulus needed in 2013/14, ensuring that the way in which funding is allocated for social housing in a new NAHA must provide adequate incentive for states/territories to increase their social housing stock.

4.) How much of this was allocated to specialist homelessness services?

Specialist homelessness services received $405.9 million in 2008/09 which was an increase of $5.5 million from the 2007/08 allocation of $400.4 million.

5.) What is the key difference between the NAHA and the CSHA?

The NAHA is more outcome focused that the CSHA which was arguably more heavily focused on outputs. The NAHA still contains outputs but these are tied to the achievement of six core outcomes.
The Main Features of the NAHA

Objective:

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

Outcomes:

- People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion
- People are able to rent housing that meets their needs
- People can purchase affordable housing
- People have access to housing through an efficient and responsive housing market
- Indigenous people have the same housing opportunities (in relation to homelessness services, housing rental, housing purchase and access to housing through an efficient and responsive housing market) as other Australians
- Indigenous people have improved housing amenity and reduced overcrowding, particularly in remote areas and discrete communities

Outputs

The objectives and outcomes of this NAHA will be achieved through a range of outputs.

The outputs include the:

(a) Number of people who are homeless or at risk of homelessness who are assisted to secure and sustain their tenancies;
(b) Number of people who are assisted to move from crisis accommodation or primary homelessness to sustainable accommodation;
(c) Number of households assisted in social housing;
(d) Number of households in private rental receiving subsidies;
(e) Number of people receiving home purchase assistance;
(f) Number of zoned lots available for residential construction; and
(g) Number of Indigenous households provided with safe and appropriate housing.

Role of the Commonwealth

The Commonwealth is responsible for:

(a) Leadership for national housing and homelessness policy including Indigenous housing policy;
(b) Income support and rental subsidies;
(c) Immigration and settlement policy and programs;
(d) Financial sector regulations and Commonwealth taxation settings that influence housing affordability;
(e) Competition policy relating to housing and buildings;
(f) Provision of national infrastructure;
(g) Housing-related data collected by the Australian Bureau of Statistics and Centrelink; and
(h) Coordination of homelessness data collection from States and Territories.

Role of the states and territories

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

Performance indicators:

To assist the community to assess the performance of governments toward achieving these outcomes, performance will be indicated by the following performance indicators:

(a) Proportion of low income households in rental stress;  
(b) Proportion of homes sold or built that are affordable by low and moderate income households;  
(c) Proportion of Australians who are homeless;  
(d) Proportion of people experiencing repeat periods of homelessness;  
(e) Proportion of Australian households owning or purchasing a home;  
(f) Proportion of Indigenous households owning or purchasing a home;  
(g) Proportion of Indigenous households living in overcrowded conditions; and  
(h) Proportion of Indigenous households living in houses of an acceptable standard.

Performance indicators will be developed specifically regarding:  
(a) Supply meeting underlying demand for housing; and  
(b) Housing market efficiency.

Commonwealth Rent Assistance (CRA)

In addition to the NAHA the other main source of housing assistance provided by the Australian Government is Commonwealth Rent Assistance (CRA). This is provided to a significant number of income support recipients including people who are eligible for Family Tax Benefit Part A. In order to qualify for CRA a person must:

- Pay or be liable to pay private rent (not government rent) above the applicable rent threshold for their usual home, and  
- Be living in Australia (except for temporary absences of up to 26 weeks).

According to the Productivity Commission, the Australian Government allocated $2.3 billion to recipients of CRA in 2007/08; this was more than double the expenditure on the CSHA in that financial year.

While CRA is a vital form of income support that assists individuals to meet the costs of weekly rent in private rental and community housing, the growth in expenditure proportionate to annual expenditure on the CSHA and NAHA is significant. Given that over sixty percent of people experiencing housing stress in Australia are tenants in the private rental market, questions need to asked about the efficacy of CRA as a measure that promotes housing affordability and alleviates housing stress. The
limits of its efficacy are further constrained by the fact that it is only allocated to particular recipients of income support. Indeed, given that the NAHA provides assistance to first home buyers and provides for the construction of public housing, the one group that misses out on housing assistance are those in the private rental market who are not recipients of an income support payment that enables them to access CRA.

While the efficacy of CRA as a housing affordability issue is essentially an issue for a separate discussion, it is worth including here some information about the growth in expenditure on CRA in comparison to the CSHA/NAHA funding. Expenditure on CRA has grown exponentially over the past two decades while funding for other types of housing assistance, excluding that provided to first home buyers and investors has stagnated.

This has occurred in line with the shift in thinking that prevailed following the signing of the 1996 CSHA which placed a heavy emphasis on the provision of housing assistance to individuals at the expense of the growth of social housing stock.

**The effectiveness of the NAHA**

Homelessness Australia is broadly supportive of the objectives of the National Affordable Housing Agreement and its outputs and their contribution to the outcomes.

The CSHA served as an excellent example of intergovernmental cooperation and enabled Australia to establish a necessary public housing system that supports hundreds of thousands of Australians whose needs and resources are such that they are excluded from the private rental market and home purchase.

The National Housing Supply Council has consistently stated in its *State of Supply* reports the gap between the supply of and projected demand for affordable housing has grown and will continue to grow over the coming decades.

Homelessness Australia has been publicly supportive of the focus on affordable housing that has been adopted by the current government. Members have however, expressed the view that we need significant on-going investment in housing that delivers the significant increase in supply that will be needed in order to ensure that we meet the ambitious goals and targets outlined in the White Paper on homelessness.

Without the major new investment in new social housing dwellings that the social housing economic stimulus package enabled it is likely that both the number of social housing dwellings and the proportion of total housing stock that social housing makes up would have continued to decline during the period of the current NAHA.

Unless there is another significant economic downturn beyond 2013 that triggers the need for public stimulus spending equivalent to the level of expenditure allocated by the Rudd Government in 2009/10 we are unlikely to see equivalent new investment in new public housing. It is probable that supply will continue to decline over the next decade.
The imperative to return the budget to surplus in the same year that the current NAHA expires casts further doubt over the likelihood that we will see significant growth in expenditure on public housing.

This may limit the effectiveness of the NAHA in terms of its ability to support people and households whose resources are not sufficient to either access or sustain tenancies in the private rental market much less begin the process of home purchase.

Without wanting to appear overly pessimistic it is likely that a range of external factors may combine in 2013 that will make the Department’s case for the allocation of significant additional funding that a new NAHA will need in order to deliver its outputs and achieve the desired outcomes difficult.

This paper has provided Homelessness Australia with an opportunity to begin a process of constructive engagement and dialogue with both our members and other community sector and housing peak bodies about items that the sector believes should be included in a new NAHA.

**Specialist homelessness services**

As the national peak body representing providers of homelessness services we are particularly interested in ensuring that the pool of funding allocated to specialist homelessness services via the NAHA is significantly increased in a new agreement.

In 2008/09, government funded specialist homelessness services supported 204,900 people including 79,100 children. When new data is released by the AIHW in June it is doubtful that we will see a significant decline in the number of Australians who received support from these services in 2009/10. For the foreseeable future at least, these services will continue to provide the bulk of support to people who are experiencing homelessness.

As the *Demand for Specialist Homelessness Services in 2008/09* report noted, services are not sufficiently well resourced to meet demand. In 2008/09, 62% of adults, 70% of accompanying children and 80% of couples presenting with children seeking accommodation were turned away because there were insufficient beds.

This suggests that a significant increase in funding would be needed in order to ensure that specialist homelessness services can meet demand. The SAAP IV evaluation is a little dated now but it suggested that an increase in funding of approximately 40% over five years would be necessary to ensure that services could meet demand and provide adequate support to assist individuals to transition to independence.

It is the view of our members that NAHA services, like SAAP before them, continue to be considerably under-funded. Minimal indexation of less than 2% per year has failed to keep pace with the significant increase in demand for services. This has resulted in funding per client declining in real terms over the past 10 years.
This in turn has led to the loss of beds, high staff turnover as conditions cannot be maintained or improved and some services have been unable to sustain service delivery at the same level.

In addition the lack of a commitment to matched funding and the significant discretion afforded to States and Territories in new funding arrangements could result in states and territories pulling in different directions.

Homelessness Australia would like to see specialist homelessness services specifically recognised in the next NAHA as well as in new homelessness legislation to ensure that there is an on paper recognition of the need to provide funding for the sector on an on-going basis.

We have consistently stated in our previous submissions and again re-iterate in this paper that our members do not believe that specialist homelessness services are adequately resourced to meet the level of demand for accommodation and support that the data demonstrates exists.

**The Crisis Accommodation Program**

Homelessness Australia has been seeking information about the status of the crisis accommodation program (CAP) for some time now without success. We know that funding for CAP was provided under the CSHA prior to the development of the NAHA.

It is essential that the capital funding is provided to specialist homelessness services for the maintenance of accommodation for people experiencing homelessness. Homelessness Australia again takes this opportunity to seek clarification about both the status of the CAP and the level of funding that is being provided to specialist homelessness services for the maintenance of buildings.

**Social housing**

The other central component of the NAHA that is a key concern for our members is the provision of base funding for public housing and funding for community housing provided through the community housing investment program. As noted earlier we are concerned that the level of base funding in the NAHA is not sufficient to halt the decline in public housing that Australia experienced between the mid-1990s and 2008.

Other housing sector peak bodies such as National Shelter have highlighted the need for growth funding to be provided in a new NAHA. Homelessness Australia is a member of both the Community Organisations Housing Alliance (comprising ACOSS, the ACTU, CHFA, Homelessness Australia and National Shelter) and Australians for Affordable Housing (comprising ACOSS, CHFA, National Shelter, Power Housing and the Tenants Union of Victoria). Through these alliances we are currently engaged in productive discussions about the items we would like to see in a new NAHA. Homelessness Australia is also a member of National Shelter.
In relation to new social housing, Homelessness Australia’s members endorsed the commitment in our 2010 election platform calling for sufficient funding and incentives to be provided to facilitate the construction of an additional 220,000 new affordable homes by 2020.

It is our view that social housing, both not for profit and fully funded public housing must form a central component of these new dwellings. While we are strongly supportive of the National Rental Affordability Scheme, as the tables below illustrate, it is a scheme that enables key workers and individuals and families on moderate incomes to access and maintain quality subsidised private rental properties. It is not a housing solution for people experiencing homelessness and it should not be promoted or viewed as such.

Table 1: Median Weekly Asking Rents for houses in Capital Cities December 2010 and rates under the NRAS cap of 80% of market rent

<table>
<thead>
<tr>
<th>Capital City</th>
<th>Median Market Rent</th>
<th>Proposed NRAS Rent</th>
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</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>$320</td>
<td>$256</td>
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<tr>
<td>Brisbane</td>
<td>$400</td>
<td>$320</td>
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<td>Canberra</td>
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<td>$400</td>
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<tr>
<td>Darwin</td>
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<td>$420</td>
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<td>Hobart</td>
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<td>Melbourne</td>
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<tr>
<td>Perth</td>
<td>$400</td>
<td>$300</td>
</tr>
<tr>
<td>Sydney</td>
<td>$500</td>
<td>$400</td>
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</tbody>
</table>

Table 2: Median weekly Asking Rents for flats/units in capital cities December 2010 and rates under the NRAS cap of 80% of market rent

<table>
<thead>
<tr>
<th>Capital City</th>
<th>Median Market Rent</th>
<th>Proposed NRAS Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>$250</td>
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<td>Brisbane</td>
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<td>Darwin</td>
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<tr>
<td>Sydney</td>
<td>$450</td>
<td>$360</td>
</tr>
</tbody>
</table>

*Source: Real Estate Institute of Australia. Note there is no national comparative survey of median weekly rents. These were sourced from the Real Estate Institute on a state by state basis. Median weekly rents for Canberra were sourced from The Canberra Times. Median weekly rents for Darwin were sourced from The Age. For some cities, data is for the September 2010 quarter.

Tables 1 and 2 above summarise the median weekly rent for a 3 bedroom house and a flat/unit in each of the capital cities.

These are used to calculate what the weekly rental cost would be if the property was offered under the National Rental Affordability Scheme and the tenant paid 80% of market rent. As the figures above illustrate, NRAS properties are still likely to be unaffordable for people experiencing homelessness but would be affordable for key workers and moderate income earners currently struggling in the private rental market.
It is therefore vital that sustained on-going investment is made to both the maintenance of existing public housing stock as well as funding for the construction of new dwellings over the next decade. Social housing is and will continue to be the most realistic exit point from homelessness for vulnerable Australians supported by the services that we represent and those whose accommodation needs are currently inadequately being met by boarding houses and caravan parks.

Until fairly recently, social housing (both public and community) provided low-cost rental accommodation for a reasonable proportion of low and moderate income earners as well as those who were reliant entirely on income support. This was in keeping with the objectives of the now retired CSHA. Financial pressures on State and Territory housing authorities together with a shift in ideological and economic imperatives combined to ensure that public housing became increasingly tightly targeted. As fewer and fewer working people have become eligible for public housing, more and more have entered the private rental market and many of these are now experiencing housing stress.

We know that the Australian Government is committed to supporting the expansion of the not for profit housing sector. In 2010, the Australian Government released a Discussion Paper outlining a series of proposals articulating how it might proceed with facilitating the expansion of the not-for-profit housing sector (community housing). Many providers have strong connections to the communities in which they provide housing and many service specific client groups whose needs might never be adequately met in private rental or public housing.

Community housing providers have demonstrated an ability to work closely with support providers that many tenants need to sustain their tenancies and integrate independently into their community. From a homelessness perspective this is important, as are the increased opportunities for tenant participation that many community housing providers can offer. Community housing can provide a vital barrier against housing stress as rent setting models typically provide for tenants to pay a proportion of their income towards rent that is below the 30% figure that is the common indicator of housing stress.

The expansion of the not-for-profit housing sector and the opportunities that this will provide housing providers is welcome. The process of stock transfer (from public to community housing) is well under way and some jurisdictions have committed to transferring as much as 75% of their stock to not for profit housing providers. The benefits of community housing for people exiting homelessness are numerous. In any significant program of expansion however, there are risks. One major risk as the sector expands rapidly is that the most disadvantaged tenants may struggle to gain access to housing.

This risk is heightened if the model of expansion is based purely on leverage. Leverage models are good because they enable more stock to be built more rapidly. On the flip side if housing providers are required to rapidly pay back debt, they may be more reluctant to offer housing to those with the least capacity to pay. Getting the balance between delivering new stock quickly and maintaining access for the most disadvantaged tenants will be critical as the not for profit housing sector expands.
Regardless of the balance achieved between the provision of public and community housing over the next decade we need to ensure that all new social housing is of high quality, is well located in transit oriented developments, is constructed in mixed tenure communities in which social housing properties are indistinguishable from other dwellings to avoid stigmatisation and that new social housing dwellings are designed and constructed to meet the highest possible energy efficiency standards.

The last point has two outcomes that should be considered most desirable. It will ensure that energy costs for tenants who are likely to struggle to meet the costs of utility bills are lower and it will contribute to the broader environmental agenda being pursued by Government. These objectives could be written into a new NAHA as well as a commitment to integrate social housing into transit oriented developments and include social housing in brown-fields (urban in-fill) projects.

We have also been engaged in discussions with other peak bodies about the need to address the shortage of Aboriginal housing estimated to be in the vicinity of 20,000 dwellings. We are aware that the National Partnership Agreement on Remote Indigenous Housing and the Strategic Indigenous Housing and Infrastructure Program are scheduled to deliver a significant increase in Indigenous housing in remote areas. That said, like most Australians, the majority of Aboriginal people live in urban areas. We need to see dedicated funding to increase the stock of Aboriginal controlled housing that is culturally appropriate in urban areas. This could be a central focus of the growth strategy for not for profit housing but may be worthwhile considering as a priority for the next NAHA.

We need to ensure that funding for the provision of new social housing is sufficient to not only support the expansion of the not for profit housing sector but also to ensure that public housing is not left to stagnate or decline. There are a significant proportion of Australians whose life circumstances, needs and resources are such that their needs will not be met by the private rental market and for whom home purchase is not an attainable option.

Homelessness Australia believes that Government has a role to play in the provision of fully funded public housing, particularly for those Australians who are reliant on income support and for people experiencing homelessness. We will continue to work with other housing sector peak bodies over the coming months to determine what an appropriate increase in funding will need to be in order for the next NAHA to achieve its stated outcomes and enable all Australians to access affordable, safe and secure housing that is appropriate to their needs and assists them to achieve social inclusion and full participation in their communities.

The NAHA must not be considered in isolation but parallel to other agreements relating to both housing and social policy. We need to address the significant housing affordability problem in Australia by addressing both demand and supply issues. There are a number of demand and supply side interventions that could assist the Australian Government to do that including the application of the same provisions that enabled the rapid roll out of new social housing funded through the stimulus to all new social housing properties constructed in the future.
In our 2010 election platform we also stressed the need to lift non-pension income support payments by at least $50 per week and to increase the maximum rate of CRA by $20 a week. It stands to reason that people on income support are least likely to be able to meet the costs of living. In Australia the greatest single item of expenditure for low income households is housing\textsuperscript{xxxvii}.

It may be beyond the ambit of FaHCSIA but in this paper we re-iterate our call to increase income support payments and to adopt whole of Government approaches in partnership with the community sector to alleviate poverty and to address entrance social disadvantage and social inequality. Adding legislative recognition to give effect to the realisation of the right of every Australian to adequate housing would assist in this process.

**Preliminary Recommendations**

1.) That the next NAHA includes a provision for growth funding.
2.) Providing funding for social housing in the new National Affordable Housing Agreement on a per dwelling basis for existing dwellings and a per capita basis for new dwellings. This would reward states and territories starting from a higher base (i.e. the ACT and SA) while encouraging those starting from a lower base (i.e. QLD and Victoria) to expand stock between 2013 and 2017.
3.) That the Australian Government commits to funding and pursuing a range of housing affordability measures that contribute to the construction of an additional 220,000 new affordable housing dwellings (including social housing) by 2020.
4.) That the next NAHA makes specific mention of specialist homelessness services and provides for an immediate increase in core funding of twenty-five percent and indexation of between three and four percent each year in a new agreement.
5.) That the homelessness related outcome is to reduce overall homelessness and not to prioritise rough sleepers who comprise only a small component of people experiencing homelessness.
6.) That addressing the shortage of Aboriginal controlled housing (estimated to be in the vicinity of 20,000 dwellings) is a priority in the next NAHA with a particular focus on urban areas.
7.) That new social housing meets the highest energy efficiency standards. This will enable disadvantaged tenants to minimise their energy costs and may contribute to the Australian Government achieving objectives specified in its climate change policy.
8.) That planning regulations are streamlined for all new social housing construction using the provisions enabled through the Social Housing Economic Stimulus Package which allowed new social housing to be delivered rapidly.
9.) That the Australian Government consider the implications of a successful equal remuneration outcome at Fair Work Australia when determining the level of funding allocated to specialist homelessness services and fund them adequately enough to meet the costs of that outcome.
The National Partnership Agreement on Homelessness

1.) What is the National Partnership Agreement on Homelessness (NPAH)?

The NPAH is a time limited agreement between the Australian Government and the state and territory governments that will support the implementation of the new approach to homelessness set out in the White Paper and contribute the achievement of the interim targets set out on page 18 of that document.

2.) How much is the NPAH worth?

$789 million has been allocated over four years for 190 programs and services aimed at helping to contribute to the achievement of outcome #1 in the NAHA:

“...People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion...”

Outcomes

- Fewer people will become homeless and fewer of these will sleep rough
- Fewer people will become homeless more than once
- People at risk of, or who are experiencing homelessness will maintain or improve connections with their families and communities and maintain or improve their education, training or employment participation; and
- People at risk of or experiencing homelessness will be supported by quality services, with improved access to sustainable housing.

Outputs

The achievement of the agreed objective of the NPAH and the four outcomes will be achieved by delivering the following core outputs:

- Implementation of the A Place to Call Home initiative.
- Street to Home initiatives for chronic homeless people (rough sleepers)
- Support for private and public tenants to help sustain their tenancies; including through tenancy support, advocacy, case management, financial counselling and referral services; and
- Assistance for people leaving child protection services, correctional and health facilities to access and maintain stable, affordable housing.

Priorities and relative effort applied to the following additional outputs will be established in the jurisdictional implementation plans.
- Support services and accommodation to assist older people who are homeless or at risk of homelessness
- Services to assist homeless people with substance abuse to secure or maintain stable accommodation;
- Services to assist homeless people with mental health issues to secure or maintain stable accommodation;
- Support to assist young people aged 12 to 18 years who are homeless or at risk of homelessness to re-engage with their family where it is safe to do so, maintain sustainable accommodation and engagement with education and employment;
- Improvements in service coordination and provision;
- Support for women and children experiencing domestic and family violence to stay in their present housing where it is safe to do so;
- Assistance for homeless people, including families with children, to stabilise their situation and to achieve sustainable housing;
- Outreach programs to connect rough sleepers to long-term housing and health services; national, State, and rural (including remote) homelessness action plans to assist homeless people in areas identified as having high rates of homelessness;
- Support for children who are homeless or at risk of homelessness including to maintain contact with the education system;
- Legal services provided to people who are homeless or at risk of homelessness as a result of legal issues including family violence, tenancy or debt; and
- Workforce development and career progression for workers in homelessness services

The main additional outputs adopted

NSW
- Support for women and children experiencing domestic and family violence to stay in their present housing where it is safe to do so; and
• Support to assist young people aged 12 to 18 years who are homeless or at risk of homelessness to re-engage with their family where it is safe to do so, maintain sustainable accommodation and engagement with education and employment; improvements in service coordination and provision;

Victoria
• Services to assist homeless people with mental health issues to secure or maintain stable accommodation;
• Support for women and children experiencing domestic and family violence to stay in their present housing where it is safe to do so;
• Outreach programs to connect rough sleepers to long-term housing and health services; national, State, and rural (including remote) homelessness action plans to assist homeless people in areas identified as having high rates of homelessness; and
• improvements in service coordination and provision

Queensland
• Outreach programs to connect rough sleepers to long-term housing and health services; national, State, and rural (including remote) homelessness action plans to assist homeless people in areas identified as having high rates of homelessness; and
• Support to assist young people aged 12 to 18 years who are homeless or at risk of homelessness to re-engage with their family where it is safe to do so, maintain sustainable accommodation and engagement with education and employment; improvements in service coordination and provision; and
• improvements in service coordination and provision

Western Australia
• Support for children who are homeless or at risk of homelessness including to maintain contact with the education system;
• Support for women and children experiencing domestic and family violence to stay in their present housing where it is safe to do so; and
• Outreach programs to connect rough sleepers to long-term housing and health services; national, State, and rural (including remote) homelessness action plans to assist homeless people in areas identified as having high rates of homelessness

**South Australia**

• Legal services provided to people who are homeless or at risk of homelessness as a result of legal issues including family violence, tenancy or debt;
• Support for children who are homeless or at risk of homelessness including to maintain contact with the education system;
• Support services and accommodation to assist older people who are homeless or at risk of homelessness;
• Workforce development and career progression for workers in homelessness services; and
• improvements in service coordination and provision

**Tasmania**

• Outreach programs to connect rough sleepers to long-term housing and health services; national, State, and rural (including remote) homelessness action plans to assist homeless people in areas identified as having high rates of homelessness;
• Support for women and children experiencing domestic and family violence to stay in their present housing where it is safe to do so; and
• Workforce development and career progression for workers in homelessness services; and
• improvements in service coordination and provision

**Australian Capital Territory**

• Support for women and children experiencing domestic and family violence to stay in their present housing where it is safe to do so; and
• Outreach programs to connect rough sleepers to long-term housing and health services; national, State, and rural (including remote) homelessness
action plans to assist homeless people in areas identified as having high rates of homelessness;
• Services to assist homeless people with mental health issues to secure or maintain stable accommodation; and
• Improvements in service coordination and provision

Northern Territory
• Support services and accommodation to assist older people who are homeless or at risk of homelessness;
• Services to assist homeless people with mental health issues to secure or maintain stable accommodation;
• Services to assist homeless people with substance abuse to secure or maintain stable accommodation; and
• Legal services provided to people who are homeless or at risk of homelessness as a result of legal issues including family violence, tenancy or debt; and
• Support for children who are homeless or at risk of homelessness including to maintain contact with the education system;

Funding for a new NPAH

In our election platform, Homelessness Australia called for a further five year extension of the NPAH with a minimum of $849 million in new funding for programs and services over five years.

The efficacy of the NPAH

We are broadly satisfied with the outputs in the NPAH and the contribution that make to the achievement of the desired outcomes. That said, given the significant flow into homelessness that results from domestic and family violence, a number of our members have expressed the need to include the provision of adequate accommodation to meet the needs of women and children.

It may also be beneficial to include in a new agreement the importance of ensuring the NPAH aligns with the national framework for the prevention of violence against women.

Homelessness Australia welcomes the significant investment in new homelessness programs and services that the NPAH has provided.
We remain very supportive of the ambitious agenda to halve homelessness by 2020 as the first stage in an overall plan to end homelessness in Australia.

As the Department is no doubt aware the NPAH has provided the start up capital for the delivery of more than 190 new programs and services to support and accommodate people who are experiencing homelessness. In the coming years these programs will continue to provide vital new accommodation options and support services for Australians who are experiencing homelessness. They will play a critical role in helping the sector and the Government to progressively reduce homelessness.

Services such as Common Ground and Foyer will provide necessary long term secure accommodation for people who have experienced chronic homelessness and young people who we need to prevent from experiencing on-going homelessness.

As experience from overseas demonstrates however they are capital intensive and it is vital that the NPAH is extended and expanded to ensure that these accommodation and support models are adequately funded on an on-going basis.

The same is true for the street to home initiatives for rough sleepers that are being rolled out as a core component of the NPAH. We know that improving access to affordable long term, safe and secure housing options with appropriate support packages is critical to solving homelessness in the long term.

To ensure that this occurs the NPAH must be extended for at least a further five years and ideally funded on an on-going recurrent basis in tandem with the NAHA.

In our 2010 election platform we called for the extension of the NPAH for a further four years with a minimum of $849 million in new investment. Without the resources to assess the costings of the provision of programs and services currently funded under the NPAH we cannot be certain that this will be sufficient. We urge FaHCSIA to request that Treasury investigate the level of funding that would be necessary to ensure that these services can adequately meet demand beyond 2013.

Finally, it is too early for us to fully evaluate the efficacy of services funded under the NPAH. Homelessness Australia does however endorse the framework provided in the White Paper and the goals and targets that the new approach to homelessness outlined therein are seeking achieve. We know that we need to strike the right balance between programs and services that prevent homelessness and intervene early before homelessness becomes entrenched and those long term accommodation and support services that enable people to break the cycle of chronic homelessness.

We are committed to commencing the process of constructive engagement in partnership with the Australian Government to progressively reduce homelessness in Australia over the next decade and to create a framework to end homelessness in Australia beyond 2020. We hope that this paper represents the next in a series of steps that will lead us to do this.
Preliminary Recommendations

1.) That the NPAH be extended for a further four years with a minimum of $849 million in new funding.
2.) That the likely cost impact of a successful equal remuneration outcome at the Fair Work Australia is factored into funding for a new NPAH.
3.) That the need to prevent homelessness resulting from domestic and family violence is included in the core outcomes of the NPAH. There should be a reference to the need to provide transitional accommodation to women and children while they wait for the ‘safe at home’ model to work effectively.
4.) That the priority for services funded under the NPAH is to reduce overall homelessness and not prioritise rough sleepers who comprise only a small component of the total number of Australians experiencing homelessness.
5.) That reducing Indigenous homelessness masked by overcrowding is a priority in the overall effort to reduce homelessness.
xxxii Real Estate Institute of Australia, quarterly median weekly rental survey, December 2010.
xxxiii Real Estate Institute of Australia, quarterly median weekly rental survey, December 2010.
xxxiv http://www.fahcsia.gov.au/sa/housing/progserv/affordability/not-for-proffihousing/Pages/default.aspx#1
xxxvi Housing NSW Rooftops e-newsletter, December 2010, p.5.
xxxvii ACOSS, 2009.