Towards a Housing, Homelessness and Support Strategy

– Strategic Intent

Taskforce Report to the Minister for Human Services
June 2019

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Message from Gary Storkey

Chair for the SA Housing and Homelessness Taskforce

It is a privilege to Chair the first South Australian Housing and Homelessness Taskforce bringing together representatives from across the sector including community housing, disability, Aboriginal children and young people, domestic violence and support services, homelessness support and services, planning and property development. The broad representation on the Taskforce is intentional to reflect a shift from a traditionally inward looking housing strategy to one that is outward looking and encompasses the housing eco-system as a whole.

The Taskforce was established to oversee the development of a new system-wide State Housing and Homelessness Strategy, that brings together all the sectors and industry involved in helping people access and sustain a home, which supports the Government's new approach to strengthening partnerships in a multi-provider sector. We acknowledge that a broad range of services impact on housing outcomes for people and as such have recommended the addition of the word support to the title of the Strategy. The development of a Housing, Homelessness and Support Strategy will be an inclusive and partnership-based approach that canvasses the system as a whole.

Whilst South Australia remains relatively affordable compared to the eastern states, there are barriers and gaps within the current housing eco-system that need addressing to ensure stability and sustainability. Modernising the housing eco-system and enabling an affordable, appropriate housing supply that can adapt to market changes requires a long-term approach, supported by a long-term vision and strategy. Many of the problems identified have developed over decades and need a structured response across multiple sectors including finance, planning, services and support.

Together we have defined a system-wide ten-year vision for the new State Strategy, including outcomes, objectives and principles, that seeks to improve housing outcomes for South Australians. These form a 'Strategic Intent' that provides a foundation to build a response in partnership with the housing, homelessness and support sector and industry.

This report summarises our work to date, presents a shared vision for a ten-year Strategy going forward and a call for reform. It marks the start of our new partnership journey to address the complex housing challenges that we face together as a State. We need big, bold actions if we want to increase affordable housing, improve the social housing system and ultimately end homelessness. If we want to lead the nation, we need to step beyond the others, have an over-the-horizon vision and hold each other accountable on the way.

Housing provision is bigger than any one agency, provider or industry and requires input from everyone if we are to make sustainable changes that transcend generations. Everyone has a role to play – not just an obligation but a call to collective action. The work of the Taskforce provides a platform from which we can now continue the conversation and engage more broadly with the sector, customers and members of the community to identify what opportunities there are within the housing eco-system and what initiatives and actions are needed to make this vision a reality.

Gary Storkey

Taskforce members

Gary Storkey – Chair
Presiding Member
SA Housing Trust Board
SA Housing Trust Board

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Commissioner Aboriginal Children and Young People
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Daniel Gannon
Executive Director
Property Council (SA)
Property development sector

Greg Troughton
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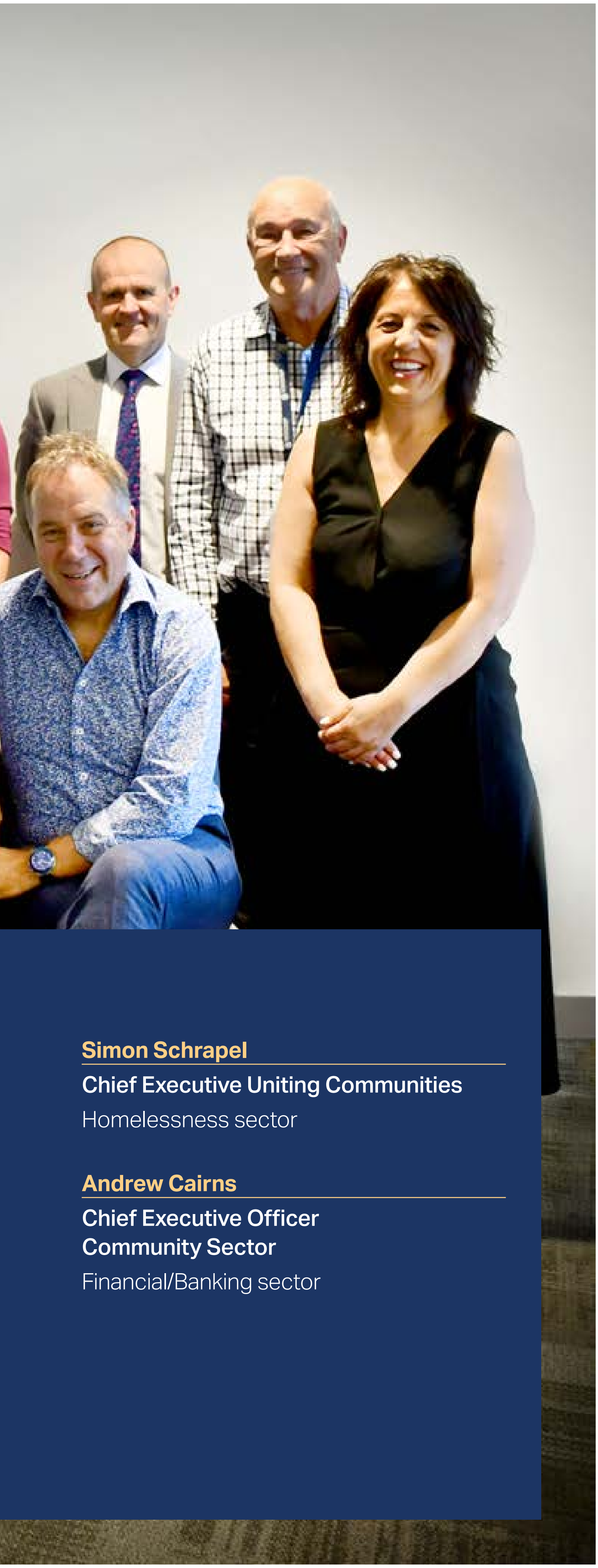

Simon Schrapel

Chief Executive Uniting Communities

Homelessness sector

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State Government advisory members

Karen Ballintyne

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Chief Executive, SA Housing Authority

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Senior Manager, System Strategy and Analysis, SA Housing Authority

Terms of reference

The Taskforce is responsible for providing advice to the Minister for Human Services on the development of a system-wide State Housing and Homelessness Strategy, including advice regarding:

- the development of a Strategic Framework for a ten-year State Housing and Homelessness Strategy, including a system-wide vision, and high-level principles and outcomes, consistent with the requirements of the National Housing and Homelessness Agreement
- priority areas for policy reform, including proposals that have been examined against a Common Assessment Framework (considering implications for customers, providers, financial, infrastructure and other stakeholders). These will form the basis of detailed action plan/s with performance measures to be developed post-July 2019
- a consumer advisory mechanism(s) to hear and represent the consumer voice across the housing and homelessness system
- sector co-ordination and broad public engagement regarding the Strategy and action plan/s.

Why is housing important?

Housing is central to urban, social and economic policy, that means it is diverse and complex in nature. Everyone needs a place to live so the impacts of appropriate and affordable housing are important to and felt by all.

There is no one size fits all when it comes to housing. People have specific needs and aspirations that are important to them when looking for a place to live. Some households function well in the current housing market, whilst the market on its own does not generate appropriate housing to meet the needs of others.

Often, housing is considered 'appropriate' when it is the right price; right-sized; suitably located; provides security of tenure; is safe; has the necessary amenity; is culturally appropriate; and is accessible so that it suits the needs of the household.

Housing is essential for everyone and for a civil society, and all stakeholders in the housing sector and industry share this social responsibility. Housing, with access to essential services, can provide a stable and safe foundation on which to build a happy, healthy, and productive life – it is not just a house but also a home. Housing and associated support services can provide much needed stability, safety and shelter for many who may be experiencing housing insecurity due to a range of reasons including domestic violence, family breakdown and abuse of young people, unemployment, mental illness, and substance misuse. For other households the right housing and tenure can offer flexibility and choice to move as their circumstances change.

Housing is an enabler that can support economic and social inclusion within communities and contributes to a person's physical and emotional wellbeing and quality of life outcomes. People can feel connected to the communities and spaces in which they live by the design and built form of their housing and its location within well-planned accessible neighbourhoods. It can support economic participation through easy access to jobs, education, transport and services.

Housing is essential for economic development. Infrastructure investment, including housing related industries, employ large numbers of South Australians, which continue to be important for the economic health and sustainable growth of our State. Appropriate and affordable housing is essential for industry attraction, retaining key and emerging workers and supporting future population growth.

Background + methodology

South Australia is committed as part of the National Housing and Homelessness Agreement (NHHA) to develop a new State Housing and Homelessness Strategy. The SA Housing Authority has lead responsibility for developing the Strategy on behalf of the State Government and the Taskforce has been appointed to provide advice on the development of a Housing and Homelessness Strategy.

A system-wide perspective has been adopted in developing the new Strategy. This is a new approach for our State that will encompass all aspects of the housing eco-system from homelessness through to home ownership to meet the housing aspirations of all South Australians. Adopting a system-wide view is a holistic approach reflecting the complex and dynamic nature of our housing eco-system. It recognises the co-dependencies and connections between and across the housing eco-system.

The Minister for Human Services, Hon. Michelle Lensink, MLC, appointed a cross-sector Taskforce in December 2018 to provide advice on the development of the State's first ever system-wide Housing and Homelessness Strategy. We met between February and May 2019 to identify the current system problems and to develop a shared vision, outcomes, objectives and principles for working together to guide development of a new Strategy.

The deliberations of our Taskforce were informed by both quantitative and qualitative evidence drawn from a number of key research documents, including:

- *Triennial Review of the SA Housing Trust 2013-14 to 2016-17* highlighted the shortcomings of a broken system, underscored challenges facing the social housing system, and among other things, identified the need for a system-wide strategy that is responsive to funding agreements and provides a vision across the housing eco-system.
- *The Australian Centre for Social Innovation (TACSI)* were engaged by SA Housing Authority to conduct a number of one-on-one informal discussions with key stakeholders including industry leaders and key influencers across providers and peak bodies. Discussions tested hunches, surface tension points, identified core challenges of the current system and future opportunities.
- Sector discussions at the November 2018 Industry Forum hosted by SA Housing Authority and facilitated by PwC. This brought together representatives from the housing, homelessness and support sector to discuss housing challenges and to shape a partnership approach to develop the Strategy.
- Draft findings from the *Australian Housing and Urban Research Institute (AHURI),* who were engaged by the State Government as part of its pre-election commitments, to audit the State's current housing assets and map future demand.

The work of our Taskforce has led to the development of a Strategic Intent that paves the way forward for a strategy with a shared vision that requires collaboration and transparency to ensure that we can effectively respond to the changing housing needs of South Australians over the next ten years.

SA's current housing eco-system

South Australia's current housing eco-system consists of a range of housing options that respond to people with varying needs and income levels. The eco-system is complex and made up of many parts that are inter-connected, interact and depend on each other to function effectively, including:

- providing support to people in crisis and experiencing homelessness
- providing subsidised housing and support for complex needs and vulnerable groups
- delivering affordable and appropriate housing for rent
- home ownership in the private market

A snapshot of key housing supply and demand data highlights the changes that have occurred over the last decade and highlights the 'hot spots' that need to be considered in determining where effort and resources should be focused in developing the new State Housing, Homelessness and Support Strategy.

Evidence supports the need for a system-based approach to prevention and targeted investment. For example, in South Australia:

- Around 6,000 people are homeless ranging from several thousand who are couch-surfing or living in overcrowded conditions to several hundred sleeping rough.
- Older single people are the most common tenants in social housing but there is a growing group of younger people who need long-term help and are less likely to exit social housing after they enter.
- Private rental has grown four times faster than our population, low income rental stress has grown rapidly and young people are staying at home longer.
- Around two thirds of people own their home but people are buying later and have mortgages for longer. There is limited affordable housing to purchase and rent.
- There is a mismatch between demand and supply. Only 21% of homes are affordable to buy for the lowest 60% of income earners. Only 4.5% of homes are affordable for the lowest 40% of income earners.

This data snapshot shows we have an affordable housing supply problem, a social housing pathways dilemma and the need to better target support and homelessness dollars across the eco-system to prevent housing stress and crisis.

We also have over representation of Aboriginal persons accessing homelessness services and social housing.

To support the development of the Strategy, the South Australian Government commissioned AHURI to undertake research on the supply and demand current status, trends and challenges facing South Australia's Housing System.

The research uses two separate methods, the analysis of Census data and the use of a computer simulation model, to estimate demand for more affordable housing. Unmet demand is deemed to comprise: low income renters (bottom 40% of income earners) who experience rental stress (pay more than 30% of income for rent); plus, those who wish to, but cannot, access or sustain a home in the market.

Both methods converge on a current level of unmet demand that is approximately 56,000 households. Census data shows approximately 46,500 households in low income rental stress plus approximately 10,500 people (as distinct from households) who are deemed homeless or live in other marginal housing, many of whom will not show up in rental stress figures but who face even greater housing challenges. The computer simulation further estimates that this level of unmet demand is expected to grow between 6% and 7.5% (approximately 4,000 additional households) over the coming five years. Those who live in social housing (approximately 44,000 households) are also deemed to demand housing that is more affordable than is available in the open market, but this demand is met rather than unmet. In the context of the whole South Australian market, gross demand is approximately 15% (100,000) of all households, consisting of 6% met demand and between 8% (current) and 9% (five years in the future) in unmet demand.

The report also comments on market segments:

- younger people are struggling to form new households
- older households increasingly have mortgages
- renters are the fastest growing tenure
- private rental is growing almost four times faster than the population
- social housing is declining
- Aboriginal households are increasing rapidly and tend to rent at double the rate (live in social housing rental at four times the rate) of the wider community
- regional areas are more affordable compared to urban areas even after allowing for income differences although there may also be less access to services and employment.

South Australian Housing System - Snapshot of Key Statistics

Population

1.67 million

South Australians (on census night, 2016)

- Around half of the population aged 25 to 64 years
- Smaller numbers of older (less than 20%) and younger (around 30%) people
- Around 60% are employed or in education
- 39% of households are families, 27% are couples and 27% singles
- 2% of South Australians identify as Aboriginal or Torres Strait Islander.

Aboriginal and Torres Strait Islander people

- Twice as likely to be renters
- Half as likely to own a home
- Four times as likely to live in social housing
- Six times as likely to be homeless.

Homes

- More than half of all homes are 3-bedroom
- Around a quarter each are 4+ bedroom and 0-2 bedroom home.
- Differences between sectors:
    - 4+ bedrooms: 29% of owner occupiers; 14% of private rental; 5% of social housing
    - 3 bedrooms: common everywhere but highest for owner-occupiers (56%) and lowest in social housing (42%)
    - 0-2 bedrooms: more than half of social housing, more than a third of private rental, less than once sixth of owner-occupiers.
- Underutilisation (more than one spare bedroom) – more than half of owner-occupiers and around a quarter of all rental homes
- Overcrowding (not enough bedrooms) is highest in private rental.

Homelessness

- Less than 1% of the population is homeless at any time
- The biggest and fastest growing groups among the homeless are those living in severely overcrowded conditions and couch surfers
- Younger people, men and Aboriginal and Torres Strait Islander people are most common.

Younger age profile

65 and over	7%
45-64	23%
25-44	32%
12-24	26%
Under 12	13%

Most homeless due to overcrowding

Severely crowded housing	34%
Supported accommodation	23%
Temp. with other households	21%
Boarding houses	15%
Rough sleeping	6%
Other temporary	0.5%

More males homeless, more ATSI homeless

60% Male

15% Aboriginal or Torres Strait Islander

5% Require assistance with core activities

Home ownership - most common but is shrinking slowly

- More than two thirds of households live in a home that they own – around half have a mortgage and half own the home outright
- Ownership, and outright ownership in particular, is much more common as people age
- Older people with mortgages are increasing quickly
- Younger people finding it harder to buy a home
- Families and couples make up three quarters of all owner-occupiers with fewer singles
- Low rate (5%) of need for assistance with core activities
- Slightly higher rate (66%) are in employment and education.

Renting - less common but increasing quickly

- Between a quarter and third of people are renters
- 25 years ago - around one private rental for every social housing property
- Today - more than 3 private rentals for every social housing property
- Private rental has grown nearly four times as fast as the population – reflecting higher population, higher house prices and less social housing.

Private Renters

- Younger residents – more than three quarters are aged less than 45
- High (73%) rate of employment and education
- Low (5%) need for assistance with core activities
- Households types (families, couples, singles) are similar to wider population.

Highest participation, less care needs

50% Male / Female

73% - Employment/education participation

3% Aboriginal or Torres Strait Islander

4% Require assistance with core activities

Social Housing

- Older residents – more than half aged over 45
- Very high rate of single person households (56%), low rate of families (28%) and very low number of couples (8%)
- Low (30%) rate of employment and education
- High (17%) need for assistance with core activities.

More females, more ATSI, more care needs, low participation

54% Female

30% Employment/education participation

14% Aboriginal or Torres Strait Islander

17% Require assistance with core activities

Reform Drivers

We discussed the core problems and challenges associated with the current eco-system and identified the blockages that adversely impact people and prevent them from moving within the system and creating housing pathways of their choice. Drawing on quantitative and qualitative data, as well as members' expertise, we have developed a shared understanding of the problems and challenges facing housing providers and consumers.

Reactive not preventative solutions

The support and housing responses to people entering, re-entering, at risk, under housing stress or already homeless are short-term and reactive treatments focused on symptoms. Less emphasis is placed on longer term solutions that are connected, preventative and aimed at the cause of the problem.

This has led to a housing system that is congested, reactive and unable to provide the right supports and the right housing options at the right times in the right places.

Lack of appropriate housing supply

An inability of the housing system to provide South Australians with enough housing choice and options.

A lack of incentives combined with a lack of supply of appropriate, affordable, safe, accessible and secure housing options in the right place and at the right prices to match consumer needs. As a result, people have a reduced ability to change their housing arrangements to best match their circumstances when their needs change.

Unclear direction and roles

As a community we have failed to approach the provision of housing as system. This has resulted in the various parts acting in isolation and not joined up creating both duplication and gaps, along with confusion around: roles, regulatory and funding responsibilities and levels; customer need; and desired outcomes leading to poor performance.

Culture of business as usual

The traditional ways of financing, taxing, regulating and operating within the housing and homelessness sector are all past their use-by-date. Maintaining this culture of "business as usual" is preventing the establishment of a resilient, sustainable multi-provider eco-system that can respond to the challenges ahead. Under the current system, a lack of choice has contributed to an increase of older people with mortgages, lifetime tenancies in subsidised housing and more young people struggling to enter home ownership. The current housing eco-system hampers innovation, is inward rather than outward looking and lacks the necessary governance infrastructure to enable responsiveness to opportunities and challenges within the market and community.

Housing system needs to address structural and generational disadvantage for Aboriginal and Torres Strait Islander peoples

The current and historical housing structures and practices place individuals from diverse cultural backgrounds, particularly Aboriginal persons at a disadvantage.

Whilst the Strategy will encompass all people, we recognise that Aboriginal and Torres Strait Islander people have specific and unique housing needs. The State Government is currently developing a separate Aboriginal Housing Strategy which is to be finalised by the end of 2020 in line with commitments under the SA Aboriginal Affairs Action Plan. This work is being led by SA Housing Authority and will be developed alongside of the overall system-wide Strategy. This will enable a more tailored approach to be developed that is specific to Aboriginal housing needs, while ensuring strong linkages between the two strategies.

Reactive not preventative solutions

What is the problem we want to fix?

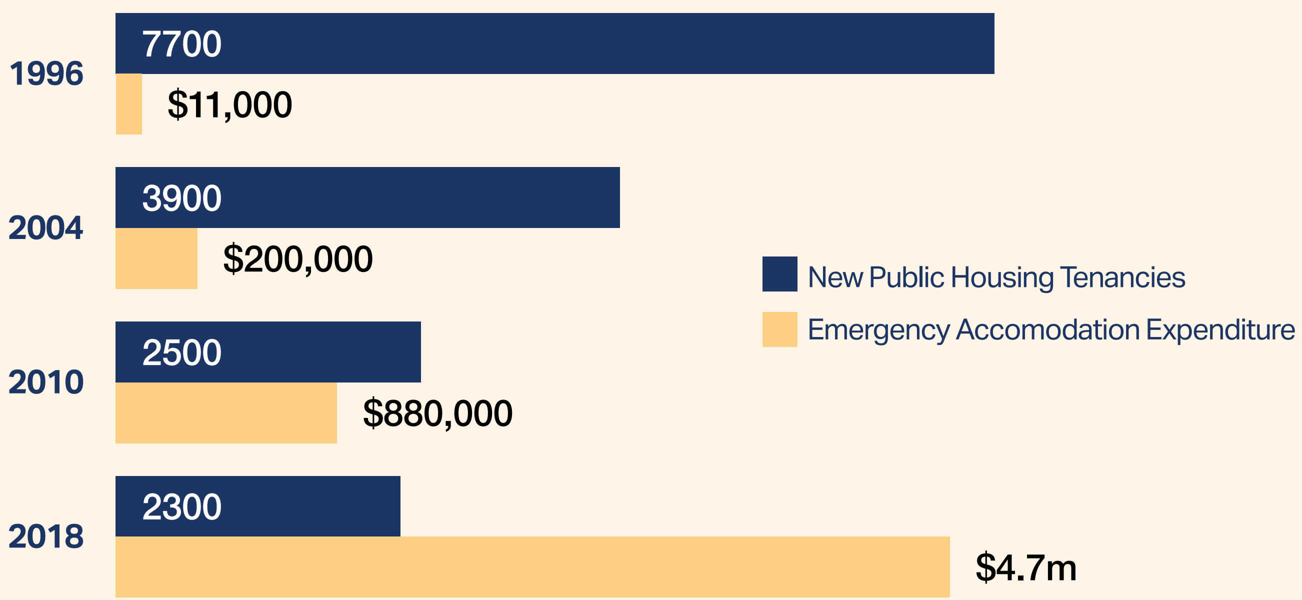
The support and housing responses for people entering, re-entering, at risk or already homeless are short-term and reactive approaches. Less emphasis is placed on longer-term person-centred solutions that are connected and preventative.

Key drivers of homelessness in South Australia include domestic and family violence, mental health, financial crisis and substance abuse. Younger people and Aboriginal and Torres Strait Islander people are more likely to be homeless but, in recent years, older single women have been a rapidly growing group amongst the homeless. Homelessness has various definitions but the largest groups are those who live in overcrowded or severely overcrowded conditions. Typically these people are couch surfing or living in rooming house type arrangements with very insecure tenure. These groups grew by more than 50% between 2006 and 2016 alone.

Domestic and family violence is one of the leading causes of homelessness in South Australia. The sector has increased awareness, changed legislation to allow people to stay in their homes by removing perpetrators and increased support options via a crisis. Other causes of homelessness include mental health, substance abuse and low income, requiring a collaborative support approach from agencies to address both the homelessness and its cause.

Like much of the Nation, South Australia has had a decrease in affordability in both the rental and home ownership markets. Demand for long-term housing has increased and there is a lower number of social housing properties available. People in social housing properties are staying longer, reducing the turn-over of vacancies.

New Public Housing Tenancies and Emergency Accomodation Expenditure



Why is this important?

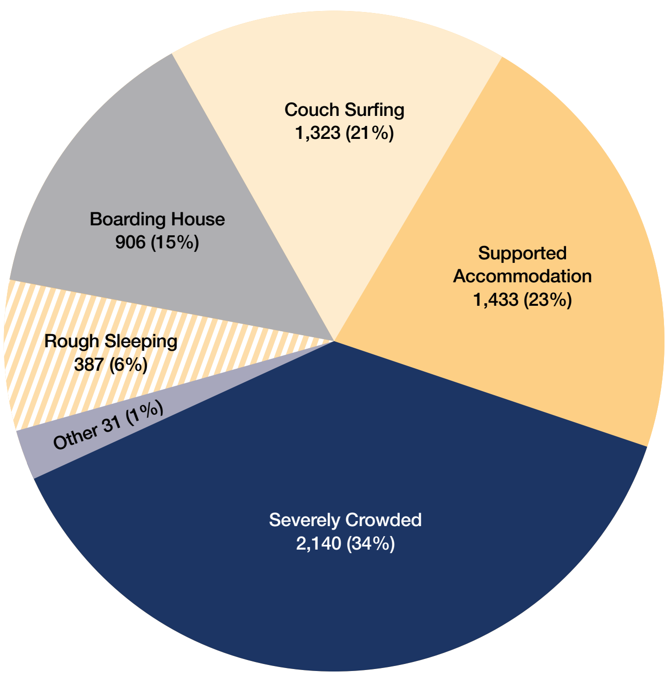
This has led to a housing system that is congested, reactive and unable to provide the right supports and the right housing options at the right times in the right places.

Without a stable home there is often reduced access to education, health and the community. This reduces the capacity to seek employment and become self-sufficient in the future. Increased homelessness requires higher levels of expenditure (primarily government funded) with less income going to the government (tax) from employment. People have reduced options for housing due to decreased affordability in the rental and ownership markets.

By being proactive and implementing solutions that address the cause of homelessness we can break patterns of instability. This includes helping people create connections with their community once housed, and continuing to provide support to stabilise them so they do not re-enter homelessness.

2016 SA Homelessness Estimates

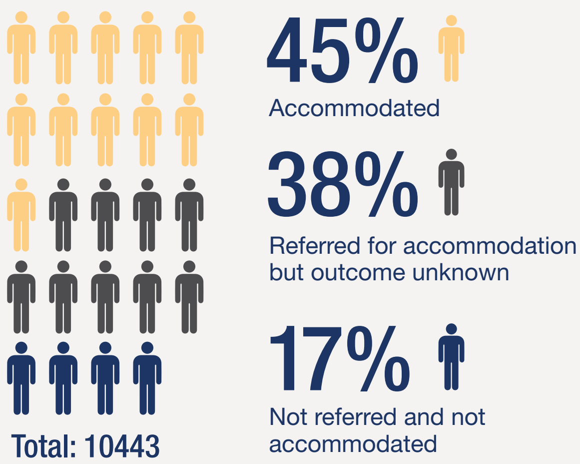
Total = 6,244



Who is impacted?

- Victims of family and domestic violence - South Australia has the second highest number of older women accessing homeless services as a result of domestic violence in Australia.
- Children and young people - 13% of homeless people are aged under 12.
- Older people - 7% of homeless people are aged 65 and over
- Aboriginal people represent 2% of the South Australian population and are overrepresented in the homelessness system (27%).
- Young people leaving an institution including guardianship
- People experiencing repeat homelessness – 5% of clients receiving specialist homelessness services had experienced repeat periods of homelessness in the previous year.
- People requiring accommodation services - In 2017/2018, 1801 (17%) of clients receiving specialist homelessness services did not receive the accommodation they needed or a referral.

2017/2018 SA Specialist Homelessness Service Clients who required accommodation



Lack of appropriate housing supply

What is the problem we want to fix?

A lack of incentives combined with a lack of supply of appropriate, affordable, safe, accessible and secure housing options in the right place and at the right price to match consumer needs. As a result, people have a reduced ability to change their housing arrangements to best match their circumstances when their needs change.

There is limited affordable housing supply in South Australia to meet our current and future needs. We have a large supply of 3-bedroom low-density homes (around half of all housing) and a shortage of smaller homes that are better for smaller households. This mismatch of sizes, along with the location of homes, impacts affordability, sustainability, economic productivity and community participation.

Affordable supply is a major issue because house prices have increased faster than incomes over the past 20 years. The percentage of households that own their home outright has reduced by almost a quarter from 41% in 1996 to 32% in 2016. Over the same period, the percentage of households that are paying off a mortgage jumped from 28% to 35%. Adelaide and South Australia have lower house prices than most other places but South Australians also have lower incomes. When these two things are balanced, South Australia has the third worst affordability ratio in Australia.

Higher house prices benefit existing owners but make it harder for renters to buy a home. Lower-income households are increasingly in private rental and, in just eight short years, low income rental stress almost doubled from 22% to 39%. We have gone from being a national leader in rental affordability to being around the national average.

Why is it important?

The underutilisation of housing (25% in rental and 51% in home ownership) is not an efficient use of resources. On the other side, those living in crowded conditions jumped more than half between 2006 and 2016 and this can reduce the safety, security and suitability of housing. The high costs of moving homes contributes to people not matching their needs with supply over time.

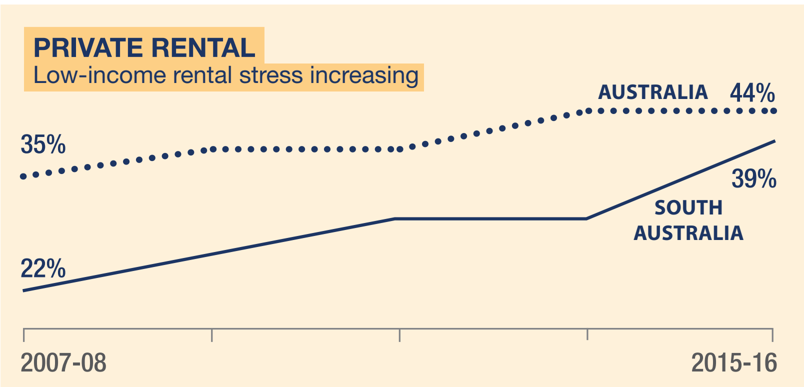
The lack of affordable housing in the inner and middle ring areas of Adelaide disadvantages everybody by adding transport and other costs to lower-income households while making it harder for businesses to get the best people for jobs.

Implementing solutions that both increase the supply of affordable housing and increase mobility between homes will mean that we get more value for our housing dollar and homes that better meet the needs of households.

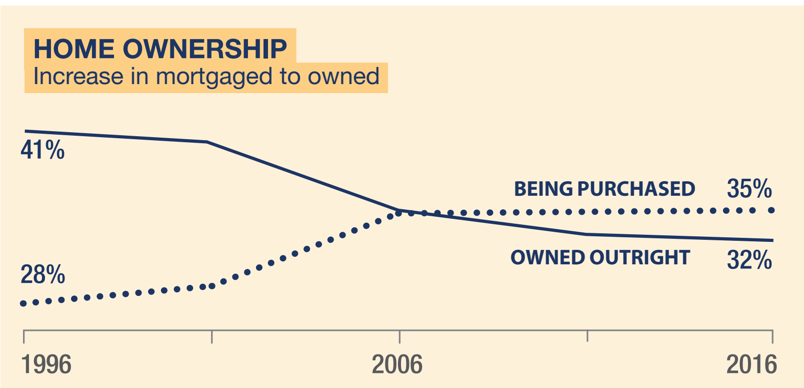
Who is impacted?

- Low income households (in the bottom 40% of income earners) are stuck in private rental as most are not a high priority for social housing and are not able to purchase a home.
- Increasing numbers of low income households are experiencing housing stress in the rental market (paying more than 30% of income for housing).
- Private renters don't have security of tenure and are subject to decisions by landlords to sell homes.
- It is taking longer for young people to save and purchase a home.
- The number of older people with mortgages doubled in ten years and costs make it harder to downsize or move.
- Aboriginal and Torres Strait Islander people experience discrimination in the private rental market, they are half as likely to own a home, four times as likely to live in social housing and six times as likely to be homeless.

Increase in low-income households in Rental Stress



Increase in households with mortgages



Housing affordable to purchase for Low and Moderate-Income Households in Greater Adelaide 2016/17

ONLY

4.5%

of homes affordable for bottom 40% of all households

ONLY

21.1%

of homes affordable for bottom 60% of all households

Unclear direction and roles

What is the problem we want to fix?

As a community we have failed to recognise that provision of housing is a system. This has resulted in the various parts acting in isolation and not joined up creating both duplication and gaps, along with confusion around: roles, regulatory and funding responsibilities and levels; customer need; and desired outcomes leading to poor performance.

The housing system has traditionally been viewed as a "continuum" made up of distinct housing types with clear boundaries, designed under the assumption that people progress in a linear manner towards more aspirational housing outcomes, typically with home ownership as the end point. Conventionally, this continuum does not contemplate the broader services outside of the strict interpretation of housing that contribute to and enable housing outcomes, like mental health and disability among many others.

In reality, housing is nonlinear; subject to individuals' varied aspirations and comprised of many parts, that are constantly influenced by changes in other parts of the system. For a person this can mean moving in and through a range of housing options depending on their individual circumstances and the choice these circumstances allow. In addition, the value that a home provides to individuals, families and communities is commonly understated, and seen as just a place to live in, as opposed to the much broader role it can play in its social, cultural and economic benefits to both the individual and community.

By viewing housing as a series of distinct siloed offerings there has been a missed opportunity to address the system-wide issues in a holistic and collaborative manner. The conditions have encouraged providers to operate only in their area, creating competitive, not constructive relationships with other providers. Here, competition has undermined the joining up of different parts of the system needed to solve individuals' complex and long-term housing issues.

The social housing landscape has undergone major change in the last few years. Public housing remains the State's primary provider of social housing, however property management transfers to community housing have established a new system that is more multi-provider. Meanwhile, there has been little progress to define providers' roles within the new system. Frequently the same services and products have been offered by different generic social housing providers – duplicating overheads (government spending) without adding value for the customer and at times confusing them.

In the homelessness sector, funding arrangements have incentivised activity-based outputs over meaningful outcomes, and subsequently reinforced a service mindset that prioritises customers' short-term outcomes. In the social housing sector, the SA Housing Authority's role as a funder, regulator and competitor of community housing needs clarity. The for-profit industries of home ownership, financing, development and private real estate have pursued commercial interests and as such have rarely been included in conversations about if and how they could be involved in the bigger picture.

No long-term strategy and a lack of financial certainty have diluted common direction for the sector as a whole. Despite the resources invested, working in isolation has led to an inability to resolve complex housing issues and poor customer outcomes.

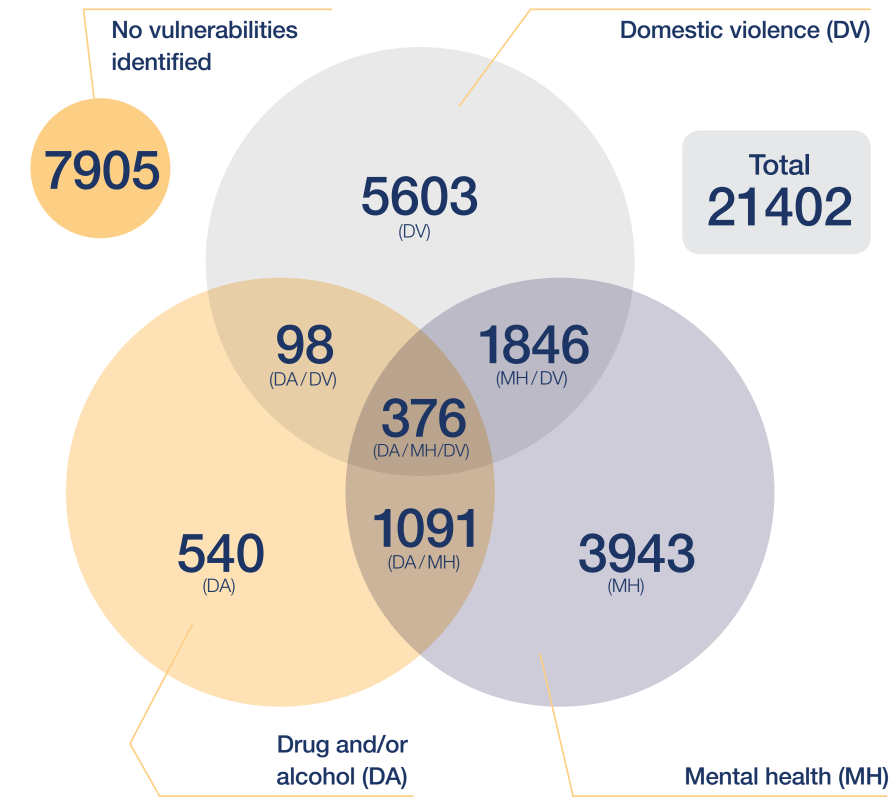
Why is it important?

- Meaningful progress will not be realised unless a clear and common direction is articulated and taken ownership of
- A collaborative system has the capacity to deliver better outcomes for customers
- Governments are expected to act and be perceived as as model providers, funders and regulators
- Duplicated services and products that don't provide distinct options fail to create real choice and use resources efficiently.

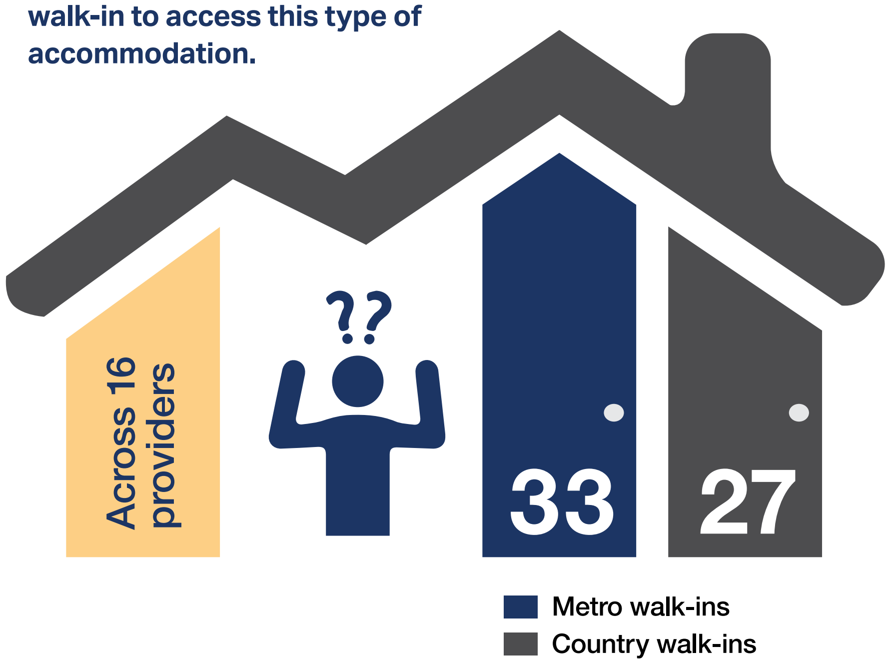
Who is impacted?

- All people trying to access housing services or products across the eco-system, from private rental, to home ownership, social housing and those experiencing homelessness
- This covers broad demographics and specifically includes: women and children affected by domestic and family violence; children and young people; Aboriginal people; people experiencing repeat homelessness; people currently exiting institutions and care into homelessness; and older people.

People who accessed SA Specialist Homelessness Services 2017/2018



In SA, there are 60+ social housing offices alone where people can walk-in to access this type of accommodation.



Culture of business as usual

What is the problem we want to fix?

The traditional ways of financing, taxing, regulating and operating within the housing and homelessness sector are all past their use-by-date. Maintaining this culture of "business as usual" is preventing the establishment of a resilient, sustainable multi-provider eco-system that can respond to the challenges ahead.

Under the current system, a lack of choice has contributed to an increase of older people with mortgages, lifetime tenancies in subsidised housing and more young people struggling to enter home ownership. The current housing eco-system hampers innovation, is inward rather than outward looking and lacks the necessary governance infrastructure to enable responsiveness to opportunities and challenges within the market and community.

Why is it important?

- Demand (population, affordability, suitability) changes faster than supply and regulation
- Other systems must help to respond while housing supply catches up
- Regulation, tax and subsidies drive behaviour but no clear link between, or purpose of, these levers
- Housing is essential and the largest cost for most households with few relief options from those higher costs
- Housing factors (location, design, mobility) impact safety, transport, energy and employment
- Homelessness drives the consumption of other services - false economy in fewer housing supports.

Who is impacted?

- **Homebuyers and private renters** – people pay more for homes that don't meet their needs and they pay more for costs (transport, utilities) that can be reduced via better housing
- **Empty nesters, lower-income families and singles** – people stay in inappropriate homes that are a better fit for others and can't save to meet the upfront costs for their next step
- **Low-to-moderate income households including key workers** – demand not matching supply over time for these households which increases calls for government intervention.

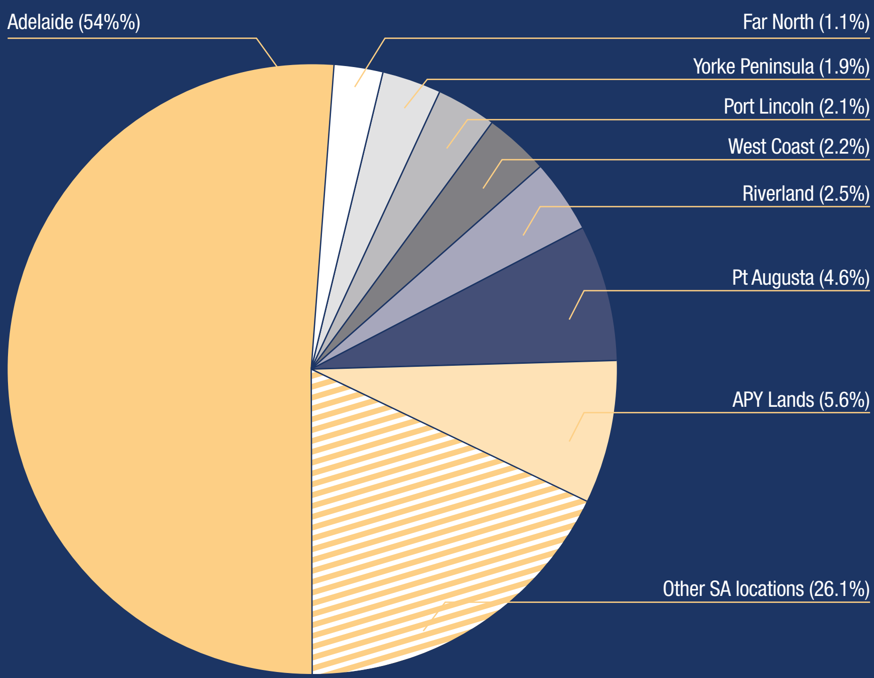
Last 25 years	Last 10 years	Coming decades
• **Population** up 250,000 • **Social housing** down 20,000 (around 30%) but allocations down 60% • **Affordability** Price to income ratio up 50% (4 to 6 times) • **Utilities** prices up, few incentives for efficiencies in rental • **Identifying problems** Dozens of reports, many similar recommendations, few implemented	• **Private rental** 4 times faster growth than population (38% compared to 10%) • **Rental stress** from 22% to 39% for low income earners • **Younger people** struggled to form new households + those who did are renting more • **Older people** mortgagees more than doubled • **Income divide** polarisation of lower income households to rental, higher income to buying	• **Ageing** 80% jump in over 65s from 2011 to 2041 • **Disability** NDIS rollout to 32,000+ in SA • **Climate change** heating/cooling costs and risks • **Budget pressures** households and government • **Employment** gig economy, casualisation • **Technology** smart homes and systems • **Families** smaller, less informal support

Housing system needs to address structural and generational disadvantage for Aboriginal and Torres Strait Islander peoples

Population

Around 34,000 or 2% of South Australians identify as Aboriginal or Torres Strait Islander (ATSI). The SA ATSI population is significantly younger with the median age of 23 years compared to 41 years for other South Australians.

Main locations for residency



Renting and home ownership

SA households renting

60%
ATSI

30%
All South Australians

Home ownership

35%
ATSI

65%
All South Australians

What is the problem we want to fix?

The current and historical housing system, structures and practices have contributed to generational disadvantage and welfare dependence for Aboriginal and Torres Strait Islander people.

While housing is only one element, it is fundamental in underpinning a range of health and social outcomes needed to contribute to Closing the Gap in disadvantage and deliver improvements in individual, family and community health and wellbeing.

While the Strategy will encompass all people, we recognise that Aboriginal and Torres Strait Islander people have to overcome greater disadvantage, paired with cultural and family obligations that influence housing need.

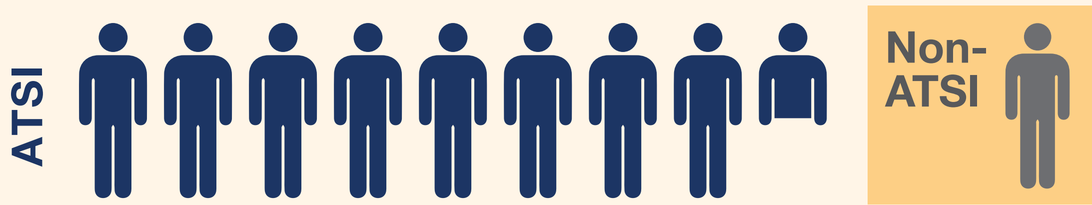
Members of the Taskforce and key leaders within the Aboriginal community have highlighted the importance of identifying and calling out racism and discrimination and the significant impact that it has on access to suitable and affordable housing.

Why is it important?

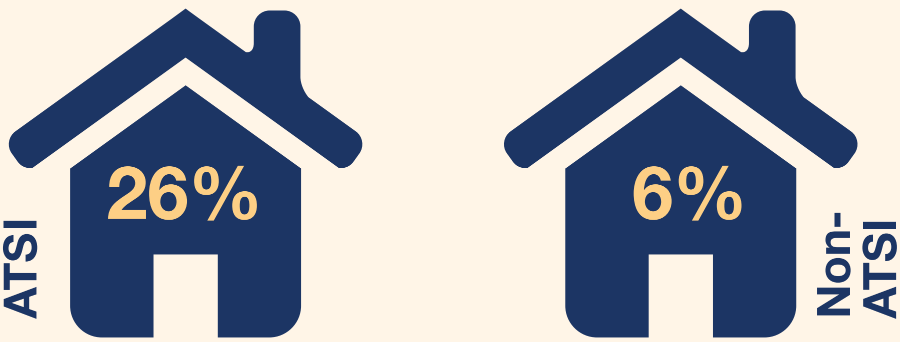
Reform to housing and services for Aboriginal people across the housing and homelessness system is critical for delivering improvements across a range of health and social outcomes. In order to reform how we work with Aboriginal people and how we design and provide services, we need to not only re-think the housing system and structures, but to reshape how we partner with leaders, stakeholders and communities.

Who is impacted?

Aboriginal and Torres Strait Islanders across South Australia, particularly those residing in discrete Aboriginal communities, people who are mobile across the housing system, people who are homeless or in crisis and people who are seeking to obtain an alternative housing solution that provides security for future generations.



Homelessness - 9.5 times more presentations to homeless services compared to non-Aboriginal.[1]



Social Housing - 26% compared to 6% of non-Aboriginal population.[2]

Discrimination in private rental [3]

80%

experienced racial discrimination

16.4%

reported to commissioner

[1] 2016 Census data | [2] 2016 Census data

[3] 2019 Shelter survey "Racial Discrimination in the Private Rental Market"

South Australia's Housing, Homelessness and Support Strategy – *Strategic Intent 2019*

Vision

All South Australians have access to appropriate and affordable housing that contributes to social inclusion and economic participation.

OUTCOMES

CUSTOMER AT CENTRE	EFFECTIVE AND EFFICIENT INDUSTRY	MATCHING THE RIGHT SUPPLY TO DEMAND	TARGETED SUPPORT
Meeting the housing needs of customers and community to support life opportunity.	A high-performing sector and industry that delivers good customer outcomes.	A well-functioning and resilient housing market that supports housing choice and supply.	People are supported out of crisis or homelessness to maintain and improve their housing outcomes.

OBJECTIVES

Customer at Centre

- Streamlined and simplified access
- Increase inclusion and economic participation
- Consumer voice embedded in their decision making
- People achieving their housing aspirations
- More flexibility and responsiveness to meet culturally appropriate supply and service needs.

Effective and Efficient Industry

- Well regulated and governed
- Market coverage
- Building the industry and skills for the future
- Joined up systems
- System viability
- Best use of subsidy.

Matching the Right Supply to Demand

- Increased housing options and choice
- Attracting private investment
- Integrated planning and delivery
- Innovation - new models
- Housing as economic infrastructure
- Addressing specific regional needs
- Place making and renewal.

Targeted Support

- Prevention and early intervention
- Services tailored to need
- Safety and stability
- Reward for positive outcomes
- Options to facilitate housing pathways
- Services and housing alignment.

PRINCIPLES – HOW WE WORK TOGETHER

Collaborative • Customer-Focussed • Fair and Equitable • Transparent and Accountable • Responsive • Simple • Sustainable and Future Focussed

INITIATIVE AREAS FOR EXPLORATION

Customer at Centre

- Improve cultural inclusivity and responsiveness of the housing system for Aboriginal people
- Enhance consumer voice in decision making
- Modernise and reform the private rental market, ensuring balanced rights of tenants and landlords
- Develop innovative approaches to make private rental more accessible and affordable
- Increase security of rental tenancies, including longer term leases
- Deliver an Aboriginal Housing Strategy and implement its actions
- Create opportunities for tenant employment
- Improve the accessibility of services and information
- Culturally and socially inclusive housing designs and communities
- Consider a new social contract with tenants for mutual obligation
- Support the mobility and housing choice of customers.

Effective and Efficient Industry

- Maximise the use of SDA funding and other funding streams such as CRA and NRAS
- Investigate options to address the core issues raised in the 2018 SAHT Triennial Review
- Community education programs and communications around housing problems and solutions
- Review and improve the transparency of financial models, charges and subsidy within the housing system
- Critically examine the role of the SA Housing Authority and other stakeholders in the system
- Implement changes to state-based regulation/legislation to support the new Strategy.

Matching the Right Supply to Demand

- Develop innovative, creative and modern forms of supply to meet future need
- Explore initiatives, financing and incentives to attract new housing developers and developments
- Support people to live in different ways, including creative non-bricks and mortar options
- Encourage solutions to increase the supply of affordable rental options
- Consider lifting the minimum standard for new homes to the Livable Housing Design Guidelines – Silver Level
- Investigate benefits and impacts of transferring management of further housing stock from public to community housing
- Examine property costs and its impact on housing supply
- Clarify the housing provider of last resort and the funding required for this role
- Link infrastructure, planning and transport investment with affordable housing.

Targeted Support

- Reform the homelessness system, sector, supports and funding
- Investigate new housing options for children leaving residential care
- Develop customised housing and support options for a range of people
- Reorientation of the domestic violence system to enable women to stay safely in their own home
- Work with financiers to increase home purchase options for low-income earners
- Develop a consistent framework for providing supports regardless of the asset type/provider
- Increase the focus on prevention and early intervention for those in housing stress and/or at risk of homelessness
- Tackle the root causes of rough sleeping
- Develop flexible and tailored support packages for those at risk
- Address the usage of motels for emergency accommodation.

The Strategic Intent explained

As a Taskforce, we came together to develop a shared vision for housing, homelessness and support in our State over the next ten years. For the eco-system to work effectively and efficiently, all stakeholders and providers should share this long-term vision and work towards it in a collaborative, co-ordinated, transparent and efficient manner.

Overarching system outcomes and objectives were identified in response to the reform drivers and to provide direction and guide development of any future initiatives. The outcomes are not stand alone, they are co-dependent and any changes made to one part of the system should consider the effects on other parts of the system. Our view is that all parts of the eco-system are viewed equally and no one part is greater or more important than the others.

1. Vision

The Taskforce deliberated on a vision to drive the reform of the housing, homelessness and support system and set an aspirational 10-year vision. The National Housing and Homelessness Agreement has used outcomes as a starting point. This was considered to align with national funding priorities and was updated to include appropriate housing to recognise the need for accessibility, location, suitability and alongside affordability. Additionally, inclusion has added strength to the role of housing in creating a place for people in their community.

This led us to the vision for the Strategy of "All South Australians have access to appropriate and affordable housing that contributes to social inclusion and economic participation".

2. Outcomes and Objectives

Customer at centre

At the core of a future housing eco-system should be South Australians – people, households, customers and communities - consumers of housing and housing support services. Customers should have easy access to affordable housing options that suit their needs. To understand their needs, we need to hear about their experience of the housing system so that we understand from their point of view what can be done to improve housing outcomes that are right for them. Consumer voices should be embedded within decision-making processes across the entire eco-system. As part of the initiative areas for exploration the Taskforce is recommending mechanisms be explored that enhance the consumer voice in housing related decision making. This could be through existing forums or by creating a new consumer voice mechanism(s).

We discussed the need to improve processes for consumers to get access to the housing system, for consumers to play a role in the decisions made and the need for improved tools for consumers to meet their housing aspirations and needs.

Effective and efficient industry

To deliver good outcomes for customers within a complex and dynamic housing eco-system, we need a high performing industry and sector that is committed to working together to improve housing outcomes for all South Australians. The Strategy must set out clear roles and responsibilities to ensure all stakeholders can perform effectively and collectively, and to avoid duplication and gaps. The appropriate infrastructure needs to be in place to support a well-functioning industry and sector.

We need to ensure the future certainty and sustainability of the housing sector including the best use of subsidy that is targeted to those who need it most.

Supply matching demand

The majority of our State's housing is privately owned; as such a regulatory environment is needed that can inspire innovation in affordable housing supply and provide choice that meets the needs of different household types over the next ten years. We need private and not-for profit organisations that can attract private investment and work in a modern and progressive planning environment to boost the delivery of appropriate and affordable housing for South Australia. We need creative and flexible solutions for a range of specific people, changing needs and localised solutions in our country regions. Housing needs recognition as core infrastructure and as such needs funding, support and coordination to match to ensure the State can grow development for the right people at the right price in the right places.

Targeted support

The supports provided to people who are homeless, at risk of homelessness or in housing stress were debated and discussed at length by our Taskforce members. We came to a place of agreement around the need for tailored solutions that are more strongly aimed at early intervention and prevention, with a focus on ensuring they offer both stability and safety. There was also a strong commitment to the need for service and supports to be provided in a manner that is both outcome and people focussed and incentive-based ensuring there are benefits to the people receiving these services, that treat the causes and move away from reactively responding to symptoms.

3. Principles

As a Taskforce we debated the future ways of working together for those involved in the Housing, Homelessness and Support Strategy for South Australia, with the aspiration of providing a guide to all stakeholders, how we will work to achieve our vision. The following principles were developed to propose an approach that as a sector and industry, we can share.

- **Collaborative -** We work together to find solutions to shared problems and to determine what issues and outcomes are to be prioritised.
- **Customer-focussed -** Our policies, services and initiatives recognise and drive improved outcomes in the lives of individuals, families and the community.
- **Fair and equitable -** We make the most of our system resources by distributing it in a way that puts the needs of people first.
- **Transparency and accountability -** We are open about our progress and take responsibility for our shortcomings.
- **Responsive -** The sector and industry can adapt to changing and diverse market and community needs.
- **Simple -** Efficient procedures and uncomplicated policies make it easy for people and service providers to navigate the system.
- **Sustainable and future focussed -** Our solutions are socially, culturally, economically and environmentally considerate of South Australia's future needs.

Initiatives for further exploration

There are currently a number of reforms and initiatives being implemented across the State to meet the housing needs of South Australians. The existing reforms and initiatives proposed for further consultation, contribute to meeting the requirements of the housing policy priority areas identified under the National Housing and Homelessness Agreement.

The Taskforce has developed the Strategic Intent to guide the development of any new initiatives that will deliver the vision and outcomes of a new system-wide Strategy. During discussions, Taskforce members spoke about a range of initiatives that could be further explored during broader consultation with industry, the sector, customers and community members in the coming months. Initiatives explored during consultation will be subject to review under a Common Assessment Framework. Once approved, the initiatives together with the Strategic Intent will form a new system-wide State Housing, Homelessness and Support Strategy.

The initiatives proposed for exploration have been categorised under the four outcome areas:

- **Customer at centre**
  - Improve cultural inclusivity and responsiveness of the housing system for people of all backgrounds and particularly Aboriginal people
  - Enhance consumer voice in decision making
  - Culturally and socially inclusive housing designs and communities
  - Modernise and reform the private rental market, ensuring balanced to rights of tenants and landlords
  - Develop innovative approaches to make private rental more accessible and affordable
  - Increase security of rental tenancies, including longer term leases
  - Deliver an Aboriginal Housing Strategy and implement its actions
  - Create opportunities for tenant employment
  - Improve the accessibility of services and information across the continuum
  - Consider a new social contract with tenants for mutual obligation
  - Support the mobility and housing choice of customers.
- **Effective and efficient industry**
  - Maximise the use of SDA funding and other funding streams such as CRA and NRAS
  - Investigate options to address the core issues raised in the 2013-14 to 2016-17 Triennial Review of the South Australian Housing Trust (published 2018)
  - Community education programs and communications around housing problems and solutions
  - Review and improve the transparency of financial models, charges and subsidy within the housing system
  - Critically examine the role of the SA Housing Authority and other stakeholders in the system
  - Implement changes to state based regulation/legislation to support the new Strategy.
- **Supply matching demand**
  - Develop innovative, creative and modern forms of supply to meet future need
  - Explore initiatives, financing and incentives to attract new housing developers and developments
  - Support people to live in different ways, including creative non-bricks and mortar options
  - Encourage solutions to increase the supply of affordable rental options
  - Consider lifting the minimum standard for new homes to the Livable Housing Design Guidelines - Silver Level
  - Investigate benefits and impacts of further stock management transfers from public to community housing
  - Examine property costs and its impact on housing supply
  - Clarify the housing provider of last resort and the funding required for this role
  - Link infrastructure, planning and transport investment with affordable housing.

- **Targeted support**
  - Reform the homelessness system, sector, supports and funding
  - Investigate new housing options for children leaving residential care
  - Reorientation of the domestic violence system to enable women to stay safely in their own home
  - Develop flexible and tailored support packages for those at risk
  - Develop customised housing and support options for a range of people
  - Work with financiers to increase home purchase options for low-income earners
  - Develop a consistent framework for providing supports regardless of the asset type/provider
  - Increase the focus on prevention and early intervention for those in housing stress and/or at risk of homelessness
  - Tackle the root causes of rough sleeping and usage of motels for emergency accommodation.

The list of initiatives for exploration is a starting point for the engagement phase of developing the Housing, Homelessness and Support Strategy, it is not an exhaustive and fixed list. These suggestions have grounding and rationale from each Taskforce member's experience and skills in their area of expertise, however they will need to be tested with all key stakeholders particularly customers. The proposed engagement activities will look to elicit new, innovative and creative actions to pursue and more importantly to prioritise these and seek input on how to make them happen.

Common Assessment Framework

The Taskforce has developed a Common Assessment Framework that will be used to assess and prioritise actions that are proposed during the engagement process. The Common Assessment Framework contains five dimensions with a view to demonstrate: a range of tools to prioritise initiatives; the trade-offs; and how, who and what will be impacted as below:

- **Customers and consumers**
  - Existing and future social housing tenants
  - Private renters
  - Users of Specialist Homelessness Services
  - Homeowners, homebuyers and mortgage-holders
- **Financial**
  - Commonwealth and State Government funding and budgets
  - Financial implications
  - Private sector and investment
- **Infrastructure and assets**
  - Existing housing infrastructure e.g. SA Housing Authority, community housing and other housing providers
  - Property owners
- **Providers**
  - Direct (e.g. SA Housing Authority and community community housing and other housing providers)
  - Indirect (funded) providers of housing, homelessness and support services including maintenance
- **Consumer advocates and accountability**
  - Legislation
  - Regulators, including government agencies
  - Peak bodies
  - South Australian Civil and Administrative Tribunal
  - Minister for Human Services
  - Ombudsman
  - Community
  - Media

Measuring performance + outcomes

South Australia has committed to a broad range of key performance indicators under the National Housing and Homelessness Agreement. To complement these, key performance indicators will be identified in collaboration with partners to measure specific outcomes. We need to measure performance and be transparent about the results, so that we know if good customer outcomes are being achieved. Reporting against indicators will help us to know if we're on track or if changes are needed along the way to support implementation.

Next steps – Engagement proposal

Before solutions can be determined, there needs to be broad consultation with industry, the housing, homelessness and support sector, customers and community members to hear their views about what works best for them.

We support further engagement with the sector, staff, cross-government agencies and the broader community over the coming months to explore initiatives and solutions that will translate our shared vision into action on the ground. Engagement with a range of stakeholders, including the general community, will be vital to the development of a successful strategy. Input received during engagement will be collated at the end of the consultation period and consolidated into a draft Housing, Homelessness and Support Strategy.

It is proposed that engagement will be managed through four themes that traverse and capture the full housing eco-system, including Market and Affordability, Social Housing and Support and Services. Aboriginal interests will be considered across all elements of the engagement, to ensure that outcomes are system-wide. A broad range of stakeholders will be engaged with from the sector and industry, government, consumers and the broader community. Engagement will focus on seeking input about how the new Housing, Homelessness and Support Strategy can achieve the vision, outcomes and principles of the Strategic Intent.

Engagement mechanisms should have a strong emphasis on understanding the consumer voice and ensuring that key sector partners participate in a co-design process to develop and deliver engagement methods, tools and a broad range of questions to elicit innovative actions to improve the South Australian housing system.

As the Strategy is a long-term plan, we support active monitoring of outcomes so that the Strategy can be adjusted and responsive to market conditions, new opportunities, and changes in consumer needs.

We look forward to continuing to develop the Strategy in partnership with government, industry and the community to support better housing outcomes for South Australians.

Definitions

Acronyms and abbreviations used in this report

AHURI	Australian Housing and Urban Research Institute
ATSI	Aboriginal or Torres Strait Islander
CHP	Community housing provider
CRA	Commonwealth Rent Assistance
D&A	Drugs and/or alcohol
DV	Domestic violence
MH	Mental health
NHHA	National Housing and Homelessness Agreement
NRAS	National Rental Affordability Scheme
SACAT	South Australian Civil and Administrative Tribunal
SAHA	SA Housing Authority
SAHT	South Australian Housing Trust
SDA	Specialist Disability Accommodation
TACSI	The Australian Centre for Social Innovation

Definitions of technical terms

Affordable housing

Affordable Housing is housing that is affordable (housing costs being no more than 30% of the gross household income) for low - moderate income households to purchase or rent. Specific criteria for Affordable Housing in South Australia is determined by regulation 4 of the South Australian Housing Trust (General) Regulations 1995 and associated Government Gazette.[1]

Appropriate housing

The human right to adequate housing is more than just four walls and a roof. It is the right of every woman, man, youth and child to gain and sustain a safe and secure home and community in which to live in peace and dignity.[2]

Housing is considered 'appropriate' when it is the right price; right-sized; suitably located; provides security of tenure; is safe; has the necessary amenity; is culturally appropriate; and is accessible so that it suits the needs of the household

Commonwealth Rent Assistance (CRA)

Rent Assistance is a non-taxable income supplement payable to eligible people who rent in the private rental market or community housing. Pensioners, allowees (i.e. recipients) and those receiving more than the base rate of Family Tax Benefit Part A may be eligible for Rent Assistance.[3]

Housing affordability

Housing affordability is typically defined as housing costs being no more than 30% of the gross household income. This term can also be used to refer to housing across major cities, states or nationally, where housing affordability is measured using the proportion of households in a given area in housing stress.[4]

[1] National Shelter – Housing terms factsheet

[2] United Nations Human Rights Office of the High Commissioner- Right to Adequate Housing.

[3] Commonwealth-rent-assistance – Department of Social Services.

[4] Australian Institute of Health and Welfare (AIHW) – Housing Assistance Glossary.

Housing eco-system

The housing market, for all its geographic and product type variation, is also an eco-system with considerable interdependence.

The concept of an ecosystem considers all the parts that contribute to housing, not just limited to crisis housing, social housing, private rental and home ownership that is traditionally described in the 'housing continuum'. It also includes the supports and services that help people sustain housing. The concept also explores that all parts of housing are constantly influenced by changes in other parts of the system.

Housing stress

A measure of housing affordability where the proportion of household income spent on basic housing costs (that is, rent or mortgage) is calculated. Therefore, owner–occupiers without a mortgage cannot experience housing stress according to this definition. It is defined as the situation of a household whose housing costs are more than 30% of the gross household income.

Housing subsidy (or rebated household)

A household receiving housing assistance (usually through a state or territory or community housing provider) that pays less than the market rent value of the dwelling.[5]

Low-income household

Low-income household The terms 'very low-income household', 'low-income household', 'lower income household' and 'moderate income household' are often used on their own or in combination. These terms may not always be used very precisely. However, in general a 'very low-income household' will be one where the sole income is a government pension or benefit, a 'low income household' will be a household in the bottom 20% of the household income range, a 'lower income household' will be one in the bottom 40% of incomes and a 'moderate income household' will be one in the bottom 40% but not in the bottom 20% (or sometimes one in the bottom 60%).[6]

Multi-provider sector

A sector that contains different providers, offering the same and/or different housing products and services and providing consumer choice, which has strong partnerships across the sector and with government, to support a modern, multi-provider housing system.

Social housing

Rental housing that is provided and/or managed by government or non-government organisations, including public and community housing.[7]

[5] Australian Institute of Health and Welfare (AIHW) – Housing Assistance Glossary.

[6] National Shelter – Housing terms factsheet.

[7] Australian Housing and Urban Research Institute – Glossary