



Government
of South Australia
SA Housing Authority

Productivity Commission review into the National Housing and Homelessness Agreement (NHHA)

SA Housing Authority submission

March 2022

Summary

Housing is an essential form of infrastructure that only supports economic growth through the creation of jobs, but contributes to a range of other non-housing outcomes such as improved health, education outcomes and social participation. Providing housing opportunities and homelessness services is a critical role of the government. In South Australia (SA), these key services are led by the South Australian Housing Trust (SAHT), trading as SA Housing Authority (the Authority).

The Authority is committed to being innovative and putting the customer at the centre of decision-making, service provision and planning. Adopting whole-of-system and whole-of-state approaches enables the Authority to collaborate with its partners to address complex issues and support well-functioning communities, with a focus on improving the customer journey and housing pathways.

In addition to innovation and working in partnership with other government and non-government organisations, national strategies and policy levers play a vital role in increasing the supply of affordable housing and economic and social participation. Key to increasing supply and affordability is continued federal investments in:

- Commonwealth Rent Assistance – currently supporting 6.14% of the SA population (108,950).
- Taxation and superannuation incentives to encourage and enable the supply of affordable housing.
- National finance concessions to support community housing providers (CHPs) leverage social housing assets for the intention of increasing affordable housing options.
- A joint Commonwealth and State partnership approach for Social and Community Services (SACS) Equal Remuneration Order (ERO) supplementation funding, which is critical to support the financial capability of SA's homelessness service providers to attract and retain staff.
- National schemes and strategies that support low-to-moderate households and advancing outcomes of vulnerable cohorts (i.e. Aboriginal and Torres Strait Islander people, people living with disability, people experiencing mental health issues, people experiencing domestic violence).

These investments are coupled with state-based priorities and programs, including:

- Availability and accessibility of financial products to support both private rental and home ownership.
- Commitment to planning, zoning and regulatory reforms to increase affordable housing supply.
- Continuing homelessness reform.

The per capita funding allocations used by the National Housing and Homelessness Agreement (NHHA) are simple to administer; however, do not encourage investment or incentivise growth or improvement in the condition of social housing. In addition, this funding model does not reflect the different complexities and challenges each jurisdiction faces based on their localised priorities determined by their individual asset profiles, vulnerable cohort needs, and geographical landscapes.

In comparing Report on Government Services (RoGS) data¹ across jurisdictions, we understand:

- SA experienced a 5% net loss in total social housing stock from 2012-2021
- The Authority operates within a lean staffing model, with employee costs per asset estimated to be 10% lower than the national average.

Despite this, SA still has one of the highest proportions of social housing dwellings with 570 per 10,000 residential dwellings. Representing a 40% higher coverage of social housing dwellings within the general SA population compared to nationally.

Due to the nature of general funding by population, rather than by number of assets to be maintained, SA is left at a disadvantage. SA receives 6.89% of general housing funding yet makes up 10% of total social housing dwellings, consequently resulting in lower funding ratios per property managed by the Authority compared to other jurisdictions.

Further, an increased proportion of customers with multiple and complex needs adds additional challenges in service delivery, including increased housing adaptation requirements such as disability and domestic violence modifications and engagement of support services to sustain complex tenancies.

The higher representation of high-needs customers also results in a reduced ability to cross-subsidise within the housing portfolio, as single-source welfare payments have not kept pace with the rising costs of housing, increasing the real value of the subsidy provided to tenants. The openness, accuracy and availability of data across jurisdictions and nationally is pivotal in monitoring progress, sharing learnings and modelling future supply and demand requirements. The existing performance monitoring and reporting framework, data improvements and data sharing provide a foundation that could be strengthened to enable greater insights with less administrative burden and inconsistencies between jurisdictions.

This submission has been designed to highlight the outcomes that have been achieved to date as a result of and cross-jurisdiction partnership through the (NHHA) and SA's whole-of-system based approaches and strategies. But to also identify opportunities to build on these outcomes through strengthened mechanisms that support growth and data-informed innovation at a jurisdiction and national level.

Recommendations

- Recommendation 1:** Each priority policy area identified in the NHHA is reviewed to take into account the range of contributing factors that impact on the ability to achieve high-quality outcomes.
- Recommendation 2:** Vulnerable cohorts for both housing and homelessness are identified and agreed nationally, supported by national strategies and appropriate funding.
- Recommendation 3:** Multi-agency reporting across national strategies and agreements that intersect are reviewed to reduce duplication and increased workload.

¹ Australian Government Productivity Commission, *Report on Government Services 2022 – Part G Housing and homelessness*, accessed 25 January 2022, < <https://www.pc.gov.au/research/ongoing/report-on-government-services/2022/housing-and-homelessness>>

- Recommendation 4:** A review of different funding options is undertaken, including consideration of; a mix of base funding plus specialisation, state matching requirements, and anti-clawback provisions.
- Recommendation 5:** Future funding agreements include appropriate provisions for Social and Community Services (SACS) Equal Remuneration Order (ERO) supplementation.
- Recommendation 6:** Ensure the term of the funding agreement enables strong, ongoing relationships with the not-for-profit sector and other key partners within the multi-provider housing and homelessness system.
- Recommendation 7:** Any future funding agreement considers the inclusion of outcomes-based reporting.

Caveats

The following caveats apply to the body of this submission:

- 1. Terminology** - in this submission, the term *Aboriginal*, refers to all Aboriginal and Torres Strait Islander peoples. This term is used as the First Nations peoples of SA are Aboriginal peoples and this term is preferred by Aboriginal peoples in SA. We acknowledge and respect that it is preferable to identify Aboriginal peoples, where possible, by their specific language group or nation. The term *States* refers to both States and Territories.
- 2. Data** - performance data in this submission may be affected by the impacts of the COVID-19 pandemic. Changes to service delivery under the conditions of the public health emergency are in some cases reflected in data results, including delays to annual rent assessment activities and evictions which may impact financial data. These impacts may be observed from the 2019/20 financial year until present.
- 3. Representation** - the views within this submission are reflective of the SA Housing Authority, noting that the SA Government is currently within caretaker mode leading up to the 2022 State Election.

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Background

Assisting people to achieve and sustain secure and affordable housing is an essential role of government. In SA, this role is led by the Authority. Established in 2018 following a machinery of government change, the Authority aspires to be a modern and innovative organisation, building on the rich history of the SAHT, which was created in the 1930s as Australia's first public housing authority.

The Authority was created with a clear goal to reform the housing system by:

- increasing the supply of suitable affordable housing,
- modernising and improving the social housing system,
- supporting a modern multi-provider system, and
- establishing an environment that promotes shared responsibility and ownership of the housing challenges SA faces.

Supporting the Authority's transformation timeline is a whole-of-system approach which has seen the development and release of three key strategies:

- 2019: *Our Housing Future 2020-2030*
- 2020: *Future Directions for Homelessness*
- 2021: *South Australian Aboriginal Housing Strategy 2021-2031*

Our Housing Future 2020-2030²

This is a whole-of-state and whole-of-system strategy, for all partners involved in the planning, financing and delivery of housing and related services. *Our Housing Future 2020-2030* aims to support well-functioning communities, with a focus on improving the customer journey and housing pathways. SA's first integrated housing and homelessness strategy, is focused on breaking down the barriers that see people stuck in homelessness, fall through the cracks, or in housing that is not appropriate to their needs. It encourages stronger partnerships, innovation and co-investment to build the capacity and capability of providers.

Its development was guided by outcomes from lived experience³ workshops commissioned by the Authority. These workshops were key to better understand housing and homelessness customers and ensuring that system planning and design was customer-centred.

Future Directions for Homelessness⁴

SA is progressing a system-wide homelessness service reform to develop a more integrated and collaborative network of services to prevent and respond to the community's needs. The reform recognises the power of collective impact approaches in responding to complex issues and the need to work together to address shared challenges.

² South Australia State Government 2019, *Our Housing Future 2020-2030*, SA Housing Authority, viewed 15 February 2022, https://www.housing.sa.gov.au/_data/assets/pdf_file/0003/130692/Our-Housing-Future-2020-2030.pdf

³ Lived Experience defined as "People who have experienced housing challenges (e.g. people who have experienced homelessness, who have been a customer or are a customer of programs and services provided by the Authority / housing and homelessness system", The Australian Centre for Social Innovation, 2019, *Summary of Lived Experience Workshops*, accessed 25 February 2022, < https://www.housing.sa.gov.au/_data/assets/pdf_file/0020/124157/Summary-of-Lived-Experience-Workshops-TACSI.pdf>

⁴ South Australia State Government 2020, *Future Directions for Homelessness*, SA Housing Authority, accessed 15 February 2022, <https://www.housing.sa.gov.au/_data/assets/pdf_file/0003/130692/Our-Housing-Future-2020-2030.pdf>

The *Future Directions for Homelessness* is the transformation plan to guide the progression of the homelessness reforms. These reforms aim to provide better services that:

- Prevent people from falling into homelessness,
- Ensure people get the right support they need, when they need it, and
- Rapidly rehouse people into safe, stable and long-term housing so they don't cycle in and out of homelessness.

South Australian Aboriginal Housing Strategy 2021-2031⁵

SA's first Aboriginal housing strategy is a 10-year plan to improve housing outcomes for all Aboriginal South Australians. It has a common vision that Aboriginal peoples have equitable access to safe, secure and affordable homes, and that this is achieved through shared decision making and culturally informed services, to maintain Aboriginal peoples' personal and cultural wellbeing.

The strategy was shaped by Aboriginal voices during extensive engagement, which highlighted the need for existing services to be culturally responsive and flexible, and to better meet the needs of Aboriginal communities.

South Australia's Housing Market

As at 30 June 2021, SA accounted for 6.89%⁶ of Australia's total population. Low wages, workforce casualisation and an ageing population means that despite recording lower house sale and rental prices than many other areas of Australia, SA ranks among the bottom three jurisdictions for affordability. These challenges have been exacerbated by the COVID-19 pandemic, along with constriction of the private rental market and rapid rise of house prices across the state.

From 2016-17 to 2020-21 the median sale price of houses in metropolitan Adelaide has increased 30% from \$460,500 to \$600,000, compared to a 9.4% increase (\$267,250 to \$295,000) in non-metropolitan areas (major towns).⁷

From 30 June 2016 to 30 June 2021 the median weekly residential rent in metropolitan Adelaide has increased 19% (\$310 to \$370 per week), compared to a 14% (\$250 to \$285 per week) increase across the rest of the state.⁸

In addition to increased prices, a reduction in the availability of stock has further compounded existing housing and market stress. Subsequently, increasing the need for more government intervention to improve the supply of affordable housing. Based on SQM Research⁹, SA is experiencing:

- From October 2019 to October 2021:
 - Lowest market for sale listings since 2010.
 - 33.1% decline in market for sale listings in Greater Adelaide.

⁵ South Australia State Government 2021, *South Australian Aboriginal Housing Strategy 2021-2031*, accessed 15 February 2022, <<https://www.housing.sa.gov.au/documents/our-housing-future/South-Australian-Aboriginal-Housing-Strategy-2021-to-2031.pdf>>

⁶ Australian Bureau of Statistics, accessed 28 February 2022, <<https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/jun-2021>>

⁷ South Australian State Government 2022, accessed 28 February 2022, <<https://www.sa.gov.au/topics/planning-and-property/researching-a-property/median-house-sales-by-quarter>>

⁸ South Australian State Government 2022, accessed 28 February 2022, <<https://data.sa.gov.au/data/dataset/private-rent-report>>

⁹ SQM Research Data 2021, accessed December 2021 <<https://sqmresearch.com.au/>>

- Decline in market for sale listings across major regional centres such as Mount Gambier (48.4%), Murray Bridge (42.2%) and Port Augusta (12.8%).
- From November 2019 to November 2021:
 - 30.9% decline in rental listings in Greater Adelaide.
 - Sharp decline in rental listings across major regional centres such as Port Augusta (72%), Mount Gambier (70%) and Murray Bridge (66.6%).

SQM Research data, as at 15 January 2022, reflects “an acute shortage of rental properties. It is now very likely market rents will rise by over ten per cent this year.” SQM Research reports the 1.3% national vacancy rate as a 16 year low. Adelaide has the second lowest vacancy rate at 0.4%.¹⁰

As at September 2021, the following was observed of the SA housing market:

- 17% of the 13,900 SA HomeBuilder scheme applications were related to renovation projects requiring some owners to move into rental accommodation, increasing rental market competition.
- 2,644 National Rental Affordability Scheme (NRAS) tenancies will end by 2026.
- Over 100,000 SA households receive assistance for affordable housing with many low-income families experiencing housing stress.
- 6.14% of the SA population (108,950) were in receipt of Commonwealth Rent Assistance.

The Authority is responsible for the management of three out of four social housing categories: Public Housing (PH), State Owned and Managed Indigenous Housing (SOMIH) and Indigenous Community Housing (ICH). Due to the nature of the NHHA general funding by population, not by number of assets to be maintained, SA is left at a disadvantage. SA receives 6.89% of general housing funding, yet makes up 10% of total social housing dwelling, consequently resulting in low funding ratio per properties managed by the Authority compared to other jurisdictions.

This is further exacerbated when factoring in the cost of maintenance and development for regional and remote housing. As at June 2021, 4.8% of stock required to be maintained by the Authority, was located in regional and remote locations across SA.

In addition to these constraints, SA has a high proportion of ageing PH stock requiring maintenance and repair. On average stock is 40 years old and is not fit for purpose. Increasing market stress, combined with increasing customer complexity and requirements requires a different operating model that balances financial efficiency with service efficacy and tailored responses.

¹⁰ SQM Research Data 2022, accessed 15 February 2022, *National vacancy rate January 2022*, <https://sqmresearch.com.au/15_02_22_National_Vacancy_Rate_JANUARY_2021_FINAL.pdf>

Our Submission Approach

As stated in the Productivity Commission's Issue Paper ¹¹, the NHHA aims to “contribute to improving access to affordable, safe and sustainable housing across the housing spectrum, including to prevent and address homelessness, and to support social and economic participation”. The continuation and strengthening of the NHHA is vital not just in continuing housing and homelessness services in their current state, but in enabling transformation and reform for an improved housing system.

The feedback provided in this submission has been focused around five key themes that aim to highlight what is working well, existing inhibitors and opportunities for improvement. Key submission themes include:

- 1. Priority policy areas, cohorts and reform:** Explores strategic alignment to national priorities from a South Australian context.
- 2. Objectives and outcomes:** An overview on the effectiveness and appropriateness of NHHA objectives and outcomes, and the extent to which to the NHHA enables these to be achieved.
- 3. National strategies and policy levers:** Investigates what else is fundamental to supporting delivery and achievement of objectives and priority cohort aspirations, outside of the NHHA.
- 4. Funding and governance:** Explores supporting and inhibiting factors of existing arrangements, as well as identifying opportunities for improvement.
- 5. Performance monitoring and reporting:** Focuses on how data structures and approaches enable or inhibit outcome-based insights and planning effectiveness.

¹¹ Australian Government Productivity Commission 2021, *Housing and Homelessness Agreement Review Issues Paper*, accessed 22 December 2021, < <https://www.pc.gov.au/inquiries/current/housing-homelessness/issues/housing-homelessness-issues.pdf>>

1. Priority Policy Areas, Cohorts and Reform

Clear priority policy areas, cohorts and reform are fundamental to align state and federal policy levers to a shared vision and strengthen a partnership approach. In recognition of the co-morbidity of economic and social disadvantage, the Authority sees opportunity to align reforms and priority cohorts more closely to broader intergovernmental priorities and initiatives around disability, mental health and Aboriginal-specific needs.

In the main, the current scope is broadly well-aligned to SA's strategic objectives, however, some considerations to state and federal policy levers and approaches are recommended to further strengthen capacity to deliver desired outcomes.

An overview of SA's current environment in relation to priority policy areas, cohorts and reform is included in Sections 1.1, 1.2 and 1.3 respectively.

1.1 Strategic alignment to NHHA priority policy areas

The Authority is supportive in principle of the six priority policy areas applicable to general housing funding under the NHHA. A review of each priority area is recommended to better take into account the range of contributing factors that impact on the ability to achieve high-quality outcomes.

Recommendation 1: Each priority policy area identified in the NHHA is reviewed to take into account the range of contributing factors that impact on the ability to achieve high-quality outcomes.

Please refer to table 1: Strategic alignment and considerations (overleaf), for an overview of how SA's whole-of-system approach is aligned to current NHHA priority policy areas, and further considerations to strengthen capability to achieve the targeted outcomes.

Table 1: Strategic alignment and considerations

Priority Policy Area	Desired Outcome from Issues Paper	SA Strategic Alignment (Our Housing Future 2020-2030 Strategy Actions)	Considerations
<p>Social housing</p>	<p>Used efficiently and effectively, responsive to the needs of tenants, appropriately renewed and maintained, responsive to demand.</p>	<p>3.1 Examining service hubs and integrated access models, including the review, consolidation and modernisation of Housing SA offices</p> <p>3.2 Piloting new intensive supported accommodation models for customers requiring more support than social housing</p> <p>3.3 Supporting shared leasing arrangements, including for older and younger people across the housing market</p> <p>3.4 Connecting social housing tenants with National Disability Insurance Scheme and aged care benefits they are eligible for</p> <p>3.5 Improving service delivery by incorporating lived experience</p> <p>3.8 Addressing the particular disadvantages faced by Aboriginal South Australians through the delivery of an Aboriginal Housing Strategy</p> <p>5.1 Investing \$75m to start addressing the PH capital maintenance backlog and to improve sustainability and energy efficiency of PH, where possible</p> <p>5.2 Reforming the operations of the social housing system, including implementing and reforming the Single Housing Register, reviewing eligibility and allocations policy, exploring points-based assessment and trialling choice-based letting and clear mutual obligations for successful tenancies.</p> <p>5.3 Improving the sustainability of the social housing system through</p> <ul style="list-style-type: none"> • Addressing the financial sustainability of the system • The introduction of a system-wide strategic asset management approach including strategic asset disposal and investment • Developing a ten-year plan to optimise the efficient and effective management of social housing and to support the growth of CHPs • Reviewing the functional responsibilities for housing policy, regulation and management to provide greater transparency and contestability <p>5.4 Delivering up to 1000 employment and training outcomes targeted to social housing tenants through social procurement and employment</p>	<p>Review existing funding model that supports the individual and complex needs of each jurisdiction (see Section 4).</p>

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Priority Policy Area	Desired Outcome from Issues Paper	SA Strategic Alignment (Our Housing Future 2020-2030 Strategy Actions)	Considerations
		<p>5.5 programs delivered in partnership with Job Networks, not-for-profit, other government agencies and businesses. Implementing Industry Development Frameworks that strengthen the multi-provider social housing sector as a key agent of change.</p> <p>5.6 Implement Unit Cost Modelling to provide transparency and accountability for government subsidy.</p>	
Community housing support	Improves viability and encourages growth of the sector.	<p>2.4 Building up to 1000 new social, affordable and market houses through the Community Housing Asset and Investment Plans</p> <p>Note – actions to support community housing are mostly integrated as part of social housing policy priority area, reflecting the whole-of-system approach.</p>	<p>Commitment to continuation of national policy levers to support growth, such as taxation initiatives, ERO, finance concessions delivered through National Housing Finance and Investment Commission (NHFIC).</p> <p>The Authority transferred the management of 5,102 PH properties to community housing between 2015-16 and 2019-20.</p>
Affordable housing	Transfers and incentives to increase supply.	<p>1.5 Introducing universal design principles for most new PH and encouraging it for affordable housing to improve lifespan and function of dwellings and support ageing in place.</p> <p>2.1 Delivering 1000 new affordable houses by 2025 for low and moderate-income households through a \$398.7m Affordable Housing Initiative.</p> <p>2.2 Delivering new social, affordable and open market homes through a \$54m neighbourhood renewal program over five years</p> <p>2.3 Reviewing and developing underutilised government, private and not-for-profit land to drive innovation and supply of new affordable housing outcomes.</p>	Commitment to a national rental affordability scheme, to encourage the supply of affordable housing.

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Priority Policy Area	Desired Outcome from Issues Paper	SA Strategic Alignment (Our Housing Future 2020-2030 Strategy Actions)	Considerations
		<p>2.6 Encouraging new partnerships and investment through pilots and further development of innovative financing, planning, design and supply solutions including build-to-rent and shared equity products</p> <p>2.8 Providing 100 supported private rental opportunities over five years for eligible social housing customers</p>	
Tenancy reform	Encourage security of tenure in the private market.	3.7 Bridging the gap between social housing, private rental and home ownership through implementation of moderate-income rent reforms from 2021-22 and removing policy workforce disincentives to encourage participation and independence	The Authority is working in partnership with Consumer and Business Services to explore improvements to the private rental experience for both tenants and landlords.
Home ownership	Including support for first home buyers.	<p>2.7 Continuing to support home ownership through 10,000 HomeStart Finance loans targeted to low-and moderate-income households and extending the HomeStart Starter Loan beyond June 2021 by an additional 100 new outcomes per year for five years.</p> <p>3.6 Enabling more low to moderate income households to buy a home by improving the provision of grants and subsidies and reducing financial barriers</p>	The Authority is supportive of continued Commonwealth stimulus enabling economic growth, providing such initiatives consider market pressures, supply and demand issues to ensure they alleviate, rather than add to market stress.
Planning and zoning reform and initiatives	Consideration of inclusionary zoning and land release strategies.	<p>1.1 Recognising housing as essential to the social, economic and environmental infrastructure and is included in the 20-year State Infrastructure Strategy</p> <p>1.2 Creating an appropriate land supply pipeline and diversity of housing supply through a responsive planning and zoning system commencing with the introduction of the Planning and Design Code by 1 July 2020</p> <p>1.4 Developing local/regional housing plan to respond to the specific conditions and local demand</p> <p>2.5 Delivering 5000 affordable housing outcomes through inclusionary design and incentive provisions in the planning system, including the 15% Affordable Housing Policy.</p>	The Authority is supportive of continued exploration of planning and zoning reform that will lead to better outcomes in the provision of affordable housing opportunities, mixed-used developments and inclusive communities.

1.2 Priority cohorts within South Australia

Homelessness is something that can occur throughout an individual's housing journey, whether they are in social housing, private rental or home ownership. Understanding how vulnerable cohorts can be supported is critical to both preventing homelessness and sustaining supports after exiting periods of homelessness.

The current NHHA priority homelessness cohorts are women and children affected by domestic or family violence (DFV), children and young people, Indigenous Australians, people experiencing repeat homelessness, people exiting institutions and care into homelessness, and older people.

From 1 July 2020 to 30 June 2021, 18,610 South Australians received a specialist homelessness service (SHS) funded under the NHHA. 67% (12,503 clients) were returning clients and received assistance from an SHS agency in another year (multiple support periods). From a priority cohort perspective, SA SHS clients from 1 July 2020 to 30 June 2021 included:

- 44% (8,223) children and young people (aged 0-24)
 - 22% (4,043) 0-14 years
 - 22% (4,180) 15-24 years
- 33% (6,132) experiencing domestic or family violence
- 29% (4,815) Aboriginal people
- 6% (1,192) older people (aged 55+)

The Authority is supportive of having agreed cohorts that can focus public policy, strategy and resources to support the most vulnerable; however, recommends consideration is given to developing national strategies and providing appropriate funding to realise improved outcomes for agreed priority cohorts. Further there should be flexibility to determine priorities and strategies to address localised and state-based need.

From 1 July 2020 to 30 June 2021, 38% of SA SHS clients were experiencing mental health issues. This is above national outcomes reported in the SHS annual report 2020/21¹² published by the Australian Institute of Health and Welfare (AIHW), which reported an increase from 27% in 2016-17 to 32% in 2020-21.

To ensure a customer-centred approach that takes into consideration that people may have a number of vulnerabilities that cross over different cohorts, new homeless and DFV alliances were established across SA on 1 July 2021. The new alliances aim to make it easier for vulnerable people to get the help they need when they need it – helping them remain in or secure a home and avoid falling into homelessness.

This collaborative approach brings together the skills and experience of multiple organisations focused on the client. The sharing and utilisation of data across the alliances helps to determine system and localised priorities. Reporting and analytics for homelessness is aligned to AIHW reporting to ensure national consistency of data and outcomes.

Identification and agreement of vulnerable cohorts, that could be applied across both housing and homeless would be beneficial. At a state-based level, this would enable clear focus areas for co-design, collaboration, prioritisation and improvement of customer pathways. Nationally, this would enable consistent benchmarking and resourcing that support multi-disciplinary approaches to improving outcomes for vulnerable groups.

Recommendation 2: Vulnerable cohorts for both housing and homelessness are identified and agreed nationally, supported by national strategies and appropriate funding.

¹² Australian Institute Health and Welfare (AIHW) 2022, *Specialist homelessness services annual report 2020-21*, accessed 28 February 2022, < <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report>>
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1.3 Homelessness priority policy reform areas

NHHA homelessness priority policy reform areas, are agreed national priorities for reform which contribute to achieving national outcomes, comprising:

- Achieving better outcomes for people,
- Early intervention and prevention, and
- Commitment to service program and design.

The Authority is supportive of these priority policy reform areas and recognises reform as a continuous improvement process, identifying the following attributes as key enablers for success:

- Governance structures that bring together government and non-government partners that enable homelessness services to work collaboratively and flexibly in consistent ways that best support individual client needs and agreed objectives.
- Long-term funding policies for the not-for-profit sector to enable strong, ongoing relationships.
- Streamlined and consistent data collection, with a focus on how we can improve outcome-based reporting to better understand our social impact.
- Initiatives and models that place a greater emphasis on early intervention and prevention.
- Service delivery and design that is underpinned by lived experience, safety and housing first approaches.

Please refer to table 2: SA Homelessness Reform progress and considerations (overleaf), for an overview as to how SA's whole-of-system approach is aligned to current NHHA priority policy reform areas, and considerations to strengthen capability to deliver desired outcomes.

Table 2: Homelessness Reform alignment and considerations

SA Homelessness Reform Alignment		Considerations
Our Housing Future 2020-2030 actions	Future Directions for Homelessness	
<p>a) Achieving better outcomes for people, setting out how the desired outcomes for individuals will be measured (may include a focus on priority groups, economic and social participation)</p>		
<p>4.3 Establishing the Office for Homelessness Sector Integration to reform the homelessness system.</p>	<p>Homelessness reforms are developed in line with agreed:</p> <ul style="list-style-type: none"> • Client service principles: (<i>person-centred, relentless and resilient, flexible support, cultural integrity and diversity, community connection</i>) • Sector principles: (<i>respecting lived experience, partnership and collaboration, dynamic leadership, transparency and accountability, efficiency and effectiveness</i>) <p>Reforms are designed to deliver key client and system outcomes across SA:</p> <ul style="list-style-type: none"> • People are safe and able to sustain long-term housing • Fewer people experience homelessness • People are rapidly rehoused to reduce the length of time they are homeless • People do not experience repeat homelessness • Increase economic and social participation for people with capacity. • Services are easy to access, effective and joined-up. • Lived experience is used to guide service and system development and improvement. <p>Creation of a new governance structure that shifts from government simply managing contracts with individual agencies, to a new system where service providers and the Authority work together to strategically plan the delivery of services, identify and resource emerging needs, and monitor whole of system outcomes. Five Alliances bringing together 18 individual service providers established 1 July 2021, including:</p> <ul style="list-style-type: none"> • Four regionally based alliances that have a geographic focus to better tailor responses according to their cohort’s needs • One DFV focused state-wide service that is integrated with the homelessness system 	<p>Governance structures that bring together government and non-government partners encouraging homelessness services to work collaboratively, consistently and flexibly are critical to reform.</p> <p>Collective impact approaches create the opportunity to address DFV, mental health, disability, drug and alcohol use, and interactions with our justice system through a shared response to create change.</p> <p>Longer term contracts enable strong, ongoing relationships, as prescribed in SA funding policy for the not-for-profit sector.¹³</p>

¹³ South Australian Government 2017, *Premier and Cabinet Circular PC 044 – South Australian Funding Policy for the Not for Profit Sector*, accessed 28 February 2022, <https://www.dpc.sa.gov.au/data/assets/pdf_file/0008/19889/PC-044-SA-Funding-Policy-for-not-for-profit-updates-4-Aug-21.pdf>

SA Homelessness Reform Alignment		Considerations
Our Housing Future 2020-2030 actions	Future Directions for Homelessness	
<p>4.1 Transitioning to an outcome-based service model that invests in and rewards positive outcomes.</p>	<p>The first six months of operation from July to December 2021, focused on alliance mobilisation. The expectations and vision of alliances have aligned while establishing the foundations of successful delivery through a robust governance structure, role clarity and communication protocols.</p> <p>SHS Service data is captured in a centralised system and alliance-based reporting is provided to inform decision-making.</p> <p>Alliance partners will share in the design and delivery of services and approaches on a 'best for outcomes' basis according to the alliance principles.</p> <p>Success is measured on a best for outcomes basis, not by reference to performance of individual alliance partners, creating a joint incentive to achieve outcomes.</p> <p>Outcome measurement and performance indicators will be agreed by the Authority and alliance partners. As the alliance progress, measures and key performance indicators will be refined to ensure that resources are always being directed in the best way to reflect new information and emerging client needs.</p>	<p>Streamlined and consistent data collection, provide the foundation to establish outcomes reporting understand social impact of reform.</p> <p>Alignment between state and national reporting is critical and is enabled by the Housing and Homelessness Data Improvement Plan led developed by the Housing and Homelessness Data Working Group (HHDWG).</p>
<p>b) Early intervention and prevention, setting out actions being taken through homelessness services and mainstream services (may include a focus on particular client groups or services)</p>		
<p>4.2 Piloting homelessness prevention initiatives and new innovation housing models through a \$20m prevention fund leveraging further investment through partnerships.</p>	<p>From 2014 to 2019, the rate of returning clients increased from 55% to 63%, and the rate for clients requiring 46 days or more of support increased from 52.6% to 57.2%, seeing SA's rate significantly higher than national averages for both.</p> <p>In 2020, \$20m was committed over 10 years to a prevention fund, aimed at providing a greater emphasis on early intervention and prevention. In 2021, the outcome of the first round of the Prevention fund has resulted in \$2.3m being awarded to Kids Under Cover to provide 51 fully relocatable studios over a three-year period to support young people grow, stay connected and prevent them from falling into homelessness.</p>	<p>Investment in pilots, jointly led initiatives and innovation strengthen capacity and capability for early intervention and prevention.</p>

SA Homelessness Reform Alignment		Considerations
Our Housing Future 2020-2030 actions	Future Directions for Homelessness	
<p>c) Commitment to service program and design, that is evidence and research-based, that shows what evidence and research was used to design responses to homelessness and how responses/ strategies will be evaluated.</p>		
<p>4.4 Developing targeted responses for people who experience chronic homelessness who repeatedly cycle through the system.</p> <p>4.5 Supporting safety first approaches through tailored outcomes commencing with the introduction of the 40-bed program including perpetrator responses which provide options for women to remain in their own home when safe to do so.</p> <p>4.6 Implementing Housing First approaches including rapid re-housing, growth of social impact bonds and pay by results contracts.</p>	<p>In February 2022, SA became the second Vanguard state in the world by formally signing a new state-wide commitment with the Institute of Global Homelessness until 31 December 2025. This builds on the City of Adelaide becoming Australia’s first Vanguard city in 2017, through the Adelaide Zero Project. Cross-sector organisations are brought together to achieve functional zero street homelessness, realised when “the average capacity of its housing system is greater than the existing need.” Since 2018, 764 people have been housed through the Adelaide Zero Project and insights gained from the project are integrated into service planning, design and delivery.¹⁴</p> <p>In 2020, 40 new crisis beds were launched for South Australians affected by DFV, including nine beds in a state-first perpetrator intervention pilot program.</p> <p>SA Homelessness Alliances have each developed a service network that incorporates a Housing First approach. The provision of accommodation and supportive housing packages will enable vulnerable people to secure housing at an earlier opportunity and be provided for on a best for outcome basis.</p> <p>The Authority is the chair for the Joint Working Group for the Aspire program (social impact bond). Aspire Social Impact Bond (Aspire SIB) is Australia’s first homelessness focused SIB. Provides both opportunities for improvements to the welfare of people that are homeless, as well as enabling savings for the SA Government through avoided services. “Based on the ‘housing first’ intervention model...designed to focus on strengthening community engagement and employment participation.”¹⁵</p> <p>On 1 October 2020, a new Housing Advice and Advocacy Service commenced, known as RentRight SA. This is a “free, independent service, helping people maintain their tenancies in private rental, community housing or public housing.”</p>	<p>The emotionally and financially draining cycle of chronic homelessness, can be broken by service delivery and design underpinned by focusing on client empowerment, social inclusion, safety and wellbeing.</p> <p>Data-informed, customer-centred, and collective impact driven sectors are enabled through collaborative alliance and partnership governance models.</p>

¹⁴ Don Dunstan Foundation, *Adelaide zero project*, accessed 15 February 2022, < <https://www.dunstan.org.au/adelaide-zero-project/>>

¹⁵ Social Ventures Australia (SVA) Consulting, *Aspire SIB*, accessed 15 February 2022, < <https://www.socialventures.com.au/work/aspire-sib/>>

SA Homelessness Reform Alignment		Considerations
Our Housing Future 2020-2030 actions	Future Directions for Homelessness	
<p>3.5 Improving service delivery by incorporating lived experience</p>	<p>Through consultation for the <i>Our Housing Future Strategy 2020-2030</i>, the Authority engaged with clients through lived experience workshops. People provided feedback and information about their experiences with homelessness services and what aspects of the system required improvement. This was used to help inform the <i>Future Directions for Homeless</i> transformation plan and the design and implementation of the SA Homelessness Alliances.</p> <p>The new alliance model requires all Alliances to have and utilise a Lived Experience Plan, which is aimed at continually improving the delivery of homelessness and DFV services.</p> <p>A Lived Experience Framework is currently under development through a co-design approach involving Alliance representatives, representatives of lived experience advisory groups and the Authority.</p>	<p>Continuous improvement and improved service responsiveness is enabled by embedding lived experience in the design and delivery of services</p>

2. Objectives and Outcomes

The objective of the NHHA is to “contribute to improving access to affordable, safe and sustainable housing across the housing spectrum, including to prevent and address homelessness, and to support social and economic participation.”¹⁶

The six outcomes of the Agreement are a shared responsibility of the Commonwealth and States and comprise:

- a) A well-functioning social housing system that operates efficiently, sustainably and is effective in assisting low-income households and priority homelessness cohorts to manage their needs,
- b) Affordable housing options for people on low-to-moderate incomes,
- c) An effective homelessness service system, which responds to and supports people who are homeless or at risk of homelessness to achieve and maintain housing, and addresses the incidence and prevalence of homelessness,
- d) Improved housing outcomes for Indigenous Australians,
- e) A well-functioning housing market that responds to local conditions, and
- f) Improved transparency and accountability in respect of housing and homelessness strategies, spending and outcomes.

NHHA funding is essential to support the delivery of services and programs. For 2021-22, NHHA funding makes up approximately 16.9% of cash inflow for the Authority, with Commonwealth Remote Indigenous Housing providing a further 1.1% (ceases 1 July 2023). While some State and Commonwealth funding can be directly aligned to specific activities, i.e. Remote Indigenous Housing, in the main cash inflow is used across the suite of Community Service Obligations (CSOs) required by the Authority to deliver.

This approach recognises that NHHA is vital in enabling outcomes to be achieved but is not directly linked or solely responsible for those outcomes being delivered.

The following provides an overview of the Authority’s view of the effectiveness and appropriateness of the six outcomes and the extent to which the NHHA enables these to be achieved.

a) A well-functioning social housing system

A well-functioning social housing system that operates efficiently, sustainably and is effective in assisting low-income households and priority homelessness cohorts to manage their needs.

Appropriateness: The outcome is appropriate and aligned to the NHHA objective. Further to section 1.2 *Priority cohorts within South Australia*, SA recommends focus on vulnerable rather than priority cohort groups.

Effectiveness: Approaches undertaken by the Authority are generally effective in delivering against this outcome in the current environment. Identified opportunities for improvement are being addressed as part of identified reform strategies and initiatives.

Extent NHHA enables: Funding supports achievement of some actions; however, a review of funding model options may support the Authority’s capability to improve and better maintain social housing.

¹⁶ The Commonwealth Government, Federal Financial Relations, *National Housing and Homeless Agreement, Part 2 – Objectives, outcomes and outputs*, accessed 15 February 2022, <
https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2021-07/NHHA_Final.pdf>

Evidenced by: Productivity Commission 2022 RoGS for the 2020-21 financial year¹⁷ and PH client data for SA, below.

i. Housing

SA's 2022 RoGS outcomes reported:

- \$576.5m total expenditure on social housing (nearly six times the amount provided for within the NHHA general estimated national SA payment scheduled for 2020-21). This included \$438.4m on recurrent expenditure and \$138.1m on capital (non-recurrent) expenditure.
- 43,366 SA households live in social housing (excluding ICH), a decline from 43,675 at June 2020.
- SA has one of the highest proportions of social housing dwellings, 570 per 10,000 residential dwellings, compared to national average of almost 400 per 10,000 residential dwellings. This represents a 40% higher coverage of social housing dwellings within the general population in SA compared to nationally.
- SA social housing dwellings accounted for 10.8% of total social dwellings nationally yet made up 6.89% of the population and subsequent distribution of NHHA general housing funding.
- SA's social housing dwelling distribution comprising:
 - 69% Public Housing (PH)
 - 27% Community Housing (CH)
 - 3% State Owned and Managed Indigenous Housing (SOMIH)
 - 1% Indigenous Community Housing (ICH) managed by the Authority
- SA's social housing dwelling rates of growth from 2012 to 2021:
 - 22% decline in PH, compared to 9% decline nationally.
 - 120% increase in CH, compared to 70% increase nationally.
 - 5% net decline in social housing, compared to 4% net increase nationally.

SA performed well across the RoGS key performance indicators, as demonstrated in Table 3: 2020-21 positive housing outcomes for South Australia.

Table 3: 2020-21 Positive housing outcomes for South Australia

Indicator	South Australia	National Average
Overcrowding – match of dwelling to household size	Lowest proportion of overcrowded households in PH (2.1%) among jurisdictions. SOMIH (8.2%), CH (3.0%) below the national average, ranking third and fourth respectively.	PH 4.2% SOMIH 24.7% CH 3.9%
	Below the national average for the proportion of Aboriginal and Torres Strait Islanders households living in overcrowded conditions for public housing (6.6%).	8.9%

¹⁷ Australian Government Productivity Commission, *Report on Government Services 2022 – Part G Housing and homelessness*, accessed 25 January 2022, < <https://www.pc.gov.au/research/ongoing/report-on-government-services/2022/housing-and-homelessness>>

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Indicator	South Australia	National Average
Priority access to those in greatest need	Above the national average in allocating social housing properties to households in greatest need. PH (88.9%), SOMIH (94.4%), and CH (95.7%).	PH 81.1% SOMIH 64.9% CH 86.1%
Affordability	Continues to outperform in the provision of affordable public housing compared to other jurisdictions. No PH or SOMIH low-income households paid more than 25% of their income on rent – the highest affordability results nationally reported for both programs.	PH 1.7% SOMIH 1.0%
	Performed well in the provision of affordable private rental housing for low-income households, and among special needs groups in comparison to other jurisdictions. 37% of Commonwealth Rent Assistance recipients experiencing rental stress (i.e. paying more than 30% of income on rent), below national average and ranking second lowest across jurisdictions.	45.7%
Dwellings occupied	CH occupancy (96.3%) above the national average, the second highest reported nationally and similar for SOMIH (94.9%).	CH 95.0% SOMIH 95.0%
Customer satisfaction	Above national average for customers being satisfied or very satisfied with PH (78.9%), SOMIH (64.9%), and CH (84%)	PH 71.9% SOMIH 64.5% CH 76.4%

Across the RoGS key performance indicators, areas for improvement have been identified as reflected in table 4 2020-21 negative housing outcomes for South Australia.

Table 4: 2020-21 Negative housing outcomes for South Australia

Indicator	South Australia	National Average
Affordability	9.8% of low-income CH households spending more than 30% of their income on rent above national average.	CH 6.0%
Underutilisation	Highest rates nationally for PH (26.2%), SOMIH (32.2%) and CH (21.5%). A range of factors affects the match of dwelling size to tenant needs, including changes in family structure, customer support needs and a large number of SA's ageing stock comprises three-bedroom dwellings built in the 1970s-80s which do not match the increasing number of single person households.	PH 16.9% SOMIH 26.7% CH 10.7%
Dwellings occupied	Below national average for the proportion of dwellings occupied for PH (94.4%), second lowest reported amongst jurisdictions. While an increase by 1.2 percentage points was reported for ICH (91.9%) to June 2021, it continues to be below the national average. Ageing stock requiring maintenance and renewal is a large contributing factor to these outcomes.	PH 96.8% ICH 93.3%

Indicator	South Australia	National Average
Overcrowding	Highest rate of ICH (33.0%) living in overcrowded conditions of the five jurisdictions able to provide data. However, comparisons across jurisdictions could be misleading due to data quality issues and they do not represent all Indigenous Community Housing organisations.	ICH 14.3%

i. Social housing assistance for low-income households and priority homelessness cohorts

Observations of PH client data estimates:

Women and children affected by DFV (priority cohort)

- As at 7 February 2022, 29.5% of Category 1 applicants (highest need) on the Public and Aboriginal Housing Register self-identified as experiencing DFV.
- The Authority participates in the Multi-Agency Protection Service (MAPS) and the Family Safety Framework (FSF) to drive improved and integrated responses to violence against women and children. This enables a coordinated response to support customers including recipients of private rental assistance, applicants on the Public and Aboriginal Housing Register and tenancies managed by the Authority.
- MAPS aims to gather and share information at earlier points of intervention for all domestic violence and child protection matters including those assessed as medium and standard risk. For 2021-22, as at January 2022, there were 1,245 customers with a MAPS action, compared to 1,923 customers during 2020-21.
- FSF is focused on imminent high-risk cases. For 2021-22, as at January 2022, there were 160 customers with a FSF action compared to 359 during 2020-21.
- It is recognised that DFV is generally under-reported and that the actual proportion of people experiencing DFV would likely be higher than what has been captured and specified in the above, particularly as MAPS and FSF only captures high-risk and high-priority cases that have SA Police involvement.

Children and young people (priority cohort) – as at January 2022

- 14.9% of PH and SOMIH tenancies include at least one occupant aged from birth to 14 years
- 10.7% of PH and SOMIH tenancies include at least one occupant aged 15 to 25 years.
- 156 children within PH and SOMIH tenancies are under a Guardianship Order (including a former order)
- 19.7% of customers assisted through the Private Rental Assistance Program (PRAP) including receiving bond guarantee, rent in advance and rent in arrears, were aged 15 to 24 years.
- 108 PRAP customers were under a Guardianship Order, including former orders.

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- 15.4% of Category 1 applicants on the Public and Aboriginal Housing Register includes at least one person who is a child or young person.

Indigenous Australians (priority cohort) – as at January 2022

- 6% of total rental stock (excluding properties under headlease to other agencies) managed by the Authority, is Aboriginal Housing stock (including Indigenous Community Housing).
- 22% of occupants in all tenanted Authority managed rental properties identified as Aboriginal.
- 18% of new applicants on the Public and Aboriginal Housing Register identify as Aboriginal.
- 27% of new applications allocated PH and Aboriginal Housing identify as Aboriginal.

People exiting institutions and care into homelessness (priority cohort)

- During 2020-21, 476 SHS clients left care in SA ('care' includes hospital, psychiatric hospital or unit, disability support, rehabilitation, aged care facility or transitioning from children's Out of Home Care).
- During 2020-21, 642 SHS clients in SA exited custodial arrangements (clients aged 10 years or older with dwelling type recorded as adult correctional facility, youth or juvenile detention centre, immigration detention centre).
- The Authority runs the Integrated Housing Exits Program (IHEP) which provides an outreach service, support and accommodation to people exiting custodial settings. The program aims to reduce the risk of homelessness and re-offending. As at 31 January 2022 there were 71 IHEP tenancies within social housing.

Older people (priority cohort)

- Nationally, people aged 55 years and over currently comprise around one-third of PH tenants.¹⁸
- 60.1% of current SA PH tenants are aged 55 or over.

Other vulnerable cohorts

(People with a disability, experiencing mental health issues and/or problems with drug and/or alcohol)

- Social housing tenants' complexity and support needs are increasing. Requiring strong partnerships with other organisations in the fields of health, disability, drug and alcohol, DFV, correctional services, child and family services, mental health and cultural-specific supports.
- As at November 2021, 39% of social housing tenants self-identified as having a disability.
- 38% of all SA SHS clients in 2020-21 were experiencing mental health issues.
- 12% of all SA SHS clients in 2020-21 were experiencing drug or alcohol issues.

¹⁸ Australian Housing and Urban Research Institute (AHURI), *Final Report No. 369 Ageing well in public housing, November 2021.*, accessed 15 January 2022, < https://www.ahuri.edu.au/sites/default/files/documents/2021-11/AHURI-Final-Report-369-Ageing-well-in-public-housing_0.pdf>

b) Affordable housing options

Affordable housing options for people on low-to-moderate incomes.

Appropriateness: The outcome is appropriate and aligned to the NHHA objective.

Effectiveness: While the Authority plays a vital role in supporting the availability of affordable housing options for low-to-moderate incomes, a lot of factors outside of the Authority's control influence the effectiveness of being able to do this. This includes availability of funding for capital works programs, national strategies and policy levers as described in Section 3, housing market conditions, low-to-moderate income financing options, local government planning approaches, and non-government organisation (including building industry and CHPs) appetite to provide affordable housing options.

Extent NHHA enables: Existing funding arrangements support the achievement of some activities; however, the Authority's capital works programs are generally offset by sale of assets and rent and other charges.

Evidenced by: Demonstration of long-term commitment and whole-of system approach to improving affordable housing outcomes as per Strategy 2 of *Our Housing Future 2020-2030* strategy.

Eight actions that will provide direct benefits to either boost supply or access to affordable housing. With initiatives being individually and jointly led by a range of stakeholders.

Actions focused on a multi-faceted approach to reducing housing stress through affordable housing solutions include:

- \$398.7m affordable housing initiative to deliver 1,000 new affordable houses by 2025.
- \$54 m over five years for neighbourhood renewal program to deliver new social, affordable and open market homes.
- Leveraging the benefits of transfer of PH stock to CHPs to stimulate the building of up to 1,000 new homes by the CH sector.
- Inclusionary design and incentive provisions in the planning system, including 15% Affordable housing policy to deliver 5,000 affordable housing outcomes.
- Expanding choice and diversity by partnering with industry to pilot innovation in affordable housing, such as build-to-rent, innovative design and shared equity for specific income and demographic groups.
- Assist more low-to-moderate income households who qualify for a HomeStart Finance loan, achieve home ownership and meet the upfront costs of purchasing a home.
- Enable eligible social housing customers to sustain independent living arrangements through participation in an affordable CH land tax exemption pilot to 2025.

c) Effective homelessness service system

An effective homelessness service system, which responds to and supports people who are homeless or at risk of homelessness to achieve and maintain housing, and addresses the incidence and prevalence of homelessness.

Appropriateness: The outcome is appropriate and aligned to the NHHA objective.

Effectiveness: Approaches undertaken by the Authority are generally effective in delivering against this outcome in the current environment. Identified opportunities for improvement are being addressed as part of reform strategies and initiatives.

Extent NHHA enables: Existing funding arrangements support achievement. Continued success is reliant on continued commitment of current funding characteristics including:

- Proportion of funding based on need (aligned to the State’s share of total homelessness).
- Joint responsibility between State and Commonwealth governments for SACS ERO supplementation funding (*as described in Section 4: Funding and Governance*).

Evidenced by: Productivity Commission 2022 RoGS¹⁹

i. Specialist Homeless Services (SHS)

South Australia’s 2020-21 RoGs reported:

- \$83.5m total expenditure on SHS (more than six times the amount provided for within the estimated NHHA homelessness and general SACS SA payment scheduled for 2020-21)
- 18,610 South Australians received SHS across 32,435 periods of support
 - 28.8% identified as Aboriginal
 - 5.4% were born in non-English speaking countries
 - 4.6% living with a disability

SA continued to perform well and remained ahead of the national average across RoGS key performance indicators, as demonstrated in Table 5: 2020-21 positive performance outcomes.

Table 5: 2020-21 Positive homelessness outcomes for South Australia

Indicator	South Australia	National Average
Unmet demand – need for accommodation not met	Below the national average, seeing 14.7% of clients with unmet demand for accommodation.	32.3%
Sustained housing – in independent housing after support	Highest result of all jurisdictions, seeing 67.9% of clients achieving independent housing at the end of their support. SA also recorded the second highest result (64.6%) for Aboriginal clients with independent housing after support.	63.7% (all clients) 60.5% (Aboriginal and Torres Strait Islander clients)
	Highest result (57%) across jurisdictions for clients who were homeless at presentation (i.e. non-independent housing) who needed assistance to obtain independent housing and achieved it by the end of their support. The most common types of independent housing reported after support was private rental (31.9%), PH (22.3%) and CH (10.1%).	37.2%

¹⁹ Australian Government Productivity Commission, *Report on Government Services 2022 – Part G Housing and homelessness*, accessed 25 January 2022, < <https://www.pc.gov.au/research/ongoing/report-on-government-services/2022/housing-and-homelessness>>

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Indicator	South Australia	National Average
	<p>Prioritising stable housing is a key element of a Housing First model that supports people experiencing or at risk of homelessness to move out of homelessness. The above results could be indicative of better access to housing options, including through supportive programs delivered by SHS in SA and initiatives with a housing first approach such as the Adelaide Zero Project and the Aspire SIB Program described in Section 1.3.</p>	
Addressing client needs – has a case management plan	<p>The proportion of closed support periods that had an agreed case management plan in place has continued to increase in SA, (68.2% in 2020-21 from 62.3% in 2019-20) and is above the national average. This proportion in SA has been increasing since 2016-17 and is now the second highest among jurisdictions.</p> <p>SA also recorded the second highest proportion for Aboriginal clients (71.4%).</p> <p>Case management plans enable agency workers to tailor assistance for individuals to work towards agreed goals covering their housing needs, along with other life domains. It should be noted, the data collection system in SA will only enable a client's lead agency to record a case management plan.</p>	55.1% (all clients) 59.4% (Aboriginal and Torres Strait Islander Clients)
Cost per day of support	<p>While the recurrent cost per day of support in SA (\$43.05) remained below the national average, there is reported to be an increase in real terms of 13.5% from \$37.94 in 2019-20.</p> <p>The increase of SA's cost per day of support for 2020-21 (and increase to 14.1% administrative expenditure) is predominantly due to inclusion for the first time of apportioned indirect costs in administrative expenditure that were previously allocated as expenditure to other social housing programs enabled through the adoption of an Activity and Unit based costing model. There has been no reduction into total service delivery expenditure.</p> <p>It should be noted that there is varying treatment of expenditure items and methods for generating financial data across jurisdictions.</p>	\$43.98
Economic participation – has employed or enrolled in education and/or training after support	<p>22.5% of clients aged 15 years or over who were employed or enrolled in education and/or training after support.</p>	21.1%

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Indicator	South Australia	National Average
Economic participation – has income source after support	92.8% of clients aged 15 years and over had an income source at the end of their support. This is a 2.8 percentage point increase from 90% in 2019-20. Second largest increase in clients with an income before and after their support (91.3% before support to 92.8% after support). Most SA clients who needed income assistance were receiving a government benefit after support (86.6%).	92.2%
Daily unassisted request for homelessness assistance	<p>1.7 average number of daily unassisted requests for accommodation, second lowest result across jurisdictions.</p> <p>0.9 average number of daily unassisted requests for homelessness services, resulting in the third lowest result amongst jurisdictions.</p> <p>These results reflect SA's 'no wrong door' approach seeing each SHS agency acting as an entry point for assistance. SA's shared case management approach allows homelessness agencies to assess people presenting and streamline a referral to another homelessness agency or a mainstream service.</p>	226.3 / day (accommodation) 60.4 / day (services)

Across the RoGS key performance indicators, areas for improvement have been identified as reflected in Table 6: 2020-21 negative homelessness outcomes for SA (overleaf).

Table 6: 2020-21 Negative outcomes for South Australia

Indicator	South Australia	National Average
Economic participation – has employed or enrolled in education and/or training after support	<p>13.7% clients aged 15 years and over with an employment or training need who are employed after their support. This was the lowest result amongst jurisdictions.</p> <p>SA performed well in referring clients to education or training, especially for those aged 12 to 18 years, however performed poorly in the achievement of employment.</p> <p>This result could be an indication of a lower level of employment within SA and particularly within vulnerable population groups. At 7.2% SA had the lowest level of clients with an employment or training need who were employed before support.</p> <p>Improvements in the level of employment in the general SA population is expected to lead to improved levels of employment for clients accessing homelessness support.</p>	22.6%

Indicator	South Australia	National Average
Sustained Housing – repeat periods of homelessness	<p>6.3% clients experiencing homelessness who had repeat periods of homelessness.</p> <p>This proportion has increased since 2017-18. The likelihood of repeat periods of homelessness was higher in regional areas of SA (5.9% in Greater Adelaide and 7.5% in the rest of SA).</p> <p>These results may highlight issues associated with limited access to secure accommodation for women and children experiencing DFV or transient clients in regional areas. For example, a client may be provided temporary accommodation in one region, but may re-present as homeless after moving to a new area due to limited access to accommodation.</p>	5.6%

d) Improved housing outcomes for Indigenous Australians

Improved housing outcomes for Aboriginal people

Appropriateness: The outcome is appropriate and aligned to the NHA objective and supports improved outcomes for one of the homelessness policy priority cohorts.

Effectiveness: Recognises that appropriate housing is currently out of reach for a growing number of Aboriginal people in SA, and systemic change is vital to help them reach their housing aspirations.

Extent NHA enables: Funding supports achievement of some actions, however national strategies, agreements and funding dedicated to improving outcomes for Aboriginal peoples are critical in maximising improvements for this outcome. Notably, the Commonwealth has not committed to future funding for Remote Indigenous Housing, which will place an additional cost pressure on the Authority.

Evidenced by: Productivity Commission 2022 RoGS.²⁰ Demonstration of long-term commitment and whole-of-system approach to enable Aboriginal peoples living in SA to have equitable access to safe, secure and affordable homes through the *South Australian Aboriginal Housing Strategy 2021-2031*.

South Australia’s 2021-22 RoGs reported:

- Aboriginal peoples continued to be over-represented in those accessing SA’s specialist homelessness services (SHS). This over-representation was recorded for other jurisdictions and nationally.
 - 28.8% Aboriginal representation among SA SHS clients. Around 11 times higher than their representation in the general population (2.6% in SA).
 - 9% of Aboriginal clients reported to have experienced repeat periods of homelessness in comparison to non-indigenous (5.0%) in SA.
 - Aboriginal South Australians’ higher access to homelessness is likely influenced by higher levels of disadvantage, remoteness, mobility, family violence and limited options for housing and other support services.

²⁰ Australian Government Productivity Commission, *Report on Government Services 2022 – Part G Housing and homelessness*, accessed 25 January 2022, < <https://www.pc.gov.au/research/ongoing/report-on-government-services/2022/housing-and-homelessness>>

Housing in regional and remote communities

To improve housing outcomes for Indigenous Australians, particularly those in regional and remote communities, a commitment to ongoing funding is imperative. In 2018, the Department of the Prime Minister and Cabinet undertook a review of the National Partnership Agreement on Remote Indigenous Housing and the Remote Housing Strategy, which identified that without recurrent future funding from governments, remote housing would quickly fall out of commission and fail to support the health and wellbeing of tenants.²¹

It was noted that government funding was especially critical in this context, as the costs of housing cannot be reliably covered by rental income or investment given the unique conditions of remote housing. The review further recommended the costs of remote Indigenous housing programs be split 50:50 between the Commonwealth and the jurisdictions to promote focus on quality outcomes as opposed to outputs.

In allowing the rollover of underspend within the five-year cycle, the 50:50 model has enabled greater flexibility in managing budgets and services for ICH than if the state were the sole funder.²² A shared approach to funding is the Authority's preferred model for continuing to deliver against this outcome.

SA's commitment to service provision in remote communities requires continuity of funding to ensure that living standards, access and suitability of housing stock can be maintained and improved. A lack of clarity around ongoing funding for Remote Indigenous Housing is concerning to the Authority, which manages a high volume of remote housing across a wide span of communities. With limited infrastructure and a vast geographical catchment, providing housing services in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands and other remote communities comes with significant overheads and supply shortages. Further, the geographical positioning of remote communities exacerbates the impacts of extreme weather, as demonstrated by the isolation of communities within the APY Lands and northern SA in January 2022 due to unseasonable flooding.²³

South Australian Aboriginal Housing Strategy 2021-2031

The *South Australian Aboriginal Housing Strategy 2021-2031* is a ten-year plan to improve housing outcomes for all Aboriginal South Australians.

Whilst consulting with Aboriginal communities across SA, community members and participants consistently called for self-determination and self-governance to improve housing and life outcomes.

Consultation undertaken to inform the Aboriginal Housing Strategy determined that 50% of participants wanted to own their own home; however, many identified that they were unable to do so due to a range of barriers. These included not enough income to save for a deposit, higher unemployment and less intergenerational wealth transfer due to wage disparity and historical legal standing between Aboriginal and non-Aboriginal peoples. In addition, the concept of personal financial wealth is often in conflict with Aboriginal cultural values and beliefs, where care and obligation for family across extended and complex kinship relationships takes precedent to financial savings.

The Authority acknowledges the clearly demonstrated connection between housing and whole of life outcomes, and the critical role that a stable home environment has on health, social, economic, safety, education and disability outcomes, among others.²⁴ South Australia also recognises the role of a home to

²¹ Commonwealth of Australia, Department of the Prime Minister and Cabinet, *Remote Housing Review: A review of the National Partnership Agreement on Remote Indigenous Housing and the Remote Housing Strategy (2008-2018)*, p75.

²² Lea, T., Grealy, L., Moskos, M., Brambilla, A., King, S., Habibis, D., Benedict, R., Phibbs, P., Sun, C. and Torzillo, P. *Sustainable Indigenous housing in regional and remote Australia*, AHURI Final Report No. 368, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/368>, (2021), p27.

²³ ABC, 2022, *Flooded APY Lands remain cut off as evacuation flight considered for Coober Pedy*, accessed 2 February 2022, <<https://www.abc.net.au/news/2022-02-02/apy-lands-and-coober-pedy-isolated-after-floods/100799030>>

²⁴ NSW Government, 2016, *Measuring Social Housing Outcomes: Desktop review of evidence | Interim Report*, accessed 2 February 2022, <<https://www.facs.nsw.gov.au/download?file=388349>>.

Aboriginal peoples is not simply shelter, but a place that facilitates ongoing connection to Country and culture, maintenance of important kinship relationships and a personal sense of belonging and wellbeing.²⁵

The Aboriginal Housing Strategy aims to realise aspirations for greater self-determination in housing where Aboriginal communities can set their priorities, co-design housing services and be supported to develop their own local housing management frameworks. It is a long-term strategy to improve Aboriginal housing in SA and includes 17 actions under six clear pillars that will:

- Put Aboriginal voices at the centre of decision making.
- Change the way Government does business.
- Create more jobs for Aboriginal peoples and businesses.
- Make more safe places to stay when and where Aboriginal people need it.
- Provide better access to housing.
- Enable pathways for buying a house that are accessible and ethical.

A key element of the Aboriginal Housing strategy is partnerships, acknowledging the pivotal role Aboriginal peoples pay in addressing their communities' housing needs, interest, and aspirations and creating opportunities and partnership.

These aims are closely aligned with the five Outcomes of the Closing the Gap Agreement:

- a. Shared decision-making.
- b. Building the community-controlled sector.
- c. Improving mainstream institutions.
- d. Aboriginal and Torres Strait Islander-led data.
- e. (Improved) socio-economic outcomes.

e) Well-functioning housing market

A well-functioning housing market that responds to local conditions.

Appropriateness: The outcome is aligned to the NHHA objective, in that a well-functioning housing market that responds to local conditions is necessary in order to improve access to affordable, safe and sustainable housing. However, the level of influence the Authority, as the NHHA funding recipient, has over the overall success of this outcome is limited. The interdependence of local, state and commonwealth governments, as well as non-government stakeholders in achieving this desired outcome needs to be highlighted.

Effectiveness: While the Authority plays a supportive role in creating a well-functioning housing market, its influence is limited and dependent on other government and non-government stakeholders

Extent NHHA enables: NHHA does not enable this outcome.

Evidenced by: Demonstration of long-term commitment and whole-of system approach to create conditions for a well-functioning housing market as per Strategy 2 of *Our Housing Future 2020-2030*.

Our Housing Future contains four actions that will provide direct benefits to boost the supply of affordable housing. With initiatives being individually and jointly led by a range of stakeholders.

Actions focused on a multi-faceted approach to increasing supply by creating the conditions for a well-functioning housing market include:

²⁵ Government of South Australia, 2021, *South Australian Aboriginal Housing Strategy 2021 – 2031*, accessed 2 February 2022, <https://www.housing.sa.gov.au/our-housing-future/sa_aboriginal-housing-strategy> .

- Coordination of sustainable social and affordable housing investment with other essential infrastructure investment to ensure housing initiatives are aligned with industry and regional growth.
- Introduction of a housing renewal module to the Planning and Design Code to guide housing renewal projects and create new affordable housing.
- Develop local/ regional housing plans to respond to specific conditions and local demand.
- Introduce Universal design principles for most new PH and encouraging it for affordable housing to improve lifespan and function of dwellings and support ageing in place.

f) Improved transparency and accountability

Improved transparency and accountability in respect of housing and homelessness strategies, spending and outcomes.

Appropriateness: This outcome is interpreted in terms of the States contribution to ongoing collection and reporting of agreed data and data improvements to enable nationally consistent data sets. While data is important to benchmark and identify improvements and opportunities for improvements across housing and homelessness, the Authority views this measure as an output, rather than an outcome aligned to the NHHA objective.

Effectiveness: Effectiveness of current approach is unclear.

States are required under the NHHA to provide an annual Statement of Assurance to report against the requirements set out in clause 17 ('Outputs'), clause 46 ('General Funding') and clause 49 ('Homelessness Funding'). While this provides accountability against the agreement, it is unclear how the data provided in these reports are used to inform national strategies, funding and policy levers or to support cross-jurisdictional benchmarking to inform improvement efforts.

Benchmarking and improvement data is generally sourced from statutory reporting performed via annual RoGS published by the Productivity Commission. The completion of the annual Statement of Assurance is a separate process to RoGS submission, requiring additional administrative burden on each jurisdiction to complete. It should also be noted that requests by the Commonwealth for additional information to be reported as part of the Statement of Assurance has occurred outside of contract negotiations and Data Improvement Plan activities, and has been made contingent on receiving annual funding instalments such as 2021-22 ERO SACS supplementation funding.

In part 2 of the NHHA, it states that the "outcomes of this Agreement are a shared responsibility of the Commonwealth and States". With this in mind, reporting from the Commonwealth back to the States on initiatives that are occurring at a federal level against the NHHA outcomes would be beneficial to improving transparency and accountability.

The Housing and Homelessness Data Improvement Plan developed by the Housing and Homelessness Data Working Group (HHDWG), is effective in bringing together key stakeholders across housing and homelessness in which to agree and progress priorities focused on improving data. Consistent national data sets are vital in enabling improved transparency and accountability, but also in setting national and jurisdictional priorities and reform agendas. Section 5: Performance Monitoring and Reporting will discuss this in more detail.

Extent NHHA enables: Provides an account as to how States are performing against NHHA requirements to receive funding.

Schedule E: Housing and Homelessness Data Improvement Plan 2019-2023 provides for a national approach towards continuous improvement of housing and homelessness data.

3. National strategies and policy levers

In addition to innovation and working in partnership with other government and non-government organisations, national strategies and policy levers play a vital role in increased supply of affordable housing and increasing economic and social participation. Key to increasing supply and affordability is the continued federal investment in:

- Commonwealth Rent Assistance that currently supports 6.14% of the SA population (108,950) to maintain a private rental that they otherwise could not afford.
- National Rental Affordability Scheme (NRAS) which closed in 2014 and will see over 2,600 tenancies for low-to-middle income South Australians end between 2021-2026.
- Taxation and superannuation incentives to encourage and enable the supply of affordable housing.
- National finance concessions to support CHPs leverage social housing assets for the intention of increase affordable housing options.
- A joint Commonwealth and State partnership approach for SACS ERO supplementation funding, which is critical to support the financial capability of SA's homelessness service providers to attract and retain staff.
- National strategies and funding models that support advancing outcomes of priority cohorts such as people with a disability, and Aboriginal and Torres Strait Islander people.

Recommendation 3: Multi-agency reporting across national strategies and agreements that intersect are reviewed to reduce duplication and increased workload.

3.1 Australia's Disability Strategy

Australia's Disability Strategy identifies that primary responsibility for public, social and community housing lies with State governments.²⁶ There is clear integration and interdependencies between the strategy and the NHHA; however, as noted throughout this submission, positive social outcomes require connected service delivery between multiple providers which remain split across federal, state and local levels.

In SA, 39% of social housing tenants (as at November 2021), and 4.6% of SHS self-identify as living with disability.

As previously discussed in Section 1.2, people living with disability have not been identified as a priority cohort; however, it is encouraged that a focus on vulnerable cohorts be progressed. This approach is intended to better understand the impact, multi-disciplinary supports and specialised cross-sector approaches that are required to best support people living with disability to improve housing and life outcomes.

The current housing market as described within the background of this submission, highlighted market sale price and weekly rental prices increasing, in addition to a 16-year low in vacancy rates. For people living with disability, this is further exacerbated when also factoring in the appropriateness of properties to meet their needs, as well as affordability issues if the Disability Support Pension is their main source of income.

²⁶ Department for Social Services. *Australia's Disability Strategy 2021-2031, Appendix 4: Roles and Responsibilities of Governments*, p55.

SA's social housing asset profile is ageing and has a typography that does not meet customer need, which is increasing in complexity. The average age of SA PH stock is 40 years old, meaning a large proportion of stock was built before the introduction of disability accessibility standards. Retrospectively undertaking disability modifications in these homes poses challenges.

The modification of PH stock to improve disability access is critical to support people living with disability remain in their own home. In 2020-21, the Authority completed disability modifications on over 2,000 properties costing over \$5.3m. Halfway through 2021-22 financial year (until 31 January 2022), disability modifications on 1,206 properties, costing more than \$2.7m have already been completed. The expense is not recognised under the NHHA or Australia's Disability Strategy.

Social procurement is also a key mechanism that government has at its disposal to increase access to employment for people living with disability. The Authority is exploring these possibilities, where appropriate, to seek tender submissions that encourage the inclusion of a workforce including people living with disability. It is anticipated that submissions with higher social impact outcomes, may incur higher contract expenditure to ensure necessary training and supports are in place to fulfil contract requirements.

The outcomes and policy priorities of Australia's Disability Strategy, especially in relation to Inclusive Homes and Communities, aligns with the work that SA is doing, guided by *Our Housing Future 2020-2030*. The strategy focus of putting the customer at the centre of what we do, commits SA to create inclusive communities to meet the needs of all South Australians and especially those living with disability. Notwithstanding this, dedicated funding to better support complex needs and modifications will enable achievement of the priorities in Australia's Disability Strategy.

In October 2020, the Authority released its first *Disability Access and Inclusion Plan 2020-2024 (DAIP)*, with the aim to remove the barriers people living with disability face. The plan sets out a number of actions that will improve accessibility and inclusion for customers and supports the key priorities outlined in the State's *Disability Inclusion Plan 2019-2023: Inclusive SA*.

The DAIP recognises the interdependent relationship between housing and life outcomes. For the Authority, this means not only improving disability accessibility of social housing, but adopting a holistic approach to demonstrating our ongoing commitment to the delivery of inclusive and accessible housing services for South Australians living with disability

This holistic approach sees the DAIP centred around four overarching focus areas to enable the delivery of inclusive and accessible housing services for South Australians living with disability, including:

- i. Inclusive communities for all**
Contributions and rights of people living with disability are valued and understood by all South Australians, and their rights are promoted, upheld and protected.
- ii. Leadership and collaboration**
The perspectives of people living with disability are actively sought, and that they are supported to participate meaningfully in government and community consultation and engagement activities.
- iii. Accessible communities**
Increase accessibility to public and community infrastructure, transport, services, information, sport and recreation and the greater community.
- iv. Learning and employment**
People living with disability have access to inclusive places of study, and that education and training provides pathways to meaningful and inclusive employment and volunteering opportunities.

The Authority would also highlight a need to review approaches of multi-agency reporting across national strategies and agreements that intersect, such as Australia's Disability Strategy and the NHHA. Without a review, consideration of streamlining and leveraging existing data sources there is a risk of potential duplication, increased workload and unavailable/inconsistent data being reported by States.

3.2 Closing the Gap

*"The objective of the National Agreement on Closing the Gap (the National Agreement) is to enable Aboriginal and Torres Strait Islander people and governments to work together to overcome the inequality experienced by Aboriginal and Torres Strait Islander people, and achieve life outcomes equal to all Australians."*²⁷

Section 2d of this submission has highlighted the South Australian *Aboriginal Housing Strategy's* alignment with the five outcomes of the Closing the Gap Agreement:

- a. Shared decision-making
- b. Building the community-controlled sector
- c. Improving mainstream institutions
- d. Aboriginal and Torres Strait Islander-led data
- e. (Improved) socio-economic outcomes

Housing has a direct and indirect impact across the 17 targets within the National Closing the Gap Agreement.

Housing that is inclusive and available where needed, provides opportunity for employment, prevents overcrowding and keeps people connected to their community supports other Closing the Gap targets to be realised.

Access to safe housing within inclusive communities, Aboriginal communities and locations that are properly equipped with public amenities, services and infrastructure, and employment opportunities supports the ability to realise Closing the Gap outcomes.

The NHHA provides support for maintaining existing social housing and homeless programs. Transformation and systemic change for Aboriginal housing that enables shared decision making, culturally informed services and increased opportunities to maintain Aboriginal peoples' personal and cultural wellbeing require dedicated funding and resources to create change.

Social procurement is also a key mechanism that government has at its disposal to increase access to employment for Aboriginal people. The Authority has set up a training program for social housing tenant and is exploring opportunities to increase procurement with Aboriginal Community Controlled Organisations.

3.3 The Fifth national Mental Health and Suicide Prevention Plan

38% of SA's specialist homelessness clients were experiencing mental health issues in 2020-21. The Authority is keen to understand how to best support SA's most vulnerable rough sleepers.

The Fifth National Mental Health and Suicide Prevention Plan (The Fifth Plan)²⁸, released in 2017 and expiring 2022, aims to improve the lives of people living with a mental illness and the lives of their families, carers and communities.

The Fifth Plan highlights "Many people living with mental illness interface with health care, social care, housing and other services...there needs to be greater integration between mental health services and other services and better recognition of the broader determinants of mental health and issues that affect people living with mental illness. This means connecting health and areas such as disability, housing, education and employment. It also means extending integration into prevention and early intervention."

²⁷ Australian Government, Closing the Gap, *National Agreement on closing the gap*, accessed 15 February 2022, <<https://www.closingthegap.gov.au/national-agreement>>

²⁸ Mental Health Commission 2017, *The Fifth National Mental Health and Suicide Prevention Plan*, accessed 15 February 2022, <<https://www.mentalhealthcommission.gov.au/getmedia/0209d27b-1873-4245-b6e5-49e770084b81/Fifth-National-Mental-Health-and-Suicide-Prevention-Plan>>

In recognition of this cross-sector, cross-discipline approach the Authority has implemented a range of programs and pilots to better support social housing tenants and specialist homelessness clients.

Following the COVID-19 pandemic response in 2020, 250 people provided emergency accommodation in motels were able to be transitioned into housing. However, there were a group of SA's most vulnerable with complex behaviours who returned to rough sleeping after COVID-19 accommodation supports were provided. In July 2021, the Authority launched a 15-month trial targeting the above cohort "Housing for Health". The trial saw up to 60 people deemed the state's most complex rough sleepers offered short-term PH at a dedicated site with onsite support from SA Health workers.

SA Health provide outreach drug, alcohol and mental health support to the tenants, while Uniting Communities offer case management support.

The Authority, in partnership with CHPs, provide a Mental Health Supported Social Housing Program that provides supported housing to eligible Community Mental Health customers.

A person may be nominated for the program by Community Mental Health if they meet all the below criteria:

- They are a registered consumer of Community Mental Health services,
- They have a care coordinator and a care plan,
- They are eligible for Category 1 in public or community housing, and
- They are in high need and cannot sustain a tenancy without support.

This approach is reliant on the Mental Health system being able to adequately have supports and referral pathway approaches in place. The program also places additional complexities and supports required on managing the tenancy, for example increased case management support to manage anti-social behaviour complaints or property damage.

Supporting customers with complex needs requires dedicated funding and focus on the vulnerable cohort as described in Section 1.2. In addition, service delivery design and supports need to consider that approaches need to recognise and allow for individuals experiencing one or many vulnerabilities that require specialised supports.

4. Funding and Governance

As discussed in Section 2 of this submission, NHHA funding is essential to support the delivery of services and programs. For 2021-22, NHHA funding makes up approximately 16.9% of cash inflow for the Authority, with a further 1.1% from Commonwealth Remote Indigenous Housing (ceases 1 July 2023). While some State and Commonwealth funding can be directly aligned to specific activities i.e. Remote Indigenous Housing, in the main cash inflow is used across the suite of Community Service Obligations (CSOs) required by the Authority to deliver.

4.1 Funding arrangements and options

The NHHA adopts two approaches for distribution of funds across jurisdictions:

- General housing funds are distributed based on proportion of population each jurisdiction represents.
- Homelessness funds are distributed based on the State/Territory share of total homelessness each jurisdiction.

The per capita funding allocations used by the NHHA are simple to administer; however, do not encourage investment or incentivise growth or quality improvement in social housing. In addition, this funding model does not reflect the different complexities and challenges each jurisdiction faces based on their localised priorities as determined by their individual asset profiles, vulnerable cohort needs, and geographical landscapes.

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It is recommended a review of different options are undertaken by the Productivity Commission, which may include consideration of a mix of base funding plus specialisations such as:

- Funding per government managed residential dwelling to incentivise growth of social housing.
- Rural and remote loadings applied to government managed residential dwellings in accordance with the AIHW geographical remoteness classification (ASGS-RA)²⁹. This has been a successful approach applied by the South Australian Department of Child Protection in their funding of family-based care services³⁰. The remoteness loadings reflect the increased cost associated with supporting service delivery and supports in rural and remote locations.
- Funding based on low-income quintile and/or vulnerable cohort demographics which could be joined up with relevant National Strategies and funding streams.
- Contingency funding to draw on to manage housing market stress caused by factors outside of the control of the jurisdiction such as pandemic or emergency disasters, national immigration and refugee policy decisions.
- Reintroduction of state matching requirements for all NHHA funding, rather than solely for the homelessness component.
- Reintroduction of anti-clawback provisions such that the imposition of state taxes does not reduce the amount of NHHA funding provided.

Any change to funding models would require heavy consultation across jurisdictions, as one option may be beneficial for one jurisdiction at the detriment of the other. Consideration would also need to be given to the different state-based taxation structures in operation in each jurisdiction, and how these impact on overall NHHA funding and outcomes. The bilateral agreements could be utilised to identify funding specialisations that may be agreed.

In addition to funding models, the commitment by the Commonwealth to continue Social and Community Services (SACS) Equal Remuneration Order (ERO) supplementation funding is vital to the continuation of SA's SHS.

SACS ERO supplementation funding requirements within the NHHA is a joint responsibility between State and Commonwealth governments, whereby States match Commonwealth contributions to support frontline service workers in the housing and homelessness sector. ERO funding is primarily received for services provided by the SHS. This ERO funding is an essential aspect of ensuring that the Authority is supporting our partner organisations in delivering services that focus on early intervention and prevention to stop people falling into, and repeatedly cycling through the homelessness system. A joint State and Commonwealth partnership approach for continued ERO funding is critical to support these vital services and ensure the financial capability of providers to attract and retain staff, as part of a future negotiation process for subsequent agreements. South Australia also draws attention to our recommended inclusion of the SACS ERO within the NHHA review's Terms of Reference, noting the integral role this funding stream contributes to a well-functioning and effective housing and homelessness system.

From the commencement of NHHA funding, SA has not only matched but far exceeded the agreement's requirements for matching Commonwealth homelessness (including SACS) funding. In 2018-19, total funding for homelessness programs was \$68.334m, including an SA contribution of \$35.264m that was almost four

²⁹ Australian Institute of Health and Welfare (AIHW), *Remoteness classification (ASGS-RA)*, accessed 25 February 2022, <[³⁰ Department for Child Protection, *Family based care funding*, accessed 25 February 2022, <\[>\]\(https://www.childprotection.sa.gov.au/service-providers/service-provision-requirements/family-based-care-funding\)](https://meteor.aihw.gov.au/content/index.phtml/itemId/531713#:~:text=Australian%20Statistical%20Geography%20Standard%2DRemoteness,from%20the%20nearest%20Urban%20Centre.></p></div><div data-bbox=)

times greater than the matching requirement of \$9.4m.³¹ Similarly in 2019-20, SA's own actual expenditure of \$37.329m well surpassed its matching requirement of \$9.6m, for total consolidated funding of \$71.235m.³² SA notes, in reviewing each jurisdictions' Statement of Assurances, a similar trend across most States where their contributions not only matched but exceeded Commonwealth funding. Further, the reported NHHa funds spent on homelessness services far exceeded the agreement's (estimated) state homelessness funding allocations, indicating that general funding was redirected towards those services and emphasising the need for funding to contribute toward an effective homelessness system.

SA is committed to building a better and more responsive homelessness system. Through a new innovative way of delivering services, our *Future Directions for Homelessness* reforms will be delivered through SA's Homelessness and Domestic and Family Violence Alliances. The Alliances provide a collaborative model to connect specialist homelessness and DFV providers, while giving our clients with lived experience a voice, to build a system that will better meet the needs of South Australians experiencing or at risk of homelessness.

For consideration in determining potential improvements to future funding arrangements, the Authority notes the specific match funding requirements within the Commonwealth State Housing Agreement (CSHA) that operated from 1 July 2003 to 30 June 2008. Clauses within the CSHA under 'Allowable Uses of Assets and Available Funds' clearly articulated that Commonwealth funding and State match funding contributions flowing from the CSHA could only be used for the defined purposes of the agreement; including that the interaction of State based taxes and allocated funding could not involve a 'net reduction in funds available for housing assistance'. Since the removal of these provisions, the Authority has noted a significant reduction in net State funding (State funding provided less State taxes levied) for housing when compared to State funding levels under the former CSHA.

Recommendation 4: A review of different funding options is undertaken, including consideration of; a mix of base funding plus specialisation, state matching requirements, and anti-clawback provisions.

Recommendation 5: Future funding agreements include appropriate provisions for Social and Community Services (SACS) Equal Remuneration Order (ERO) supplementation.

4.2 Governance arrangements

In addition to performance monitoring and reporting, which is to be discussed in Section 5 and has been highlighted in Section 2, the Authority has identified three elements to be considered that will impact the efficacy of the NHHa:

- The term of funding,
- National Housing Strategy, and
- Oversight by a Ministerial Council.

i. Term of funding

From a funding perspective, a foundational premise for the Homelessness and DFV Alliance model was that previous funding contractual terms were too short and did not encourage stability and forward planning. The Alliance model seeks to provide longer-term funding, to allow for innovation, service improvement and to

³¹ South Australia Statement of Assurance – NHHa 2018-19, p.2.

³² National Housing and Homeless Agreement: South Australian Statement of Assurance 2019-20, p.1.

break down the barriers between individual providers within geographical boundaries through the integrated approach.

The Alliance model commenced in July 2021 with an initial contractual term from 1 July 2021 to 30 June 2023. The contracts may be extended dependent on the availability of funding under a new NHHA (or replacement agreement) and satisfactory performance by contracted service providers as determined by the Authority. Demonstration of early progress under the Alliance model will be a key factor in future funding and duration decisions. The partnerships will always be required to operate within the existing funding allocation and be aligned to NHHA requirements.

NHHA's five-year funding enables strong, ongoing relationships, as prescribed in South Australian funding policy for the not-for-profit sector.³³

Recommendation 6: Ensure the term of the funding agreement enables strong, ongoing relationships with the not-for-profit sector and other key partners within the multi-provider housing and homelessness system.

ii. National Housing Strategy

As illustrated throughout the submission, the Authority is well established with long-term whole-of-system strategies to drive housing and homelessness reform across SA.

In the event of the development of a National Housing Strategy, the Authority would recommend the consideration of any such strategy:

- Be evidenced-informed and underpinned by lived experience.
- Provide broad level housing and homelessness outcome targets that guide aspirational national outcomes that states can connect with.
- Not prescribe specific actions State must do, which may be in contradiction or opposition to existing long-term strategies, and/or may not be appropriate for every jurisdiction, thus recognising the individual complexities, challenges and landscapes that exist.
- Commit dedicated funding and resources for Commonwealth led targets that are outside of the spirit, remit and influence of States.
- States are provided sufficient time for consultation and feedback.
- Roles, responsibilities and contributions to achieving outcome targets are clearly articulated and agreed.
- Include partners beyond State housing authorities, such as local government, planning and infrastructure departments, health services and the National Disability Insurance Agency.

³³ South Australian Government 2017, *Premier and Cabinet Circular PC 044 – South Australian Funding Policy for the Not for Profit Sector*, accessed 28 February 2022, < https://www.dpc.sa.gov.au/_data/assets/pdf_file/0008/19889/PC-044-SA-Funding-Policy-for-not-for-profit-updates-4-Aug-21.pdf>

iii. Ministerial Council Oversight

Strong governance is required to drive consistent outcomes across jurisdictions. The NHHA does not currently have any Ministerial Council oversight.

The Department of the Prime Minister and Cabinet Review of COAG Councils and Ministerial Forums in October 2020 suggests this approach is not beneficial to “come together to solve problems, (and) deal with issues”.³⁴

In-principle, the Authority agrees with the sentiments expressed in the report, in that the installation of Ministerial Council oversight may increase inefficiency and timeliness of decisions. However, the Authority is supportive of any governance arrangements that enable jurisdictions and the Commonwealth to come together. The Authority is also supportive of establishing a Ministerial Council for housing and homelessness if a national strategy is to be considered to ensure commitment and oversight from all levels of government.

5. Performance Monitoring and Reporting

The openness, accuracy and availability of data across jurisdictions and nationally is pivotal in monitoring progress, sharing learnings and modelling future supply and demand requirements. The existing performance monitoring and reporting framework, data improvements and data sharing provide a great foundation that could be strengthened to enable greater insights with less administrative burden and inconsistencies between jurisdictions.

Combining the previous housing agreements (National Affordable Housing Agreement and the National Partnership Agreement on Homelessness) into a single housing agreement (NHHA) has been a positive outcome for streamlining reporting for funding accountabilities. However, due to the slow process for defining new reporting and data improvement priorities, any improvements under the NHHA to national performance reporting are yet to be realised. This situation is compounded by some reporting having longer timeframes and being reliant upon data with infrequent collections such as Census data.

Inconsistency around data collection and reporting practices between States is a barrier towards improving data quality and national benchmarking. There is scope to improve accountability by strengthening the ties between funding, program outputs and outcomes and benchmarking this to establish realistic (funded) targets. However, this approach would require investment to establish the necessary methodologies and evidence.

The Australian Bureau of Statistics (ABS) and AIHW have been funded through the Data Improvement Plan (DIP) to improve and develop reporting of performance indicators. Due to delays in approval of the DIP, in that endorsement was originally anticipated by March 2019 but this did not occur until March 2021, progress on these improvements is in the very early stages but work is occurring with improvement outcomes expected in the coming 12 months.

A national housing and homelessness data set is created for ROGS and AIHW reporting, which is separate to the NHHA performance reporting.

The Authority notes that many of NHHA indicators remain in development and are yet to be reported. In addition, there was insufficient funding to develop all indicators agreed. In a positive note, there are multiple data improvements under the DIP related to improving homelessness reporting with key issues identified and being progressed. New reporting was established for the NHHA after a lengthy consultation process and implementation involved considerable investment and effort into data improvements to support the required changes. Any changes to current NHHA indicators would impact the reporting of trend data.

³⁴ Department of the Prime Minister and Cabinet, *Review of COAG Councils and Ministerial Forums* October 2020, accessed 28 February 2022, < <https://www.pmc.gov.au/sites/default/files/final-report-review-coag-councils-ministerial-forums.pdf> > , p.3.

In considering the NHHA national performance indicators, the Authority's view is that the indicator 'total number of dwellings relative to the population' as a measure of how well housing need is being met, is not suited to this purpose (proposed purpose in the NHHA review Issues Paper), nor does it consider the priority cohorts under the NHHA. The NHHA also does not state that this is the intended purpose of this performance indicator.

In relation to the NHHA indicators measuring 'the number of dwellings that are permitted by zoning' and 'the average time taken to decide the outcome of a development application', since planning and land use regulations are the responsibility of other government departments (not State Housing Authorities) and the NHHA does not fund the planning system, measuring planning and zoning reforms is generally problematic under the NHHA. Whilst the Authority is committed to collaborative relationships across government departments, including local government authorities, it is questionable whether these indicators should be included in the NHHA.

The performance reporting for future agreements should consider the inclusion of outcome focused indicators rather than indicators that primarily measure outputs. This approach has value in effectively demonstrating the return on investment arising from NHHA funding and in ensuring that customer and vulnerable cohort needs are being appropriately met, and in turn further the desired agreement outcome for improved transparency and accountability. Investment will be required by the Commonwealth to support jurisdictions to transition to outcome-based reporting for the establishment of systems and other resources.

Consistent NHHA performance reporting would enable greater accountability and transparency in outcomes being delivered through the NHHA. In practical terms, while the Statement of Assurance has a template for jurisdictions to complete, no such template exists for key performance indicators (KPIs) derived from bilateral agreements between the Commonwealth and individual jurisdictions. Whilst recognising the variation between bilateral agreements, this reporting arrangement leads to inconsistency in how performance can be clearly determined, adequately assessed and presented for public accountability purposes.

Stipulations of the reporting commitments within the bilateral agreements highlight the potential burdens of effort duplication stemming from the jurisdictions' various reporting obligations. Multiple jurisdictions commit to reporting on the progress or implementation of reforms and initiatives non-financially and drawing from existing reporting, including but not limited to ROGS, SHS Annual Report, Budget Papers and respective departmental Annual Reports.

Within the bilateral agreements, key commitments varied by indicator, particularly for the housing strategies, with a focus stemming back to existing strategies or those in development, the outcomes of the NHHA, and/or the Schedule A national housing priority policy areas. States also varied in the specification, or lack thereof, of key performance indicators, milestones, and the timeframes they would occur in. This translated to similarly inconsistent reporting datasets within the Statement of Assurance, providing limited comparison of performance. In turn, this has inhibited the transparency and accountability of the agreement.

Recommendation 7: Any future funding agreement considers the inclusion of outcomes-based reporting.

Appendix A: Table of Acronyms

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
APY	Anangu Pitjantjatjara Yankunytjatjara (Lands)
CH	Community Housing
CHP	Community Housing Providers
COAG	Council of Australian Governments
CSHA	Commonwealth-State Housing Agreement
CSO	Community Service Obligations
DFV	Domestic and Family Violence
DIP	Data Improvement Plan
DPC	Department of the Premier and Cabinet (SA)
FSF	Family Safety Framework
HHDWG	Housing and Homelessness Data Working Group
ICH	Indigenous Community Housing
IGH	Institute of Global Homelessness
IHEP	Integrated Housing Exits Program
KPI	Key Performance Indicator
MAPS	Multi Agency Protection Service
NHFIC	National Housing Finance and Investment Corporation
NHHA	National Housing and Homelessness Agreement
NPAH	National Partnership Agreement on Homelessness
NRAS	National Rental Affordability Scheme
OHF	Our Housing Future
RoGS	Report on Government Services
PH	Public Housing
SA	South Australia
SACS ERO	Social and Community Services Equal Remuneration Order
SHS	Specialist Homelessness Service
SIB	Social Impact Bond
SOMIH	State Owned and Managed Indigenous Housing