

MISSION AUSTRALIA



**Productivity Commission
review of the National Housing
and Homelessness Agreement**

Contents

About us	3
Executive summary.....	4
Section 1: Embedding the Agreement within a national housing and homelessness policy framework	6
National housing and homelessness strategy	7
Responding to all policy drivers that affect homelessness and housing affordability	8
Adopt targets to drive change	8
Shift the service system to have a greater focus on prevention and early intervention	8
Policy, reform and cohort priorities.....	9
Creating the environment for First Nations Peoples to exercise self-determination in addressing the unique housing and homelessness issues they face	10
Recommendation:.....	11
Section 2: Investing to make a real difference	12
Greater investment in housing and homelessness	12
Incorporation of the Equal Remuneration Order (ERO) Federal supplement in base funding	13
Additional program funding to support and align to the housing target in the National Agreement on Closing the Gap	13
Adoption of strategic commissioning approaches with a seven-year funding horizon for service contracts.....	14
Needs-based homelessness funding	14
A prevention and early intervention fund.....	15
A sustainable social and affordable housing system.....	15
Transferring stock from public housing to community housing	16
National Shelter's plan to separate housing funding into operational and growth funding streams	21
Constellation Project's Housing Boost Aggregator	21
A National Framework for Mandatory Inclusionary Zoning	22
Recommendation:.....	23
Section 3: Implementing a performance monitoring and evaluation framework that will drive action.....	24
Lack of transparent and consistent reporting hinders assessment of contribution to objective and outcomes ..	24
Objective and outcomes of the Agreement.....	24
Performance monitoring and reporting.....	24
Progress on objective of Agreement.....	27
Improving access to affordable, safe and sustainable housing across the housing spectrum	27
Prevent and address homelessness	28
Demonstrated progress at the service/individual level for people who are homeless and social housing tenants	28
Recommendation:.....	29
Section 4: A roadmap for a national housing and homelessness policy framework	30
Potential paths forward to a national strategy and funding Agreement	30
Recommendation:.....	32
Appendices	33

About us

Mission Australia is a national, non-denominational Christian charity that has been helping vulnerable people move towards independence for more than 160 years. Our vision is an Australia where all of us have a safe home and can thrive. In the 2020-21 financial year, we supported over 150,000 individuals through 474 programs and services across Australia.

We deliver a wide range of direct housing and homelessness services which include Specialist Homelessness Services, tenancy support, residential aged care, and specialist housing support services such as the Housing and Accommodation Support Initiative. These services are complemented by a range of other services to support people in need such as mental health services, residential alcohol and drug rehabilitation services, domestic and family violence related services and other children and family services.

In 2009 Mission Australia established Mission Australia Housing, a Tier 1 Community Housing Provider. Mission Australia Housing currently owns or manages over 3,800 social and affordable homes.

Mission Australia welcomes the opportunity to provide a response to the Productivity Commission's review of the National Housing and Homelessness Agreement (NHHA). Our response is structured in four sections:

- The first section discusses the need to create a coordinated housing and homelessness policy framework driven by a national housing and homelessness strategy, to which the next iteration of the NHHA should be aligned.
- The second section proposes options for investing in the housing and homelessness systems to move to a credible path to end homelessness and provide everyone with a safe and affordable home.
- The third section focuses on the key issues around the Agreement's objective and outcomes, data and reporting, arguing that a future Agreement should have transparent and accountable monitoring and reporting that measures the impact of funding across the housing and homelessness systems, aligned to the policy intent and targets of an overarching national housing and homelessness strategy.
- The final section provides a roadmap with three potential paths forward that the Productivity Commission might recommend to Government to address the issues and recommendations raised through the NHHA review.

Executive summary

The Productivity Commission's review of the National Housing and Homelessness Agreement (NHHA) represents a vital opportunity to improve Australia's response to housing and homelessness. Since the introduction of the current Agreement in 2018, there has been little to no progress on the key parts of its objective to improve access to affordable, safe and sustainable housing across the housing spectrum and prevent and address homelessness. The main reasons for this failure are that the NHHA lacks the required funding and strong mechanisms to enact policy and reform, and the accountable targets and outcomes to measure and steer progress.

There is a significant risk we will continue the current status quo if the next iteration of the NHHA is designed and negotiated in the absence of a national housing and homelessness policy framework. The Commission's review presents the best avenue to make the case to governments for the next Agreement to tether funding to the adoption of clear, shared and accountable policy objectives and targets, which we advocate in this submission is best delivered by a national housing and homelessness strategy.

Ideally, the current Agreement should be extended for a period of one year to allow the development of a national strategy in consultation with a range of government and non-government stakeholders, including people with lived experience and expertise of homelessness. This would allow the necessary time for meaningful and comprehensive consultation, debate of options and negotiation of an agreed housing and homelessness policy framework. In our view, the strategy should set the direction for all areas of policy across governments that impact homelessness and housing. Key focus areas should be around the adoption of targets to drive change, prioritising a shift to prevention and early intervention, specific consideration to at-risk groups, and recognising and supporting the right of First Nations Peoples to self-determination in addressing their unique housing and homelessness needs.

The next Agreement should form part of an inter-governmental funding package that will make real strides towards ending homelessness, and be linked to a strategic commissioning approach with seven-year contracts to achieve the best value. Investment in housing and homelessness needs to be strategically focussed around a needs-based homelessness funding model, creation of a prevention and early intervention fund, and direct and indirect investment mechanisms to maintain a sustainable social and affordable housing system.

Crucially, a future Agreement should have transparent, consistent and accountable monitoring and reporting that measures the impact of funding across the housing and homelessness systems in all States and Territories, aligned to the policy intent and targets of an overarching national housing and homelessness strategy.

Our recommendations are:

- 1.** A national housing and homelessness strategy should be developed through consultation with all levels of government, people who have lived experience and expertise, the not-for-profit sector which is responsible for most service delivery, relevant industry sectors, researchers and other experts. The following areas should be covered in the strategy:

- a. Responding to all policy drivers that affect homelessness and housing affordability
 - b. Adoption of targets to drive change
 - c. Shifting the service system to have a greater focus on prevention and early intervention
 - d. Policy, reform and cohort priorities, including amending the list of priority cohorts in the current Agreement
 - e. Creating the environment for First Nations Peoples to exercise self-determination in addressing the unique housing and homelessness issues they face.
- 2. Future funding, either as part of a new funding agreement and/or separate funding streams, must be increased and should consider the following investment priorities, as further expanded in this submission, to effectively support the housing and homelessness systems and implementation of a national housing and homelessness strategy:
 - a. Adoption of strategic commissioning approaches with a minimum seven-year funding contracts, to maximise allocative efficiency, realise the full benefits of programs and initiatives and give certainty to service providers, staff and clients
 - b. Needs-based homelessness funding
 - c. A prevention and early intervention fund
 - d. A sustainable social and affordable housing system, including through wholesale transfer of stock from public housing to the community housing sector, and the adoption of a Housing Boost Aggregator and a National Framework for Mandatory Inclusionary Zoning.
- 3. The next NHHA must have transparent and accountable monitoring and reporting provisions that measure the impact of funding across the housing and homelessness systems, aligned to the policy intent and targets of an overarching national housing and homelessness strategy. This should include:
 - a. A publicly available report of progress on efforts to measure the Agreement indicators as set out in the Data Improvement Plan
 - b. The publication of progress against each indicator on the Productivity Commission website as soon as data are available
 - c. A performance monitoring and evaluation framework incorporating a theory of change and short-, medium- and long-term indicators
 - d. Development of an outcomes measurement framework as part of the remit of the NHHA Data Working Group and the expansion of its membership to include representation from the community services sector.
- 4. The current NHHA should be extended for an additional year to allow sufficient time to develop a national housing and homelessness strategy, and then to allow effective implementation of the recommendations made in this submission that will move Australia onto a credible path to end homelessness and provide everyone with a safe and affordable home.

Section 1: Embedding the Agreement within a national housing and homelessness policy framework

At its core, the NHHA is an agreement that sets out the minimum amount the Federal Government is willing to fund State and Territory Governments to support delivery of housing and homelessness services. It is not a comprehensive policy document designed to end homelessness or to address housing affordability, but rather its objective is [emphasis added]:

“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.”

There is a significant risk we will continue the current status quo if the next iteration of the NHHA is designed and negotiated in the absence of a federally coordinated national housing and homelessness policy framework. There is a key opportunity for the next Agreement to tether funding to the adoption of clear, shared and accountable policy objectives and targets, which we believe is best driven by a national housing and homelessness strategy.

Mission Australia, along with sector colleagues and housing experts, has long advocated for a national long-term strategy to end homelessness and provide everyone with a safe and affordable home. Mission Australia's *2020-25 Strategy* has adopted the goal of ending homelessness which we believe to be an achievable objective if adopted across all levels of government, in recognition of their shared responsibility in this area and the moral imperative to address the crisis of homelessness.

We note that comparable countries, such as New Zealand and Canada, acknowledge the necessity for national leadership in this area of policy, having implemented national strategies based on clear and accountable policy objectives and targets to drive localised action.^{1,2} The UK has gone even further by passing the *Homelessness Act 2002* and *Homelessness Reduction Act 2017* to set the basis for how local government authorities respond to and prevent homelessness, supported by a 2018 national Strategy that seeks to end rough sleeping by 2027.³ We encourage the Productivity Commission to review the *2018 AHURI International Study Tour report: Canada* for further information on applications and lessons of a comprehensive national strategy.⁴

This stands in sharp contrast to the Federal Government's position that housing and homelessness is primarily a matter for States and Territory Governments.⁵ As the Issues Paper in support of the NHHA

¹ <https://www.hud.govt.nz/community-and-public-housing/addressing-homelessness/aotearoa-homelessness-action-plan-2020-2023/>

² <https://www.canada.ca/en/employment-social-development/programs/homelessness/directives.html>

³ Ministry of Housing, Communities and Local Government, 2018. Rough Sleeping Strategy, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733421/Rough-Sleeping-Strategy_WEB.pdf.

⁴ For further information please see: <https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-International-Study-Tour-report-Canada.pdf>.

⁵ Australian Government, 2022. Australian Government response to the House of Representatives Standing Committee on Social Policy and Legal Affairs report: Inquiry into homelessness in Australia final report Introduction, <https://www.aph.gov.au/DocumentStore.ashx?id=e0f05f4b-82d0-4df8-981e-cd9bcb01be5d>.

review notes, over the past 60 years of funding agreements, it has been the prerogative of the government of the day to determine how active and strong its role will be.⁶ We point to the recent precedent set with the 2008 *White Paper The road home: a national approach to reducing homelessness* where a Federal Government accepted the responsibility of national leadership.

National housing and homelessness strategy

A new national housing and homelessness strategy should be developed through consultation with all levels of government, people who have lived experience and expertise, the not-for-profit sector which is responsible for most service delivery, relevant industry sectors, researchers and other experts.

Although the Productivity Commission's consultation process for this review of the NHHA is inclusive, it cannot take the form of a proactive consultation process designed to elicit input from all of these stakeholders, especially from people with lived experience. Nevertheless, we urge the commissioners to pay special attention to the submissions to this process from individuals with lived experience and expertise, such as Sarah Nelson.

While the strategy should be a product of extensive consultation and co-design, we believe it should include the following focus areas:

- responding to all policy drivers that affect homelessness and housing affordability
- adoption of targets to drive change
- shifting the service system to have a greater focus on prevention and early intervention
- policy, reform and cohort priorities, including amending the list of priority cohorts in the current Agreement
- creating the environment for First Nations Peoples to exercise self-determination in addressing the unique housing and homelessness issues they face.

If the Productivity Commission does not recommend a national housing and homelessness strategy is developed prior to the next Agreement, the focus areas outlined in this section should still be pursued within the framework of the Agreement. However, it is our strong preference for a national strategy to precede the next Agreement. This will ensure that a future Agreement is designed and negotiated with a clear policy and reform direction flowing from a national strategy. That staging would allow more time for meaningful and comprehensive consultation, debate of options and negotiation of an agreed housing and homelessness policy framework. Importantly, it would also mean that funding can be used as valuable leverage to get State and Territory Governments to agree to, and be accountable to, effective action to end homelessness and provide everyone with a safe and affordable home.

In Section 4 we discuss the different pathways forward to a national strategy and funding agreement, advocating our strong preference that a national strategy precede the next Agreement.

⁶ Productivity Commission. (2021). National Housing and Homelessness Agreement Review Issues paper. December.

Responding to all policy drivers that affect homelessness and housing affordability

The creation of a national strategy will allow a broader policy scope than that which can be achieved through a funding agreement. Major levers available only to the Federal Government can be activated to impact structural factors - such as poverty levels, unemployment rates, lack of affordable housing, and macro-level social policy settings - that research shows strongly influence homelessness.⁷

Housing policy overlaps Federal, State and Local Government roles and responsibilities. State and Territories have key responsibilities in areas such as stamp duties and land taxes, planning controls, transfer of public housing assets or management to community housing providers and inclusive zoning. The critical areas that fall within the Federal Government's responsibilities include Commonwealth Rent Assistance, public infrastructure, the national regulatory framework for community housing, taxation and revenue generation settings. Local governments have responsibility for the local planning system which can facilitate the delivery of social and affordable housing. All levels of government and relevant areas of policy need to be considered in the creation of a national strategy to end homelessness and provide everyone with a safe and affordable home.

Adopt targets to drive change

Targets are a critical element for the strategy as they drive priority setting, resource allocation and determining the solutions to meet them. Targets should be ambitious and have firm and clear language so there is common understanding among accountable parties.

Mission Australia proposes the following targets as examples of what the strategy should aim for:

- national targets for reducing homelessness, including a commitment to:
 - Housing First principles adopted by all States and Territories
 - zero street sleeping
 - no exits into homelessness from institutions
- a national target to reduce the number of low-income people living in rental stress
- a net year-on-year increase in social and affordable housing in each state and territory
- transfer of public housing to the community housing sector on a per state basis by 2050.

These targets should be linked to the performance monitoring and reporting framework of the next Agreement.

Shift the service system to have a greater focus on prevention and early intervention

While prevention and early intervention is a priority reform area for the NHHA, there was no additional funding provided to achieve this reform. Government funding/commissioning agencies currently allocate a large proportion of homelessness funding to crisis programs (that is, programs designed to assist people actually experiencing homelessness), rather than a balanced funding mix which also funds prevention programs (that is, programs designed to prevent people from becoming homeless in the first

⁷ Main, T., 1998. How to think about homelessness: Balancing structural and individual causes. Journal of Social Distress and the Homeless. 7(1): 41-54.

place) and early intervention programs (that is, programs designed to assist people at imminent risk of homelessness to retain their housing).

Measures that have a sole focus on prevention and early intervention (such as a universal screening tool in schools, preventing exits into homelessness from institutional care, and funding for tenancy support programs) have been demonstrated to be effective and cost-efficient and also reduce avoidable human suffering.^{8, 9}

Significant effort is required to transform the homelessness service system from its current focus on crisis responses to one focused on prevention and early intervention. This would require a wholesale resource reallocation, scaling up of evidence-based prevention and early intervention programs and a culture shift by both government funding/commissioning agencies and the community services sector. The challenge will be to shift to a greater systemic investment in prevention and early intervention while at the same time continuing to respond to the immediate presenting issues of those seeking assistance. A precedent for this is the National Partnership Agreement on Homelessness, which provided a funding injection of \$800 million over 2009-10 to 2012-13 (this was eventually increased to \$1.1 billion incorporation of an existing initiative) with half coming from the Federal Government, for a suite of prevention and early intervention programs in addition to the regular largely crisis-focused homelessness programs.

In Section 2 we propose a Prevention and Early Intervention Fund to facilitate this service system transformation.

Policy, reform and cohort priorities

Policy and reform priorities, and priority cohorts, are a good basis on which to concentrate action at all levels of government. However, the current Agreement provides little impetus either in terms of sufficiently allocated funding or implementation plans for governments to fully commit to them. The Agreement requires that State and Territory Governments have them as elements in their housing and homelessness strategies, but there are no incentives to reward success or disincentives to penalise inaction. State and Territory Governments' ability to address them without national leadership and additional funding is limited.

Going forward, these areas of the Agreement should form part of a wider consultation and development of a nationally coherent housing and policy framework, backed by additional investment and driven by housing and homelessness strategies at all levels of government.

This consultation will be particularly important given the implications of COVID-19 on housing and homelessness. Homelessness was already a major social issue prior to the COVID-19 pandemic, and several known drivers of homelessness have increased during the pandemic, including mental health

⁸ Zaretzky, K. and Flatau, P., 2013. The cost of homelessness and the net benefit of homelessness programs: a national study, AHURI Final Report No. 218. Melbourne: Australian Housing and Urban Research Institute.

⁹ MacKenzie, D., 2018. Interim report: The Geelong Project 2016–2017. Melbourne: Swinburne University and Barwon Child Youth and Family Services, <https://apo.org.au/node/133006>.

issues¹⁰ and Domestic and Family Violence.¹¹ We continue to observe people in low-paid, insecure and casual work living precariously and unable to afford the basic necessities, including housing. Cost of living pressures are increasing. The Consumer Price Index rose 1.3% in the December 2021 quarter and 3.5% over the preceding 12 months, driven by factors including housing and transport costs.¹² Rental affordability remains low, and affordability for low-income households has worsened in many of the capital cities and in the regional areas of every state, driven by outward migrating city residents as a result of COVID.¹³

Considering this context, we believe further work on the ‘priority cohorts’ identified in the NHHA is needed and would be better articulated in the strategy as opposed to the Agreement. Mission Australia suggests reducing the current list of ‘priority cohorts’ to four broad categories of people at risk: families with children; women escaping domestic and family violence; young people; and single adults (in particular older women and people with complex needs). Priority should be provided to families and individuals who are in housing stress, who may or may not have additional support needs. Using this approach would give States and Territories the flexibility to focus and direct resources based on localised contexts, addressing the needs of emerging groups of people at risk that may not be included in an initially-agreed priority cohort list that is overly prescriptive.

Creating the environment for First Nations Peoples to exercise self-determination in addressing the unique housing and homelessness issues they face

Mission Australia believes that policy settings affecting the housing and homelessness outcomes of Aboriginal and Torres Strait Islander people should be developed by First Nations Peoples and organisations. It should also link into and support work on the Closing the Gap target of ‘People can secure appropriate, affordable housing that is aligned with their priorities and need’. Accordingly, we urge the Productivity Commission to take direction from submissions of First Nations Peoples and organisations.

In particular, we highlight the National Aboriginal and Torres Strait Islander Housing Association (NATSIHA) submission¹⁴ that urges the adoption of several principles to ensure an effective response to the housing needs of First Nations Peoples. We also support their recommendation of an increase in funding for the next NHHA to include a program for Aboriginal and Torres Strait Islander housing in all jurisdictions which would cover remote, regional and urban areas of Australia. This is noted in Section 2 as a funding consideration for the next Agreement.

¹⁰ Kaleveld, L, Bock, C, Maycock-Sayce, R, 2020. COVID-19 and mental health: CSI response, https://www.csi.edu.au/media/uploads/csi_fact_sheet_covid_and_mental_health.pdf.

¹¹ Pfitzner, N, Fitz-Gibbon, K and True, J, 2020. Responding to the ‘shadow pandemic’: practitioner views on the nature of and responses to violence against women in Victoria, Australia during the COVID-19 restrictions. Monash Gender and Family Violence Prevention Centre, Monash University, Victoria, Australia.

¹² Australian Bureau of Statistics, 2022. Consumer Price Index, Australia, December 2021, published 25 January 2022, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>.

¹³ SGS Economics and Planning with National Shelter, Beyond Bank Australia and the Brotherhood of St Laurence, 2021. Rental Affordability Index November 2021 Key Findings, https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning_Rental-Affordability-Index-2021.pdf.

¹⁴ Submission 55

We note the Canadian experience in which the benefits of federal leadership were a large factor in the success of the country's First Nations housing schemes, with sustained leadership and funding contributing to stability and development of the Aboriginal-controlled sector and leading to positive outcomes in health and wellbeing, social and economic domains for tenants.¹⁵

Recommendation:

1. A national housing and homelessness strategy should be developed through consultation with all levels of government, people who have lived experience and expertise, the not-for-profit sector which is responsible for most service delivery, relevant industry sectors, researchers and other experts. The following areas should be covered in the strategy:
 - a. Responding to all policy drivers that affect homelessness and housing affordability
 - b. Adoption of targets to drive change
 - c. Shifting the service system to have a greater focus on prevention and early intervention
 - d. Policy, reform and cohort priorities, including amending the list of priority cohorts in the current Agreement
 - e. Creating the environment for First Nations Peoples to exercise self-determination in addressing the unique housing and homelessness issues they face.

¹⁵ Fotheringham, M., Gilding, L., Chalker, J., Curran, M., Cash, G., & Foa, N., 2019. 2018 AHURI International Study Tour Report: Canada. <https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-International-Study-Tour-report-Canada.pdf>.

Section 2: Investing to make a real difference

Adequate and long-term funding is needed to end homelessness and provide everyone with a safe and affordable home. The NHHA does not achieve its objective in large part to the insufficient funding that underpins it. Future funding arrangements, through a new multilateral funding agreement and/or separate funding streams, should consider the following investment priorities to effectively support the housing and homelessness systems and implementation of a national housing and homelessness strategy:

- greater investment in homelessness and housing
- adoption of strategic commissioning approaches with seven-year funding horizons for service contracts
- needs-based homelessness funding
- a prevention and early intervention fund
- a sustainable social and affordable housing system.

Greater investment in housing and homelessness

The approximately \$1.6 billion Federal contribution each year to housing and homelessness funding is severely inadequate to achieve real progress. The recent statutory review of the National Housing Finance and Investment Corporation (NHFIC) estimated that an additional 891,000 social and affordable dwellings would be required over the next 20 years, at a cost of \$290 billion.¹⁶ Annualised, current Federal spending would represent only 11% of this cost and, if directed solely for this purpose, would leave no funding for the operation and maintenance of existing social housing dwellings or funding for homelessness and housing support services.

Several States and Territory Governments in their submission to the 2020 Federal Parliamentary Inquiry into Homelessness in Australia raised the critical need for more investment. They noted that the Agreement funding does not: increase in real terms to meet demand or improve outcomes; support effective action to reduce homelessness; increase social housing supply; provide comprehensive social housing tenancy support; or affect housing affordability more broadly.¹⁷ Analysis by the University of NSW City Futures Centre has found that while State and Territory Government spending on housing and homelessness has seen an annual increase by 7% in real terms, Federal funding is indexed at a lower rate according to Wage Cost Index 1.¹⁸

Additionally, historical housing debt to the Federal Government remains an impediment to investment in social housing. Prior to the Tasmanian Government's debt being waived in 2019 upon the condition to redirect scheduled repayments to housing and homelessness programs, for every dollar it received

¹⁶ Australian Government, 2021. Statutory review of the operation of the National Housing Finance and Investment Corporation Act 2018 – final report, <https://treasury.gov.au/sites/default/files/2021-10/p2021-217760.pdf>.

¹⁷ See submissions made by the ACT, Victorian and Queensland governments to the House of Representatives Standing Committee on Social Policy and Legal Affairs inquiry into homelessness in Australia, https://www.aph.gov.au/Parliamentary_Business/Committees/House/Social_Policy_and_Legal_Affairs/HomelessnessinAustralia/Submissions.

¹⁸ Pawson, H. 2020, Submission to: Australian Parliament Inquiry into Homelessness, UNSW: City Futures Research Centre, <https://www.aph.gov.au/DocumentStore.ashx?id=f90e48b5-c7a0-4c8c-a287-87786a2fa766&subId=679487>.

through the NHHA, half was to be paid back in debt.¹⁹ This debt waiver arrangement should be offered to all States and Territories to free up additional housing and homelessness investment.

Incorporation of the Equal Remuneration Order (ERO) Federal supplement in base funding

Part of funding the delivery of housing and homelessness services is sufficiently covering the remuneration of a highly skilled frontline workforce. The ERO Federal supplement in the NHHA is critical to help progressively meet the 45% increase in wages that was decided by the Fair Work Commission in the Social, Community and Disability Services Industry Equal Remuneration Order 2012. This needs to be an ongoing payment, as it reflects the true staffing cost involved with service delivery and must be incorporated in future base grant funding.

If this supplement payment remains a standalone funding item, there is a real risk of it being cut from the Federal Budget as part of cost saving exercises, threatening the financial viability of services. This occurred in the 2020 Federal Budget when the Federal component was not extended beyond June 2021 in order to save around \$124 million. Fortunately, that decision was later reversed, but only after extensive advocacy from the homelessness sector and after high staff turnover driven by workers' anxiety about job instability, to the detriment of the continuity of clients' relationships with their case workers, and avoidable severance and re-hiring costs.

Additional program funding to support and align to the housing target in the National Agreement on Closing the Gap

The impacts of inadequate housing on Aboriginal and Torres Strait Islander health and wellbeing are significant.²⁰ The major issue of overcrowding for Aboriginal and Torres Strait Islander people is largely a result of needing to share housing due lack of supply, low incomes and high rent.²¹ In particular, overcrowding can compound psychosocial stress and ill health due to food insecurity, the sharing of limited resources, exposure to tensions and conflict, the lack of privacy and personal space and the prevalence of infectious and chronic diseases.²²

Mission Australia supports NATSIHA's recommendation for the next Agreement to specifically include a program for Aboriginal and Torres Strait Islander housing in all jurisdictions and covering remote, regional and urban Australia.²³ This funding would be subject to the same matching requirements of funding by the Federal Government and States and Territory Governments as applied to the current NHHA.

¹⁹ House of Representatives Standing Committee on Social Policy and Legal Affairs, 2021. Final report Inquiry into homelessness in Australia.

²⁰ National Aboriginal Community Controlled Health Organisation, Aboriginal Housing for Aboriginal Health: NACCHO Policy Position Paper, <https://www.naccho.org.au/wp-content/uploads/NACCHO-Housing-Policy-Paper-SH-edits.pdf>.

²¹ National Aboriginal Community Controlled Health Organisation, Aboriginal Housing for Aboriginal Health: NACCHO Policy Position Paper, <https://www.naccho.org.au/wp-content/uploads/NACCHO-Housing-Policy-Paper-SH-edits.pdf>.

²² Memmott, P., Birdsall-Jones, C. and Greenop, K. 2012, Australian Indigenous house crowding, AHURI, https://www.ahuri.edu.au/_data/assets/pdf_file/0013/2029/AHURI_Final_Report_No194_Australian_Indigenous_house_crowding.pdf.

²³ Submission 55

Adoption of strategic commissioning approaches with a seven-year funding horizon for service contracts

There may be scope for the Productivity Commission's review to investigate how strategic commissioning can improve housing and homelessness service provision as part of the outputs of the next Agreement.

Strategic commissioning approaches can advance service users' agency in service design and delivery, in particular through co-design and/or co-production to enable user voice to be reflected in need identification, outcome articulation and service design. It can also enable service providers to tailor service delivery to individual users' specific circumstances, needs and aspirations. In Mission Australia's experience, inflexible contracting is often a barrier to effective responses to users, while greater contractual ability to individualise responses produces better outcomes.

Effective strategic commissioning includes the consideration and application of various procurement methods and contract terms that are fit for purpose. Mission Australia strongly recommends a shift to long-term funding contracts to more effectively support organisations to develop and deliver services for individuals, families and communities experiencing disadvantage. Often programs and initiatives are funded on a short-term basis and while many produce promising outcomes, it may not result in lasting changes due to discontinued funding, or ad hoc extensions for as short as six to 12 months. This funding environment is detrimental to service delivery with implications for retaining/hiring qualified staff and continuity of care for clients. It is also highly inefficient, with avoidable waste of taxpayer funds in high frequency contract "churn" incurred by both government agencies and providers.

The next Agreement should adopt a commissioning approach and guarantee long-term investment in services with a minimum of seven-year funding contracts, to maximise efficiency, realise the full benefits of programs and give service providers, staff and clients greater certainty.

Needs-based homelessness funding

Mission Australia supports the recommendation made in the *Final report Inquiry into homelessness in Australia* by the House of Representatives Standing Committee on Social Policy and Legal Affairs, which calls on the Federal Government, in consultation with the States and Territories, to develop a needs-based funding methodology to be applied to future inter-governmental housing and homelessness funding agreements.²⁴

The current funding formula used for the NHHA is based on each jurisdiction's share of the national population, as recorded in the 2006 Census, for allocating the general funding amount and the share of total homelessness funding amount. This methodology fails to consider the relative needs of the States and Territories, such as entrenched levels of homelessness, poverty rates, and the demand and costs for services across different geographies.²⁵

²⁴ House of Representatives Standing Committee on Social Policy and Legal Affairs, 2021. Final report Inquiry into homelessness in Australia.

²⁵ House of Representatives Standing Committee on Social Policy and Legal Affairs, 2021. Final report Inquiry into homelessness in Australia.

A more thorough funding formula should be adopted through a resource allocation model (RAM). A comprehensive RAM would draw on multi-source data about the characteristics of the homeless and at-risk population, as well as homelessness cost drivers, unmet need and risk factors to approximate equitable jurisdiction level allocations centred on people's real need.

Data to be included in a RAM to determine funding allocations under a new NHHA would include:

- the Australian Bureau of Statistics (ABS) homeless count;
- the Australian Institute for Health and Welfare (AIHW) Specialist Homelessness Services Collection (SHSC) - which gives a good indication of the current trends including changing demographics within the services and emerging need;
- data about factors driving homelessness including but not limited to:
 - prevalence of financial insecurity / poverty
 - domestic and family violence rates
 - rental affordability indexes
- the rich evidence base on various cohorts which could be used to inform the weightings for service intensity.²⁶

State and Territory Governments are experienced with the development and application of RAMs for a range of their funded services, including homelessness services, and will be well-placed to inform the creation of a robust RAM at the national level.

A prevention and early intervention fund

Pursuing a policy shift to preventing and ending homelessness will require additional government investment to start the reform process in earnest. Mission Australia proposes that a dedicated fund be set up to support the transition of the service system and should be negotiated as part of the next Agreement.

The amount of funding should be commensurate with the need for expanding and enhancing current service capacity and capability, supporting workforce growth, and scaling up evidence-based prevention and early intervention programs. We acknowledge that this will require a significant investment upfront, however as demand for crisis services decreases it is anticipated the funding amount will shift and reduce over time. An initial review and evaluation of the impact of the fund should be conducted after a minimum of five years to provide enough time to begin to see evidence of, and assess, the impact of the service system shift.

A sustainable social and affordable housing system

The full cost of providing social housing is nowhere close to being covered by the funding from the Agreement, the additional funding from States and Territory Governments and the rental income from tenants. This leaves both Public Housing Authorities (PHAs) and Community Housing Providers (CHPs)

²⁶ See further information from Journeys Home, the Federal Government-funded longitudinal research of people in high levels of housing insecurity and their experiences of homelessness in 2011. <https://melbourneinstitute.unimelb.edu.au/journeys-home>

with a funding ‘gap’ that threatens the sustainability of the system. Failure to address this gap and arrest its effects will further diminish the standard of existing social housing and the growth of new social housing, as well as erode the benefit of prior investment, while ensuring existing and growing demand through population growth and broader housing unaffordability is never met.²⁷ It is therefore critical that the Federal Government investigate as a matter of urgency both direct and indirect investment options as a way to sufficiently fund the social housing system.

Transferring stock from public housing to community housing

Mission Australia supports continuing the NHHA policy position of stock transfers and advocates a move to a wholesale transfer over time to the community housing sector. How this policy is implemented requires careful consideration. Governments must be open and flexible in negotiating the terms of transfers with CHPs, as it will determine the ultimate value and positive impact of the policy.

Since the mid-1990s, there has been a steady transfer of stock to the community housing sector, with transfers of management over title strongly favoured by State and Territory Governments.²⁸ While the community housing sector in general advocates for title transfer due to its perceived financing advantages, Mission Australia views management transfers, if negotiated fairly, to be similarly beneficial.

The conditions attached to stock transfers are critical

The conditions that are attached to stock transfers will greatly determine their short- and long-term financial viability, after the title or management rights have been transferred to the community housing sector.

For title transfers, the expected value of the asset will be impacted by:

- the condition of property (the level of repairs expected to bring it up to standard)
- whether the state retains an interest in properties that are sold (e.g. those dwellings sold as part of recycling ageing stock)
- the length of the lease and conditions attached to the lease.²⁹

Key issues that may diminish the expected value of asset under management transfer are:

- whether leases are transferred to CHP control
- CHPs’ financial liabilities for tenancy management
- CHPs’ financial liabilities for repairs, maintenance and expectations of future housing supply
- the ability of tenants to choose their landlord

²⁷ IPART. (2017). Review of rent models for social and affordable housing.

<https://www.ipart.nsw.gov.au/sites/default/files/documents/final-report-review-of-rent-models-for-social-and-affordable-housing-july-2017-%5Bw172737%5D.pdf>.

²⁸ Pawson, H., Milligan, V., Wiesel, I. and Hulse, K., 2013, Public housing transfers: past, present and prospective, AHURI Final Report No. 215, AHURI, <http://www.ahuri.edu.au/research/final-reports/215>.

²⁹ Pawson, H., Milligan, V., Wiesel, I. and Hulse, K., 2013, Public housing transfers: past, present and prospective, AHURI Final Report No. 215, AHURI, <http://www.ahuri.edu.au/research/final-reports/215>.

- the length of the lease transferred to CHPs and the rights or encumbrances attached to that lease
- whether the arrangements prove to be overly complex.³⁰

We particularly want to stress that stock transfers are extremely challenging for CHPs to manage sustainably if the transfers involve old and/or poor condition stock and unfunded expectations from governments of CHPs in improving dwelling conditions, undertaking redevelopments, delivering new housing, and/or achieving improved tenant and community outcomes. Changes to operational payments for housing and adoption of additional funding mechanisms to support this work must go hand in hand with a stock transfer policy, as we outline further in this section.

Maintaining asset standards

As recent ABS data identifies, 32% of public housing renters reported a major structural problem compared to 18% of private renters and 11% of all home owners.³¹ Through access to an enhanced income and the potential to leverage this income stream, CHPs can assist in addressing the repair and maintenance backlog of existing public housing portfolios. With long-term management arrangements and the ability to focus strategic asset management plans, CHPs can also maintain or improve the standard of public housing assets.

The 2013 NSW Auditor General's Report into public housing noted that:

- Approximately 25% of all public housing stock is more than 40 years old, with only 10% constructed since 2000
- LAHC was approximately \$330m short of being able to sustain its current properties at a reasonable standard
- The gap was being made up by selling an estimated 500 properties in that year and delaying some \$85m of maintenance.

The report concluded that this strategy was '*not financially sustainable long-term*'.³²

Tenant satisfaction around the condition of their dwellings also differs between public housing and community housing residents. In 2016, only 66.6% of tenants in State owned and managed or indigenous housing believed their dwellings met minimum acceptable standards while 87.9% of tenants in community housing believed their homes met these minimum acceptable standards.³³

³⁰ Pawson, H., Martin, C., Flanagan, K., & Phillips, R., 2016. Recent housing transfer experience in Australia : implications for affordable housing industry development Inquiry into affordable housing industry capacity. <https://doi.org/10.18408/ahuri-7108101>.

³¹ ABS *Housing Occupancy and Costs* (cat No. 4130.0)

³² NSW Auditor General, 2013. NSW Auditor General's Report: Performance Audit – Making the best use of public housing, Housing NSW and NSW Land and Housing Corporation, https://www.audit.nsw.gov.au/sites/default/files/pdf-downloads/2013_Jul_Report_Making_the_Best_Use_of_Public_Housing.pdf

³³ Lie, et al. *Poor quality housing and low income households*, 2019 City Futures Research Centre for Shelter NSW

Wraparound support services for tenants

CHPs deliver much more than tenancy management services. Common to the operating model of CHPs is an additional layer of support for residents and their families and community development activities. Due to the economic efficiencies discussed above, and unlike PHAs, a material level of operating capacity can be directed toward tenancy support and sustainment.³⁴

Mission Australia Housing is an example of the additional support provided by a CHP in comparison to a PHA. Our own additional tenant support is delivered through our Tailored Support Coordination Service (TSCS) program, which we have been successfully delivering to approximately 1,050 tenancies through the Coffs Harbour Social Housing Management Transfer in New South Wales and to a further 1,250 tenancies in Tasmania under the Community Housing Growth Program management transfer.

The TSCS program works collaboratively with tenants and household members to identify support needs and develop a goal-based plan. It then connects them with relevant informal, specialist and professional supports. Where needed, the program will actively support people to navigate their connections and advocate alongside them, to ensure their needs are met.

Strong connections are made to case management providers, specialist services (such as gambling counselling, DFV or financial management services), medical specialists, education and employment services and other social or expert supports.

Responsive tenancy management

CHPs' smaller scale and non-government structure enable more responsive and less bureaucratic delivery of tenancy management than PHAs. The general operating structure of CHPs, which separates tenancy, asset, community and engagement activity, enables each tenancy manager to service a smaller number of residents and respond to their tenancy concerns.

The model relies on locally-driven, flexible solutions which can accommodate the needs and changing considerations of the communities in which CHPs operate.³⁵ This is reflected in higher rates of tenant satisfaction in community housing compared to public housing.³⁶ Community housing tenants (80%) were more satisfied than public housing tenants (73%) or SOMIH tenants (68%) with the services offered by their housing providers in 2018.³⁷ 2022 Report on Government Services (ROGS) data revealed a similar trend, with 76.4% of community housing tenants reporting they were satisfied or very satisfied

³⁴ Pawson, et al., *Housing Policy in Australia*, Palgrave Macmillan 2020

³⁵ Farrar, et al., *How does community housing strengthen communities?*, 2003 AHURI, <https://www.ahuri.edu.au/research/final-reports/37>

³⁶ Australian Institute of Health and Welfare, Housing data 2019, <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/contents/summary>

³⁷ AIHW, National Social Housing Survey, 2018, <https://www.aihw.gov.au/reports/housing-assistance/national-social-housing-survey-2018-key-results/contents/at-a-glance/satisfaction-with-housing-services>

with their housing provider, compared with 71.9% of public housing tenants and 64.5% of SOMIH tenants.³⁸

In addition to tenant support programs and tenancy management services, the economic benefits accessible to CHPs and not to PHAs mean they can invest in a material level of community development activities.

Strengthening communities

CHPs operate from within the communities they serve and through this, help strengthen and create more cohesive places. This presence has a positive impact by: restoring individual capacities; brokering access to the community for residents; supporting participation in the community and playing a lead role in the community.³⁹ Mission Australia Housing delivers these community focused benefits through our Strengthening Communities program delivered by Community Development Officers in each region we operate.

Wider social and economic benefits

Social and affordable housing owned or managed by CHPs delivers benefits for a wide range of stakeholders.

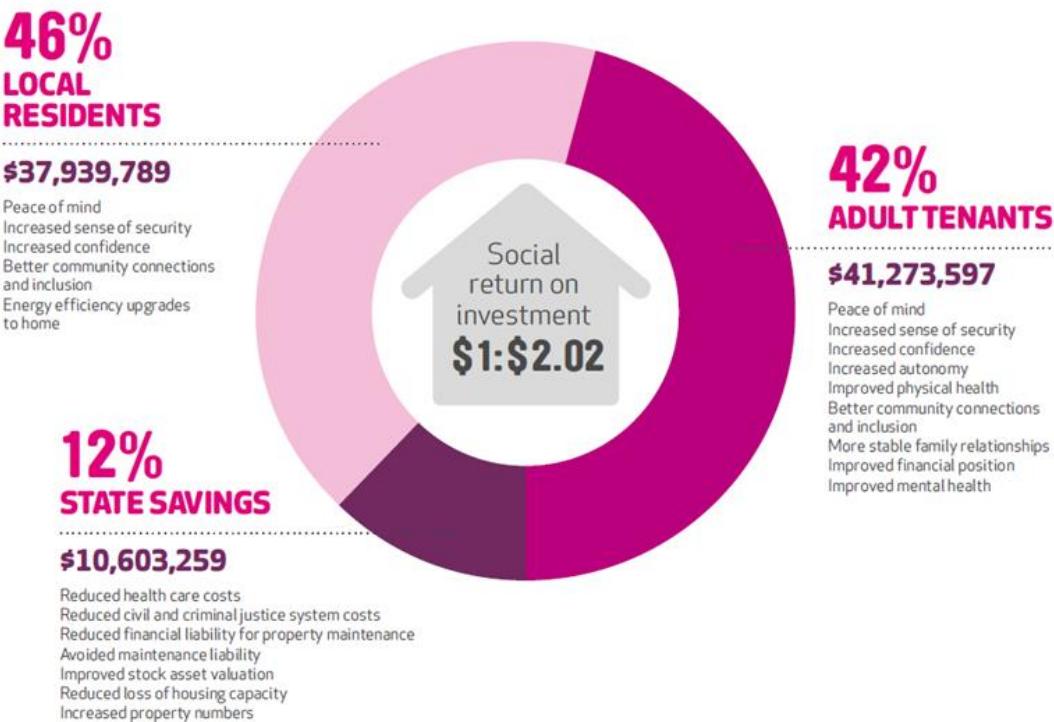
State government and local private landowners benefit when CHPs manage social housing stock and engage in neighbourhood renewal, as this neighbourhood renewal can generate additional stamp duty revenue through an increase in land values.⁴⁰

In 2017, MAH participated in a Social Return on Investment study commissioned by Housing Tasmania. The study found that due to a change in management from the PHA to us, an average return of \$2.20 in non-housing benefits was delivered for every \$1.00 spent by government as outlined below.

³⁸ Productivity Commission, Report on Government Services 2022, Section 18 – Housing, results for customer satisfaction indicator, <https://www.pc.gov.au/research/ongoing/report-on-government-services/2022/housing-and-homelessness/housing>

³⁹ Farrar et al., *How does community housing strengthen communities?*, 2003 AHURI, <https://www.ahuri.edu.au/research/final-reports/37>

⁴⁰ Issue 168, 2014. AHURI Research and Policy Bulletin, https://www.ahuri.edu.au/_data/assets/pdf_file/0018/3087/AHURI_RAP_Issue_168_Neighbourhood-renewal-programs-produce-substantial-non-housing-benefits.pdf



CHPs, when placed at the centre of neighbourhood renewal initiatives can deliver a wide array of positive benefits. An evaluation of the Victorian Neighbourhood Renewal Program concluded that such renewal efforts led to:

- 4% reduction in unemployment from 17 to 13 per cent, double the rate of reduction in unemployment for Victoria
- 12% increase in further education qualifications
- Reduction in average secondary school absenteeism by 3.5 days
- 4% increase in perceived levels of community participation
- 12% reduction in overall crime
- 27% decrease in property crimes
- 22% increase in acceptance rates for public housing
- 8% decrease in public housing turnover
- 6% reduction in substantiated cases of child protection
- 14% increase in resident perceptions that neighbourhood renewal has improved government performance
- 33% of residents perceived improvement in housing conditions
- 23% of residents perceived improvement in the physical environment.⁴¹

⁴¹ Wood, G. and Cigdem, M., 2012. Cost-effective methods for evaluation of Neighbourhood Renewal programs, AHURI Final Report No. 198

National Shelter's plan to separate housing funding into operational and growth funding streams

Mission Australia endorses the recommendation put forward by National Shelter which proposes to reconfigure the NHHA payments into two separate streams:

1. An operational fund paid on a per-dwelling basis to providers (State and Territory housing authorities and community housing providers); this could be preserved for structural maintenance, and clarify the homelessness payments being quarantined out. Payments should be sufficient to cover operational costs and Commonwealth Rent Assistance. Need to be identified on a per capita basis of each State and Territory.
2. A growth fund to be provided to State and Territory governments on a per capita basis.

Constellation Project's Housing Boost Aggregator

The Housing Boost Aggregator is a funding mechanism which would rely on a Commonwealth-based subsidy stream to incentivise and drive private investment into social and affordable housing. The Housing Boost Aggregator was developed by The Constellation Project, of which Mission Australia is a founding member alongside PwC Australia, the Australian Red Cross and the Centre for Social Impact. The Constellation Project has been created to end homelessness within a generation through cross-sector collaboration in developing solutions. The Housing Boost Aggregator is also supported by the National Affordable Housing Alliance.⁴²

The Housing Boost Aggregator policy is based on the United States Low-Income Housing Tax Incentive Scheme. This scheme has supported the development of over two million units of affordable rental housing for over 30 years. Similar tax incentive schemes have been proven to work in Australia in other contexts including the Research and Development Tax Incentive which promotes private sector investment in innovation.

To apply this scheme in Australia, the Federal Government would need to:

1. Undertake tax reform to create a new annual tax-based subsidy (an annual refundable tax offset) - the 'Boost'. Community Housing Providers (CHPs) would be able to tender for the Boost to close the project-specific funding gap for new affordable housing developments. This is different to previous Australian programs because it targets each project's specific upfront funding gap, rather than applying a one-size-fits-all approach.
2. Create a new entity (possibly within an existing government agency) – the 'Aggregator' - to act as an intermediary to aggregate CHPs' capital requirements, create a fund and offer shares in that fund to institutional investors who would provide upfront capital to the CHPs. Investors would then receive low-risk returns generated by the fund in the form of a stream of annual Boost offsets.

The additional housing supply created as a result of the Housing Boost Aggregator policy would vary depending on the amount of subsidy offered by the ATO and the unique funding requirements of CHOs

⁴² NAHA, 2021. Increasing the supply of social and affordable housing at scale and in perpetuity: Policy options, National Affordable Housing Alliance, https://issuu.com/frasersproperty/docs/naha_policy_options_dec_2021.

after all other available funding sources are taken into account. Modelling suggests that for every \$1 million invested as a subsidy over a 10-year period, the Housing Boost Aggregator could build eight new homes.

A National Framework for Mandatory Inclusionary Zoning

The Constellation Project has also developed a proposal for a National Framework for Mandatory Inclusionary Zoning (MIZ). The proposal is similar to policies in the US and UK which have been successful in generating new affordable housing stock. A National Framework for MIZ is the primary policy mechanism to create new affordable housing in the United States. Over 500 major cities have adopted mandatory obligations to affordable housing developments, including New York, Chicago, and Philadelphia, in addition to state regulations on suburban communities in New Jersey, California and Massachusetts. In the US, the mandatory obligation sits from 5-25% output for low- or moderate-income in many major cities. In San Francisco about 1,456 affordable units were completed in 2019, representing 30% of all new housing units added in 2019. Of these, 405 are new inclusionary units, and 177 are new accessory dwelling units.

The United Kingdom has seen mandated affordable housing contributions within private development projects since the 1990s. The value of obligations in 2016-17 amounted to a direct contribution of \$7.5 billion (AUD) to affordable housing development. As a result, the capital raised from MIZ policy directly enabled the development of 25,000 homes in 2017-18 in England with no additional grants.

In Australia, NSW, ACT and SA all have limited inclusionary zoning schemes in place, with the City of Sydney scheme operating for more than 20 years.

MIZ requires a specified affordable housing contribution as a condition for development consent on a market housing (or other) project. The MIZ proportion required may vary according to local circumstances – but it should be a significant, not token, proportion. In delivering on MIZ obligations, affordable housing units (or an equivalent levy allocated to such housing) must be provided within the developer's project or elsewhere.

MIZ has not been consistently and coherently applied at a large scale in Australia. The key challenges to implementation of MIZ at scale stem from a lack of consistent vision and alignment. This leads to inconsistent application across multiple contexts, which in turn reduces the ability to create efficiencies. An appropriate time frame is also required to signal changes to the market so that key players, including developers and CHPs, can adapt.

A National Framework for the application of MIZ would bring a level of consistency and clarity to its application not previously seen in Australia. It is important to note that a National Framework does not mean identical implementation in all locations. The Australian planning system is intricate and nuanced across multiple jurisdictions. A National Framework needs to be flexible for regulatory, project and market context.

The benefits of a National Framework would include:

- Clear understanding of roles and responsibilities.

- Consistent application across multiple jurisdictions allows
- Efficiencies can be found when delivering at scale.
- The ability to leverage best practice examples and create a learning system where knowledge, skills and capabilities are transferable.

In order for a National Framework to be developed, there are key roles for the Australian, state/territory and local governments, developers, CHPs and members of the community.

- The role of the Federal Government is to establish national consistency in MIZ implementation, possibly through the National Housing and Homelessness Agreement.
- State governments must pass legislation to establish a consistent and reliable approach of at least 10% MIZ as normal practice for all new housing developments throughout Australian metro areas to address the unmet need for social and affordable rental housing.
- Local councils must use available planning instruments to support the application of at least 10% MIZ and develop robust five-year housing strategies that help inform long term strategic decisions on social and affordable housing delivery.
- Developers should promote rational MIZ policies as a necessary condition for socially sustainable urban growth in Australia.
- Community members, for their part, have a role in supporting MIZ through their interests as land owners, community locals (residents and businesses), building/strata management members and potential social or affordable housing tenants.

Modelling suggests that the implementation of MIZ would result in the creation of up to 160,000 new lower income affordable homes across three major cities by 2036: Brisbane, Sydney and Melbourne. In particular, MIZ would generate up to 20,000 affordable homes in Brisbane, up to 54,000 homes in Sydney and up to 86,000 homes in Melbourne.

Recommendation:

2. Future funding, either as part of a new funding agreement and/or separate funding streams, must be increased and should consider the following investment priorities, as further expanded in this submission, to effectively support the housing and homelessness systems and implementation of a national housing and homelessness strategy:
 - a. Adoption of strategic commissioning approaches with a minimum seven-year funding contracts, to maximise allocative efficiency, realise the full benefits of programs and initiatives and give certainty to service providers, staff and clients
 - b. Needs-based homelessness funding
 - c. A prevention and early intervention fund
 - d. A sustainable social and affordable housing system, including through wholesale transfer of stock from public housing to the community housing sector, and the adoption of a Housing Boost Aggregator and a National Framework for Mandatory Inclusionary Zoning.

Section 3: Implementing a performance monitoring and evaluation framework that will drive action

Available data demonstrates that the objectives of the Agreement have not been met. It is impossible to assess progress against the outcomes due to the aspirational nature of the Agreement outcomes and lack of a measurement framework. A lack of transparency around progress on the NHHA Data Improvement Plan makes it difficult to comment on the national performance indicators. A future Agreement should have transparent and accountable monitoring and reporting that measures the impact of funding across the housing and homelessness systems, aligned to the policy intent and targets of an overarching national housing and homelessness strategy.

Lack of transparent and consistent reporting hinders assessment of contribution to objective and outcomes

Objective and outcomes of the Agreement

The Terms of Reference for this review invite assessment of whether the objective of the Agreement is being met, seek evidence of its contribution to outcomes, and seek to determine the effectiveness and appropriateness of both the objective and outcomes. However, this is complicated by a lack of transparency about where funding is allocated and the impact it has across the housing and homelessness systems. This is particularly the case for the six outcome domains in the Agreement, as there is no measurement framework to assess contribution against them.

Additionally, little can be gleaned from the States' and Territories' reporting, which are disclosed in their annual Statements of Assurance. These statements can be as short as a one-page letter and provide only top-level spending information to confirm whether Federal funding was matched or exceeded.

We also note that without a robust evaluation plan in place, it would be challenging to attribute national outcomes directly to the NHHA rather than other policy, social and economic influences.

However, the breadth and depth of data collected through the Specialist Homelessness Services Collection (SHSC) by the Australian Institute of Health and Welfare (AIHW), in addition to service level data collected by agencies, would provide some useful evidence to assess the contribution of the NHHA. These data should be leveraged and shared widely to identify and implement evidence-based responses to improve client outcomes.

Performance monitoring and reporting

Robust reporting of performance indicators is required to measure progress against the NHHA's objective and outcomes. Without publicly available information on the development of the indicators, as set out in Schedule E to the Agreement, by the NHHA Data Working Group, it is impossible to make an assessment of whether the indicators are appropriate and how progress is tracking against them.

While the Agreement contains a requirement that an independent public report be released "*at least annually*" and "*at a minimum, [measures] national performance indicators and benchmarks*", it appears

this has been substituted for an online dashboard with only four performance indicators. Two of the indicators were updated in 2018, and the other two in 2020 and 2021.⁴³

Effectiveness of NHHA's performance monitoring and reporting framework

The basis of a robust and effective performance monitoring and reporting framework is the development of a Theory of Change with clear short-, medium- and long-term outcomes of the Agreement.

Currently there is a focus on long-term structural factors influencing housing and homelessness. The framework could be strengthened by the development of additional non-housing short and medium-term indicators to measure the outcomes of the Agreement.

There is an opportunity to utilise the data captured in the SHSC, in other data sets held by Federal and State/Territory agencies (such as social housing data systems) and in community service providers' data holdings, to assess shorter-term outcomes and indicators assessing individual factors which drive homelessness (such as domestic and family violence or poverty) as well as housing outcomes. Notably, Mission Australia has collected relevant data through the Personal Wellbeing Index for many years (see page 28), and this is now also collected by other providers as required by the NSW Government's SHS program. Further, valuable additional data is being collected about people who are street sleeping through the various "zero" collaborations around Australia.⁴⁴

Data development priorities

While the SHSC includes a significant amount of detail as to clients' situations when presenting for homelessness support, its usefulness could be further improved through:

- Collecting greater detail on the reasons why the client is experiencing a housing crisis. While frontline workers are required to enter the 'Main Reason' for seeking assistance, they generally populate this with a general response such as 'Housing Crisis'. While it is possible to enter other, secondary reasons, a compulsory variable recording the reason for 'Housing Crisis' would paint a fuller picture as to the circumstances of different clients. Frontline workers would generally be aware of this information and able to include it in their SHSC responses if an appropriate variable were included. Mission Australia intends to improve this within our own Client Information System over the coming year.
- Client voice. A number of other national minimum data sets include client measures of success. All variables in the SHSC data set are based on data provided by frontline workers (from

⁴³ Productivity Commission, (n.d.) Performance reporting dashboard, National Housing and Homelessness Agreement, <https://performancedashboard.d61.io/housing>.

⁴⁴ Flatau, P., Lester, L., Seivwright, A., Teal, R., Dobrovic, J., Vallesi, S., Hartley, C. and Callis, Z., 2021. Ending homelessness in Australia: An evidence and policy deep dive. Perth: Centre for Social Impact, The University of Western Australia and the University of New South Wales. DOI: 10.25916/ntba-f006

information gained from the client) but do not include information provided directly by clients about their experiences or wellbeing.

Data quality is a significant issue. Streamlining the data collected in the first month of service would help with this as it is currently much bigger than it needs to be. In the first month, the frontline worker currently records responses for each of the variables in the following list for when the client presents for service, the week before the client presents for service and at the end of that month:

- Accommodation type
- Living Arrangements
- Accommodation Tenure
- Homelessness Status
- Employment Status
- Education Status (although notably doesn't ask highest level of education achieved)
- Main Source of Income
- Care & Protection Arrangements (if any)

The inefficiencies of this mean that all of those fields for the majority of the time end up being the same, and often result in frontline workers leaving 'Don't Know' responses rather than taking the time to fill in the data completely.

Improvements to the way the information is presented back to services in a digestible way would also help staff understand the value of the data collection.

Non-government service providers do the bulk of collecting, reporting and analysing data, and of course have the closest connection to clients and therefore the most in-depth understanding of their presenting needs and eventual outcomes. It is a major oversight that the sector does not have meaningful representation on the NHHA Data Working Group, and that important data and insights held by non-government providers are excluded from the process of supporting the monitoring and reporting on the implementation of the Agreement.

Performance framework for the next Agreement

A performance monitoring and reporting framework needs to form the basis of robust evaluation and tracking progress against performance indicators. Investment in research and evaluation throughout the life of the Agreement (i.e. implementation and outcomes of the Agreement, strategies, levers and programs to achieve the national outcomes) is critical to objectively and systematically assess the implementation of the Agreement and national outcomes. Evaluation is also critical to build an evidence base of what works, continuously improve strategies and programs to improve outcomes and bring effective and innovation initiatives to scale.

Access is needed to data at all levels of the system to support continuous quality improvement of strategies, levers and programs. The ability for agencies to access comparative/benchmarking data

collected via the SHSC will also support quality assurance and performance improvements at a service level. Further, States and Territory Governments need to have agreed consistency of data definitions and indicators as part of the overall framework. Without this, it is very difficult to measure or report on outcomes nationally, as each jurisdiction measures a range of key indicators quite differently which can skew the interpretation and commentary on results.

Progress on objective of Agreement

There has been little to no progress at a national level around the two key areas in the NHHA objective: “*improving access to affordable, safe and sustainable housing across the housing spectrum*” and efforts to “*prevent and address homelessness*”. There is in fact a worsening level of unmet need. However, at a service level, Mission Australia has evidence that programs are contributing to improved outcomes for individuals.

Improving access to affordable, safe and sustainable housing across the housing spectrum

Since the Agreement came into effect in 2018, the accessibility of affordable, safe and sustainable housing has declined, especially for people on very low to moderate incomes. The private housing market continues to be extremely unaffordable. Data from the year to December 2021 showed a 26% rise in regional house prices and 21% rise for house prices in capital cities, while rents across the nation rose about 9% on average.⁴⁵ These increases far outpaced growth in household incomes and puts renters on low to very low incomes in a precarious position without adequate financial support or heavily subsidised housing. From 2018 to 2020, people receiving Commonwealth Rent Assistance increased 25% to 1.7 million people.⁴⁶ This strong growth was likely due to the increased hardship and expanded eligibility for income support around the height of the COVID-19 pandemic. Additionally, over 92,000 people received bond loans, one-off rental grants, ongoing rental subsidies, or relocation expenses as part of private rental assistance measures delivered by States and Territories in 2019-20, a 5% rise since 2017-18.⁴⁷

This environment has put further strain on the social housing system to be the safety net for many disadvantaged people in the community. Since the NHHA’s commencement, applications on the social housing waitlist have grown 10% to over 155,000 in 2020,⁴⁸ yet at the same time social housing stock increased by only 120 dwellings (or 0.03%).⁴⁹ For people who are homeless and at risk of homelessness,

⁴⁵ NHFIC, 2021. State of the nation’s housing 2021-22, National Housing Finance and Investment Corporation, Australia, <https://www.nhfic.gov.au/media/1814/nhfic-state-of-the-nations-housing-2021-22-full-final.pdf>.

⁴⁶ AIHW 2022, Housing assistance in Australia 2021, Supplementary data tables: Commonwealth Rent Assistance (CRA), <https://www.aihw.gov.au/getmedia/50b5ffc6-fb20-409a-b8a6-fc4c4068f54e/AIHW-HOU-325-Data-tables-Financial-assistance.xlsx.aspx>.

⁴⁷ AIHW 2022, Housing assistance in Australia 2021, Supplementary data tables: Private Rent Assistance (PRA), <https://www.aihw.gov.au/getmedia/50b5ffc6-fb20-409a-b8a6-fc4c4068f54e/AIHW-HOU-325-Data-tables-Financial-assistance.xlsx.aspx>.

⁴⁸ AIHW 2022, Housing assistance in Australia 2021, Supplementary data tables: Social housing dwellings, Australian Institute of Health and Wellbeing, <https://www.aihw.gov.au/getmedia/1c4d25dd-102f-4cb8-bc3c-f20d92665d9f/AIHW-HOU-325-Data-tables-Social-housing-dwellings-2.xlsx.aspx>.

⁴⁹ AIHW 2022, Housing assistance in Australia 2021, Supplementary data tables: Social housing households—waiting lists, <https://www.aihw.gov.au/getmedia/cf2c263d-1d27-439b-b5f4-82fd2c472abe/AIHW-HOU-325-Data-tables-Social-housing-households.xlsx.aspx>.

social housing is often the only affordable, long term housing option, but availability and access remains out of reach for many.

Prevent and address homelessness

Similarly, looking at the homelessness data over the period of the Agreement, there does not appear to be improvement of top line indicators. The census data shows between 2011 and 2016 there was a jump of 14% in people who were homeless, with NSW, Queensland, Victoria, and Northern Territory experiencing the highest proportions.⁵⁰ More recent data from specialist homelessness services shows from 2018-19 to 2019-20 client numbers were steady at around 290,000, until 2020-21 when client numbers decreased 4% to about 278,000.⁵¹ However, steady across this period was one third of clients not having their accommodation needs met, as well as a stable number of clients reporting repeat periods of homelessness.⁵² This trend is unsurprising when little new stock is being added to social housing nationally and the private rental market is prohibitively expensive.

Demonstrated progress at the service/individual level for people who are homeless and social housing tenants

Mission Australia has evidence that programs at a service level are contributing to improved outcomes. Through our Impact Measurement (IM) program, over 20,000 people have completed wellbeing surveys upon entering Mission Australia services. Of the 91 housing and homelessness services we operate as of March 2022, 86% have been on-boarded to the IM program.

The wellbeing survey is administered upon entry as a baseline, at midpoint and upon exit of services, with the following elements:

- The Personal Wellbeing Index, which is an internationally recognised tool for measuring a person's subjective wellbeing. It consists of eight questions, the answers to which are interpreted into a score.
- Service outcome measures.
- Homelessness indicators.

Driver analysis has revealed that a person's satisfaction with their own standard of living is the most important factor in changing a person's overall wellbeing when they access our services. The data collected has shown wellbeing increases as housing becomes more stable. People exiting transitional accommodation tend to have the highest wellbeing and are the only group within the Australian normative range for overall wellbeing.

⁵⁰ Australian Bureau of Statistics, 2018. Census of Population and Housing: Estimating homelessness, accessible at <https://www.abs.gov.au/statistics/people/housing/census-population-and-housing-estimating-homelessness/latest-release#data-download>.

⁵¹ AIHW 2021, Specialist homelessness services 2020–21, Supplementary tables - Historical tables SHSC 2011–12 to 2020–21, <https://www.aihw.gov.au/getmedia/591a9875-2b7f-44ff-a022-c7e89b07f93f/AIHW-HOU-327-Specialist-homelessness-services-historical-data-2011-12-to-2020-21.xlsx.aspx>.

⁵² Productivity Commission 2022, Homelessness services — Data tables contents, <https://www.pc.gov.au/research/ongoing/report-on-government-services/2022/housing-and-homelessness/homelessness-services/rogs-2022-partg-section19-homelessness-services-data-tables.xlsx>.

We have included IM data packs from 2020 for selected regions as appendices. Further information can be provided on request.

Recommendation:

3. The next NHHA must have transparent and accountable monitoring and reporting provisions that measure the impact of funding across the housing and homelessness systems, aligned to the policy intent and targets of an overarching national housing and homelessness strategy. This should include:
 - a. A publicly available report of progress on efforts to measure the Agreement indicators as set out in the Data Improvement Plan
 - b. The publication of progress against each indicator on the Productivity Commission website as soon as data are available
 - c. A performance monitoring and evaluation framework incorporating a theory of change and short-, medium- and long-term indicators
 - d. Development of an outcomes measurement framework as part of the remit of the NHHA Data Working Group and the expansion of its membership to include representation from the community services sector.

Section 4: A roadmap for a national housing and homelessness policy framework

The current NHHA is due to expire at the end of June 2023 and the Productivity Commission is due to provide its final report to Government at the end of August 2022. The report will be delivered following a Federal Election in May, with the possibility of being handed to a new Government.

We expect the report will have a significant influence on the design and negotiation of the next Agreement. However, we are concerned that when the Federal Government decides to release the report there will be insufficient time to form an agreement with all parties that sufficiently addresses the issues and recommendations raised by the Productivity Commission's review and the submissions that were made. With this in mind, we have proposed three pathways to avoiding an unacceptable risk of not having a robust and coherent housing and homelessness policy framework, driven by a national strategy, to inform the next iteration of the NHHA.

Potential paths forward to a national strategy and funding Agreement

In light of the constrained timeline and multiple factors involved in having a fit-for-purpose Agreement in place from 1 July 2023, we envisage three potential paths to a coherent policy framework incorporating both an Agreement and a national housing and homelessness strategy that the Productivity Commission could recommend to Government. These are outlined below in order of preference.

1

Extend the current NHHA for an additional year to allow sufficient time to first develop a national housing and homelessness strategy

This is Mission Australia's preferred pathway. It will ensure that a future Agreement is designed and negotiated with a clear policy and reform direction flowing from a national strategy. It allows time for meaningful and comprehensive consultation, debate of options and negotiation of an agreed housing and homelessness policy framework.

Importantly, this sequencing means that the Agreement can be revised such that funding is used to incentivise State and Territory Governments to agree to be accountable for effective housing and homelessness measures, alongside measures for which the Federal Government is accountable.

There is too much at stake to risk another status quo Agreement that lacks the adoption of clear, shared and accountable policy objectives and targets, directed by a national strategy, and supported by sufficient funding.

Benefits:

- Establishes a federally coordinated housing and homelessness policy framework after an absence of almost a decade.

- Provides the Federal Government with the lever for all parties to pursue meaningful policy and reform conditional on the granting of funding in the next NHHA.

Risks:

- Further extends (although only by one year) the current inadequate NHHA which has not made progress on its stated objectives and outcomes.

2

Include the development of a comprehensive national housing and homelessness strategy as a key output of the next Agreement

If this pathway is recommended by the Productivity Commission, the areas of focus that we advocated for in relation to the national strategy must instead be embedded in the next Agreement. This includes utilising all policy drivers across governments that affect homelessness and housing affordability, adoption of targets, linking those to a performance monitoring and reporting framework, a greater emphasis on prevention and early intervention, changes to conceptualising at-risk groups, and recognising and supporting the right of First Nations Peoples to self-determination in addressing their unique housing and homelessness needs.

Benefits:

- Locks in a commitment to develop a national strategy.

Risks:

- The establishment of a new funding agreement before the development of a national strategy risks diminishing its value and potential impact, as the majority of housing and homelessness funding will already be committed.
- Governments must contend with a constrained timeline to address the findings of the NHHA review and the areas of focus which need to be addressed.
- Relevant housing and homelessness stakeholders cannot hold governments accountable to include strong policy and reform commitments and the right incentives and disincentives to achieve them, as they could with the development of a national strategy.

3

Develop a national housing and homelessness strategy prior to the NHHA expiry in June 2023

This is an impractical option. Development of a national housing and homelessness strategy cannot be undertaken in a timeframe of several months. As we have highlighted throughout our submission, extensive and meaningful consultation on the national strategy is required and must not be held to a timeline that compromises an effective process and outcome.

Risks:

- The limited time to develop a national strategy will most likely deliver an inadequate product.
- In the process of developing a national strategy it will inevitably be recognised more time is required beyond the expiry of the NHHA, leading to the complication of having to negotiate a rollover of the current Agreement.

If the Productivity Commission chooses not to recommend the development of a national strategy at all, we strongly recommend that the targets, policy and reform areas we advocate for inclusion in a strategy are instead embedded in the next Agreement. This should include strong incentives and disincentives for State and Territory Governments to be accountable to the objectives, outcomes, outputs and policy and reform priorities of the next Agreement.

Recommendation:

4. The current NHHA should be extended for an additional year to allow sufficient time to develop a national housing and homelessness strategy, and then to allow effective implementation of the recommendations made in this submission that will move Australia onto a credible path to end homelessness and provide everyone with a safe and affordable home.

Appendices

- Appendix 1 Impact measurement snapshot 2020 Mission Australia Housing Tasmania**
- Appendix 2 Impact measurement snapshot 2020 Mission Australia Housing Greater Western Sydney and Camperdown**
- Appendix 3 Impact measurement snapshot 2020 Mission Australia Housing Lower and Upper Mid North Coast**

IMPACT MEASUREMENT



Impact Measurement Survey Snapshot 2020

CLARENCE PLAINS, TASMANIA

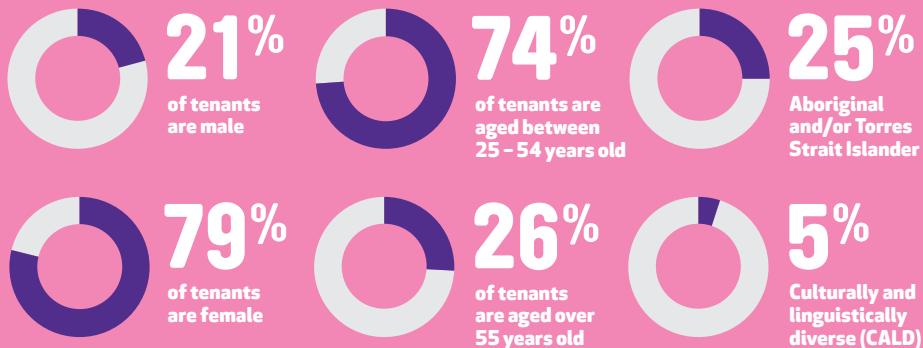
What is Impact Measurement?

Impact measurement is the process that helps us understand how our services are improving the lives of Mission Australia Housing residents and their communities.

What you told us



Who participated



Thank you for taking the time to participate in this survey!
Your support helps us to support you better!

What we can work on together



Strengthen community connections



Increasing feeling of personal safety and future security



Focus on accessing health services (particularly Aboriginal and Torres Strait Islander services and disability services)



Links to education and training



Creating opportunities for tenants to have a say

MISSION AUSTRALIA

better homes in vibrant communities

Recently 10% of Mission Australia Housing households in Clarence Plains, Tasmania participated in this survey.

Of tenants surveyed



would like more support to improve living conditions



are employed



trust their neighbours



felt they could have a say on community issues



men are living alone and may be feeling isolated

IMPACT MEASUREMENT



Impact Measurement Survey Snapshot 2020

GREATER WESTERN SYDNEY

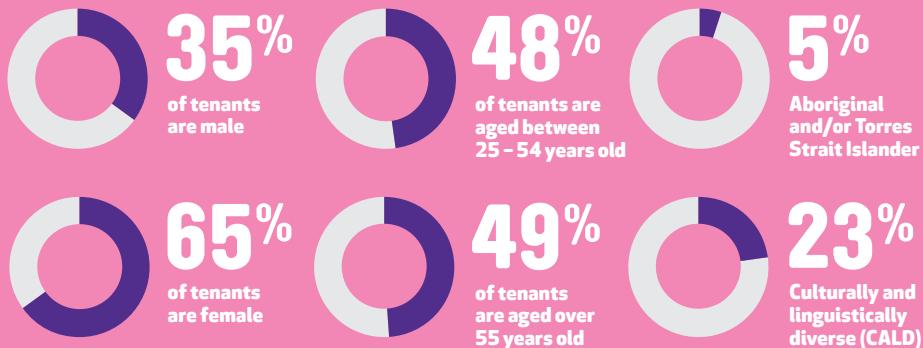
What is Impact Measurement?

Impact measurement is the process that helps us understand how our services are improving the lives of Mission Australia Housing residents and their communities.

What you told us



Who participated



Thank you for taking the time to participate in this survey!
Your support helps us to support you better!

What we can work on together



MISSION AUSTRALIA

better homes in vibrant communities

Recently 15% of Mission Australia Housing households in the Greater Western Sydney region participated in this survey.

Of tenants surveyed



IMPACT MEASUREMENT



Impact Measurement Survey Snapshot 2020

COMMON GROUND, SYDNEY

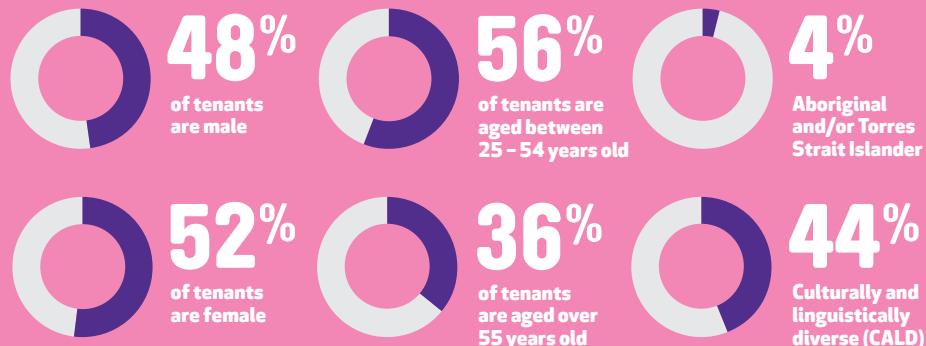
What is Impact Measurement?

Impact measurement is the process that helps us understand how our services are improving the lives of Mission Australia Housing residents and their communities.

What you told us



Who participated



Thank you for taking the time to participate in this survey!
Your support helps us to support you better!

What we can work on together



MISSION AUSTRALIA

better homes in vibrant communities

Recently 25% of Mission Australia Housing households at Common Ground Sydney participated in this survey.

Of tenants surveyed



IMPACT MEASUREMENT



Impact Measurement Survey Snapshot 2020

MID NORTH COAST NSW – LOWER

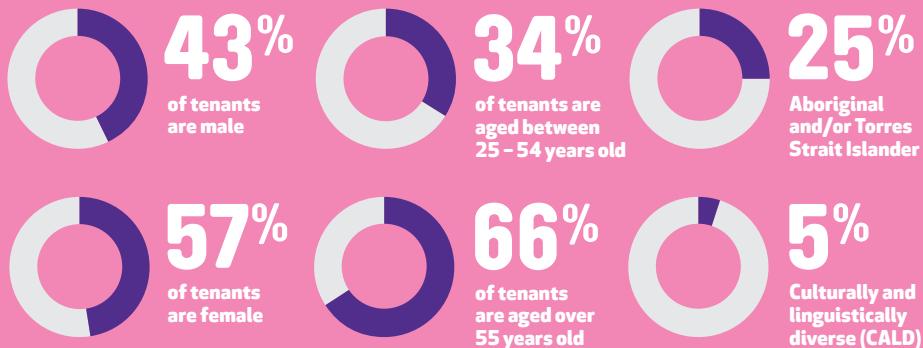
What is Impact Measurement?

Impact measurement is the process that helps us understand how our services are improving the lives of Mission Australia Housing residents and their communities.

What you told us



Who participated



Thank you for taking the time to participate in this survey!
Your support helps us to support you better!

What we can work on together



Strengthen community connections



Build trusting relationships and strong friendships with neighbours (particularly for older people)



Focus on accessing health services



Links to education and training



Creating opportunities for tenants to have a say

MISSION AUSTRALIA

better homes in vibrant communities

Recently 16% of Mission Australia Housing households on the Mid North Coast NSW – Lower region participated in this survey.

Of tenants surveyed

2 in 3

have good overall wellbeing (particularly men)

1 in 4

are employed

<1 in 3

Less than 1 in 3 trust their neighbours or join social groups

2 in 5

felt they could have a say on community issues

1 in 4

would like to develop financial management skills and healthier lifestyles

IMPACT MEASUREMENT



Impact Measurement Survey Snapshot 2020

MID NORTH COAST NSW – UPPER

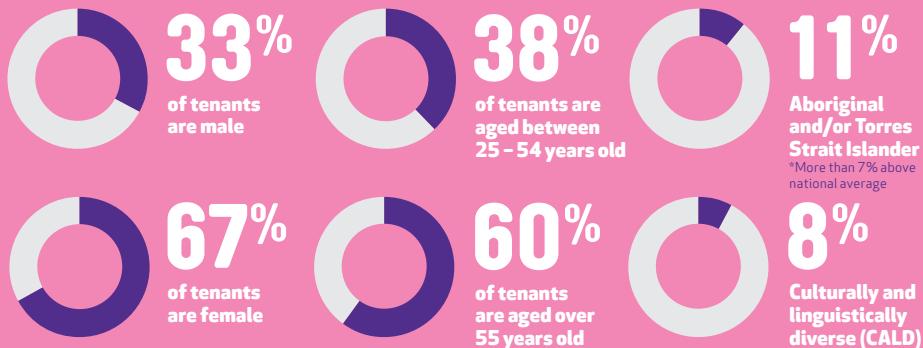
What is Impact Measurement?

Impact measurement is the process that helps us understand how our services are improving the lives of Mission Australia Housing residents and their communities.

What you told us



Who participated



Thank you for taking the time to participate in this survey!
Your support helps us to support you better!

What we can work on together



Strengthen community connections



Build trusting relationships and strong friendships with neighbours
(particularly for Aboriginal and Torres Strait Islander people)



Focus on accessing health services especially mental health services



Assistance in securing employment pathways



Support with managing money and other life skills

MISSION AUSTRALIA

better homes in vibrant communities