



Housing Strategy for South Australia

Green Paper



Government of
South Australia

National Library of Australia Cataloguing-in-Publication entry

Title: Housing strategy for South Australia : green paper / South Australia.
Dept. for Families and Communities and South
Australia. Dept. of the Premier and Cabinet.

ISBN: 9781921649165 (pbk.)

Subjects: Housing--South Australia.
Housing policy--South Australia.

Other Authors/Contributors:
South Australia. Dept. for Families and Communities.
South Australia. Dept. of the Premier and Cabinet.

Dewey Number: 353.55099423

Contents

>	Minister's foreword	4
>	Chapter 1: Vision & highlights	7
	Vision	7
	Green paper highlights	9
	Lead proposals	10
>	Chapter 2: Building on our successes	12
	Purpose of this paper	13
	A new SA Housing Strategy	12
	National agenda	13
	Our State plans	14
	Achievements: Building on our successes	15
>	Chapter 3: The opportunities and drivers of change	19
	Declining housing affordability	19
	Changes in demographics, household formation and housing need	20
	Economic, environmental and health priorities	21
>	Chapter 4: Directions	24
	Tell us what you think!	24
	Proposed directions	25
	Direction 1: Creating sustainable neighbourhoods and Communities of which affordable housing is a part	26
	Direction 2: Building the capacity of the housing industry, including the not for profit sector, to provide affordable housing	31
	Direction 3: Facilitating more affordable and high needs housing opportunities	35
	Direction 4: Improving housing outcomes for Aboriginal South Australians	40
	Direction 5: Improving the way people access and are supported in housing	43
>	Chapter 5: Consultation	51
>	Glossary	52

Minister's foreword

Since the State Housing Plan was released in 2005, South Australia has led the nation in housing innovation.

We were the first in Australia to adopt a 15% affordable housing policy in all new significant developments and to launch a range of shared equity loan products through our Equity Start and BreakThrough initiatives, and most recently Shared Value to help low income earners buy a home of their own.

We have also advanced our work in urban renewal with major redevelopments in Westwood and Playford, two of the largest such projects nationally.

Through the Woodville West redevelopment we're shaping neighbourhoods and setting the agenda for what we want - and need - communities to look like in the future. Recent projects such as the Ifould apartments and UNO apartments at 102 Waymouth Street are outstanding examples of providing affordable housing in the heart of the city.

The Nation Building Economic stimulus Plan, National Rental Affordability Scheme and National Partnership Agreements on Homelessness and Social Housing have given us the scope to deliver many initiatives, fulfil the dreams of thousands of South Australians and support the most vulnerable.

Through the National Partnership Agreement on Remote Indigenous Housing we are now in the process of delivering the largest ever Aboriginal housing program in remote areas. This will be instrumental in addressing disadvantage for communities, particularly in the APY Lands.

In July this year, I released Homeless to Home: South Australia's Homelessness Strategy 2009 - 2013 which describes the major investment we have made in



South Australia to create an integrated Homelessness Service Sector. Through these reforms, we are proud to offer a more professional, well-connected and responsive service to families and individuals experiencing homelessness.

Keeping people close to schools, hospitals and other services, including transport, is one of the best ways we can help them to stay healthy and achieve their potential. Housing is critical to this strategy.

The Planning Strategy - including the 30 Year Plan for Greater Adelaide and regional plans set out how our State will be shaped over the next 30 years.

It is underpinned by an \$11.4 billion investment over four years in infrastructure to upgrade and modernise transport networks, hospitals and schools, and to supply the water needed to sustain population and economic growth - and support people.

The 30 Year Plan highlights the need for 258,000 new homes in the Greater Adelaide region over the next 30 years, including 38,700 new affordable homes - with 70% being built within existing urban areas by 2036.

This is an enormous challenge and a great opportunity - one which Government cannot meet alone. We'll need to change the way we think about where and how we live.

Leadership is needed to drive the changes that are required so that others can follow.

For this reason, we are developing a new state-wide housing strategy to take our State forward and build on our tradition of innovation and retain our competitive edge.

We'll need everyone - builders, developers, not for profit organisations, local councils, advocacy groups and many others to provide ideas and support.

This Green Paper sets out our housing vision for the next 30 years. It proposes a set of key directions and proposals for providing housing and services into the future.

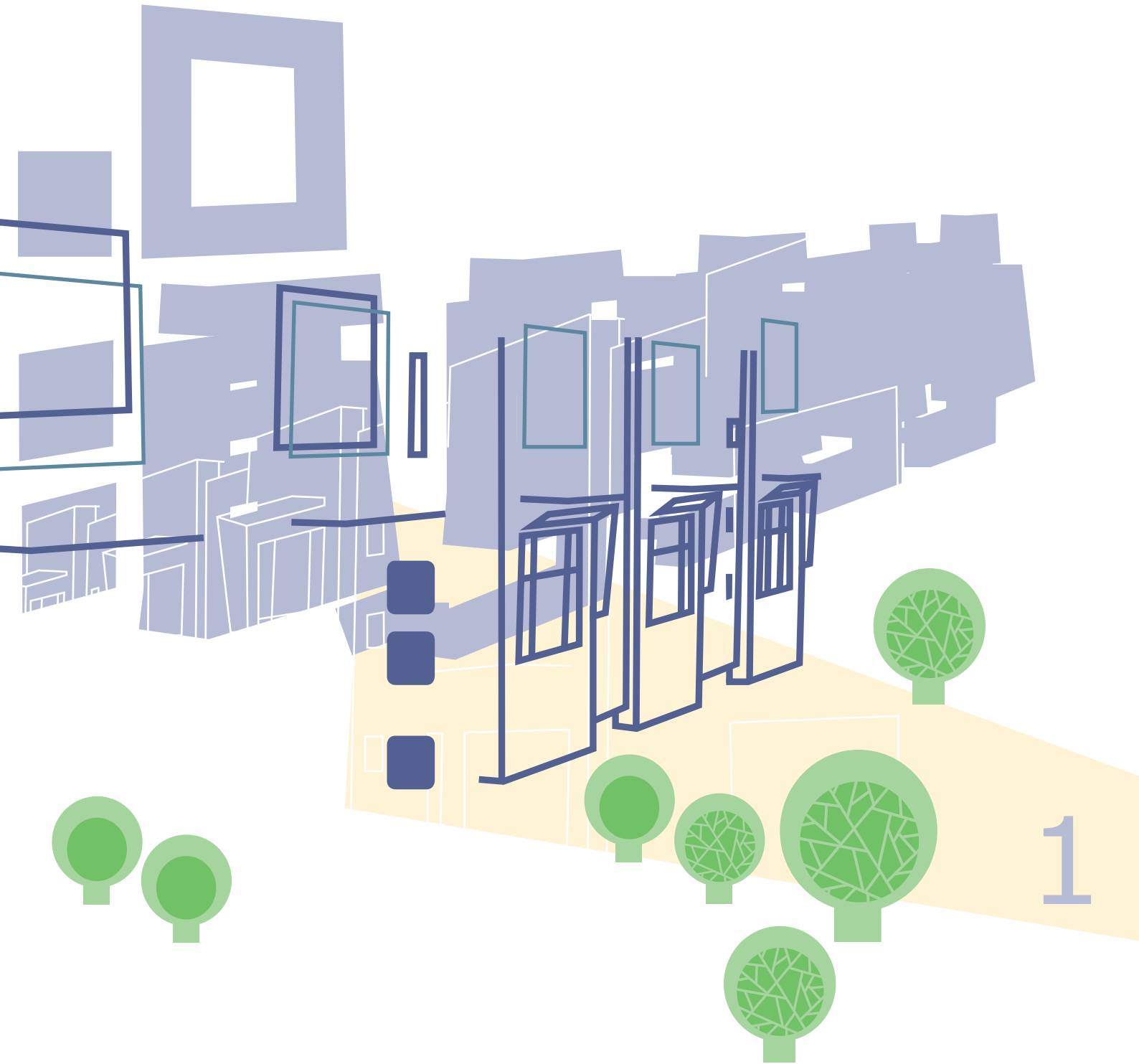
There is a strong emphasis on setting up neighbourhoods so they are sustainable and liveable - not just for a few years but for generations to come.

It stresses our need for an even greater commitment to innovation and designs with a focus on accessibility and environmental sustainability.

It is the start of a new direction for South Australia - and one which you have a chance to shape.

I look forward to your ideas.

Jennifer Rankine
Minister for Housing



Vision & highlights

Chapter one

Vision & highlights

1.1 Vision

South Australia prides itself on being one of the most affordable places to live in Australia. Our vision is to support and maintain affordability into the future whilst ensuring that, as the State grows, our neighbourhoods are well-planned, socially inclusive, connected and sustainable.

Our State is a recognised leader in many aspects of housing provision and we want to maintain this competitive edge and innovative spirit. New housing construction accounts for about 5% of Gross Domestic Product.

A well functioning housing system supports a strong economy. Housing not only supports wealth creation, it underpins the state's competitiveness by supporting population growth, and attracting and maintaining working aged people. High housing costs place upward pressure on wages and salaries, which can undermine the competitive position of local producers, especially in trade-exposed industries.

Our housing strategy needs to improve housing affordability for all South Australians and promote new supply of affordable housing. This will require policies to increase the overall supply and diversity of new housing and to keep pace with population growth and change. In addition, it requires specific responses to provide assistance to lower income households to access home ownership or rental opportunities.

Where we live is important, as it provides us with a sense of place. We want to live in communities where we feel safe, connected and enriched. This means building neighbourhoods that make the link between location, housing and amenity, so that people have access to services, jobs, schools, hospitals and recreation.

Whether we live in the city or a country town, we want our neighbourhoods to offer housing options that can accommodate people with different needs and respond to our own needs as they change over time. We want our homes to make efficient use of water and energy. Choice is important to us. We want to be able to choose the size, type, location and tenure of our home - be it home ownership, private or social rental.

We want to plan communities so that they are inclusive, accessible and safe. As our population ages, there will be differences in the needs and preferences of older people, compared with previous generations. There will also be an increase in the number of single households and people living with disabilities; they too will have particular needs and preferences. We want to listen and better understand their needs so that our houses, neighbourhoods and services within them provide the support they require.

For most people, improving the efficiency of the housing market will improve choice and opportunity. Where direct government investment is needed, it is prioritised to those with the most urgent need, while at the same time providing a hand up to others who need assistance in realising their housing aspirations.

Our vision is to achieve this by building the capacity of and working with private and not for profit providers to adopt the right housing policies that spark innovation and will meet the needs of South Australians today and into the future.

There is no one size fits all.

Our future is to create affordable, inclusive communities and build a capacity that responds to the changing housing needs of individuals and families by providing choice and strengthening community resilience.

1.2 Green paper highlights

Housing policy shapes our cities, towns and suburbs and how we live in them.

How our urban areas respond to population and demographic changes, economic drivers and environmental priorities pose challenges for housing policy and demand we do things differently to the past.

As a smaller state, South Australia's advantage has been its flexibility and innovation. Strong relationships between the three spheres of government plus dynamic private and community sector partnerships enable the state to deliver new housing supply and services in rapidly changing markets.

Our housing supply targets are clear and regularly monitored through the Planning Strategy. We also set targets in South Australia's Strategic Plan for improving the economy, securing the environment, and reducing homelessness and the number of people in housing stress. A dynamic but well integrated housing system is central to these aims.

The directions proposed in this paper will mean:

For the development and building industry:

- addressing the infill challenge and associated impacts on construction methods, financing, and workforce
- aligning effort in planning, infrastructure and community engagement
- increasing effort associated with integrated design, sustainability and capturing the vision and strengths of existing communities
- adopting new partnering arrangements with not for profit providers and government.

For not for profit and public providers:

- expanding affordable housing choice through growth and diversity of home purchase and rental products
- supporting capacity and growth of larger not for profit providers
- improving the way people access housing and receive services within a multi-provider system.

For private landlords and rental agencies:

- maximising opportunities for investment in affordable rental, such as that offered through the National Rental Affordability Scheme
- working with government and community agencies to provide more support to ensure successful tenancies in private rental are achieved.

For local government and regional development agencies:

- improving planning and supporting change within communities to help them prepare for future demand
- increasing capacity to monitor area specific supply and demand indicators and working with key stakeholders to react to local issues
- promoting new products in home purchase and rental that meet the needs of lower income or more vulnerable members of the community.

1.3 Lead proposals

Lead proposals to position South Australia as one of the most affordable and liveable states in Australia include:

- Facilitating **place-making and community development** approaches to urban redevelopment, and not simply the production of housing as we deliver on the SA Planning Strategy. The Department for Families and Communities will advocate for and provide advice to public, private, Local Government, and non-government sectors to fulfil a commitment in urban redevelopment to work with communities in the design and choices for housing and connections to space, work, play and life.
- Opening up new markets in designated growth areas and transit oriented developments and promoting innovative approaches to housing, including the provision of more than **1,000 new affordable homes per year**. This includes an increasing range of affordable housing products from home purchase to rental and supportive housing. The newest product is the launch of the **Shared Value initiative**, to help lower income households purchase a home of their own.
- Supporting the growth of sophisticated not for profit providers as a major force in delivering the 38,700 metropolitan and 7,000 regional new affordable housing outcomes identified in the Planning Strategy. This will be supported by a new **Development Initiative**, which will identify and tender strategic development opportunities based on stated affordable housing objectives, and encourage private and non government partnerships in their delivery.
- Setting up a new **Consumer's Network** to advise the Minister for Housing on community engagement strategies for housing services and provision. It will include representation across homeless, rental, and home purchase markets.
- Advancing **social housing renewal** to improve the physical and social infrastructure of former social housing estates to make a substantial contribution to the reshaping of our urban form envisioned in the 30 Year Plan for Greater Adelaide. Success will be measured by the delivery of high quality, integrated design that is driven by neighbourhood and consumer engagement.



Building on our successes

Chapter two

Building on our successes

2.1 Purpose of this paper

This discussion paper seeks your input into the vision and directions to improve housing affordability and provision in South Australia.

A new Housing Strategy for South Australia will be released in 2012, including feedback from the consultation process, which will set the directions and actions for housing provision to take our state forward over the next 30 years.

2.2 A new SA Housing Strategy

Since the launch of the Housing Plan for South Australia in 2005, our state has led the nation in initiatives to increase housing supply and choice through improved efficiencies in planning and affordable housing provision.

We can't stop there. We need to act now to ensure our state retains its competitive edge by being the most affordable and liveable place in Australia. The gap between housing supply and demand continues to grow.

The impacts of declining affordability and high housing costs continue to be felt most by lower income households. More needs to be done to ensure these households have access to appropriate housing and support services in well-located neighbourhoods.

The new Housing Strategy for South Australia will be a state-wide plan that capitalises on our existing strengths in planning, land development, housing construction, home financing and social housing.

It will be stronger and more far reaching than the 2005 Housing Plan, as our vision and understanding of the nature of the challenge set out by the Planning Strategy is clearer. The purpose of the new Housing Strategy for South Australia will be to:

- make South Australia affordable and liveable
- align housing provision and services with the Planning Strategy
- create places for people by investing in sustainable and liveable neighbourhoods
- ensure place-making and community development is at the core when planning and developing neighbourhoods
- accelerate and lead best practice social housing renewal
- direct new affordable housing supply in the right places and ensure it is targeted to lower income households
- provide greater choice for consumers of housing services.

2.3 National agenda

The Council of Australian Governments (COAG) agreed to a National Affordable Housing Agreement (NAHA), which commenced on 1 January 2009.

The NAHA is a broader agreement than the former Commonwealth State Housing Agreement. It covers measures at all levels of government that impact on housing affordability and provides greater flexibility to address the housing issues that are specific to each state and territory. National reporting of performance under this agreement provides for public accountability.

National Affordable Housing Agreement Outcomes



In addition to the reforms under the National Affordable Housing Agreement, COAG has agreed to a cohesive microeconomic reform agenda to improve the responsiveness of supply in the housing market. The agenda focuses on decreasing the time it takes to bring housing to the market, reforming government policies that act as barriers to supply or that artificially stimulate demand, and ensuring efficient use of existing housing stock.

This includes reforms to planning and zoning governance; considering national principles for residential development infrastructure charging; examining relevant Commonwealth and state taxation settings; and extending government land audits and examining private holdings of large parcels of land to assess the scope for increasing competition and bringing land quickly to the market.

A new Housing Strategy for South Australia will align with these national reforms and ensure they deliver for South Australians.

2.4 Our state plans

At the state level, South Australia's Strategic Plan, the 30 Year Plan for Greater Adelaide and the State Infrastructure Plan define how our state will be shaped over the next 30 years.

South Australia's Strategic Plan provides guidance on priorities and actions for government, the private sector and communities to work together. Updated in 2011, it has five housing related targets:

> **Target 7 Affordable housing:**

South Australia leads the nation over the period to 2020 in the proportion of homes sold or built that are affordable by low and moderate income households.

> **Target 8 Housing stress:**

South Australia leads the nation over the period 2020 in the proportion of low income households not experiencing housing stress.

> **Target 9 Aboriginal housing:**

Reduce overcrowding in Aboriginal households by 10% by 2014.

> **Target 10 Homelessness:**

Halve the number of rough sleepers in South Australia by 2013 and maintain thereafter.

> **Target 11 Housing for people with a disability:**

Increase the number of people with a disability in stable supported community accommodation to 7,000 by 2020.

The 30 Year Plan for Greater Adelaide sets the direction for infrastructure, transport, services, health and housing. It establishes housing targets so that there is sufficient supply to meet increasing demand derived from projected increases in population and demographic changes.

The State Infrastructure Plan provides a five to ten year framework to guide all spheres of government, the private sector and community in the planning, delivery, management and use of infrastructure. The plan incorporates four broad strategies to:

- > Coordinate infrastructure planning and construction
- > Pursue more efficient and competitive infrastructure systems
- > Pursue and promote sustainable development through sound planning and use of infrastructure, and
- > Meet future demands in a timely and innovative manner.

Collectively, these plans set an exciting future for our state. A flexible and responsive housing system plays an integral part in making these plans a reality.

2.5 Achievements: Building on our success

Since the launch of the 2005 Housing Plan for South Australia, considerable progress has been made to reform social and affordable housing in South Australia. We have led the nation in establishing alternative affordable housing options to reduce the gap in housing supply at the lower cost end of the housing market.

The negotiation of a National Affordable Housing Agreement and National Partnership Agreements resulted in new funding for housing programs in South Australia consisting of:

- o \$291m to build new houses in remote Aboriginal communities and upgrade existing houses and implement new management arrangements (including repairs, maintenance, allocations and rent collection) in remote and non-remote Aboriginal communities.
- o \$60m for improved homelessness services
- o 3800 new affordable rental homes under the National Rental Affordability Scheme
- o \$30m for new high needs social housing
- o \$404m for construction of more than 1360 new rental houses under the Nation Building Economic Stimulus Plan
- o \$30m for additional upgrading of social housing - more than 500 homes have been upgraded through this program.

We are also proud of our achievements in:

> Urban renewal and development

- o commenced the urban renewal of Woodville West, a lead demonstration of revitalised communities envisioned in the Planning Strategy
- o completed urban renewal in Myall Place (Whyalla), Mapleton Grove (Kilburn), Royal Park, Mitchell Park, Northway (Elizabeth), Hawksbury Park (Salisbury) and continued major renewal in Westwood and Playford
- o completed 42 apartments at Ifould Street in the inner city and commenced development of the Uno Apartments which will provide a unique mix of 146 private, affordable and social housing options in the heart of Adelaide
- o commenced construction of medium density living demonstration projects consisting of 23 apartments at Inspire Noarlunga, 23 apartments in Christies Beach, and 47 dwellings in Findon.

> Building strong partnerships

- o through a successful joint venture with international developer Urban Pacific Limited and the Cities of Port Adelaide Enfield and Charles Sturt, undertaking final stages of the Westwood redevelopment, which was Australia's largest urban renewal project
- o Westwood follows earlier successful joint ventures and partnerships which delivered urban renewal at Golden Grove, Mitchell Park and Gilles Plains
- o continued to provide new housing supply through the Seaford joint venture with AV Jennings and the Land Management Corporation in the south while Playford Alive is a significant urban renewal and greenfield development to the north
- o maintains a multi-million dollar state-wide partnership network for the delivery of support services as well as the funding of not for profit housing providers.

> Affordable housing

- o became the first state to adopt inclusionary housing policies to realise at least 15% affordable housing in all significant new developments
- o financed 1,174 lower income homebuyers through HomeStart's innovative Equity Start loan and 784 through Breakthrough loans to date
- o launched the Affordable Homes Program which has assisted over 700 eligible buyers into home ownership
- o more than 2,000 affordable homes have been committed through the 15% provision and a further 2,000 are currently under negotiation.

> Community housing

- o supported a 75% growth in community housing sector over the past decade and set the framework for a further 60% growth over the next 5 years
- o established Preferred Growth Provider recognition process to identify high capacity social housing providers
- o funded approximately 500 new dwellings in alternative supply solutions through investment under the SA Affordable Housing Innovations Fund
- o funded or transferred more than 600 new dwellings to the Not for Profit sector through the Nation Building Economic Stimulus Plan.

> Homelessness

- o increased supply of supportive inner city housing for people who are homeless through the \$13m refurbishment of The Terrace (formerly Afton House)
- o supported the establishment of Common Ground Adelaide Ltd (Franklin St - 39 units for the homeless) Light Square (52 units for homeless people and low income earners), Port Augusta (35 units with specific focus on Aboriginal men and women)
- o completed Ladder youth homelessness project in Port Adelaide
- o achieved fewer numbers of rough sleepers (11%) in 2006 in South Australia compared with 16% nationally and a 50% reduction in the number of rough sleepers in the inner city between June 2007 and May 2011 – from 108 to 51
- o implemented a major reform of homeless services across SA
- o established Preferred Support Provider recognition process to identify high capacity support agencies.

> Disability housing

- o assisted 144 people move from institutional care at the Strathmont Centre into purpose built supported group home accommodation
- o jointly committed \$18.7m in partnership with the Commonwealth Government to implement the Younger People in Residential Aged Care project assisting younger people with a disability into accommodation and supporting those who chose to remain
- o combined with Bedford Industries to jointly commit \$10 million to deliver new disability housing opportunities for 70 people
- o transferred community housing assets valued at \$9.6m to the Julia Farr Association, as part of a \$21m investment to support the de-institutionalisation of residents of Highgate Park and other projects
- o provided \$15.65m to Minda for accommodation in the community for 105 people
- o revised subordinate legislation and consolidated an \$11.53m per annum funding program to provide for better standards of care and quality services for residents of Supported Residential Facilities

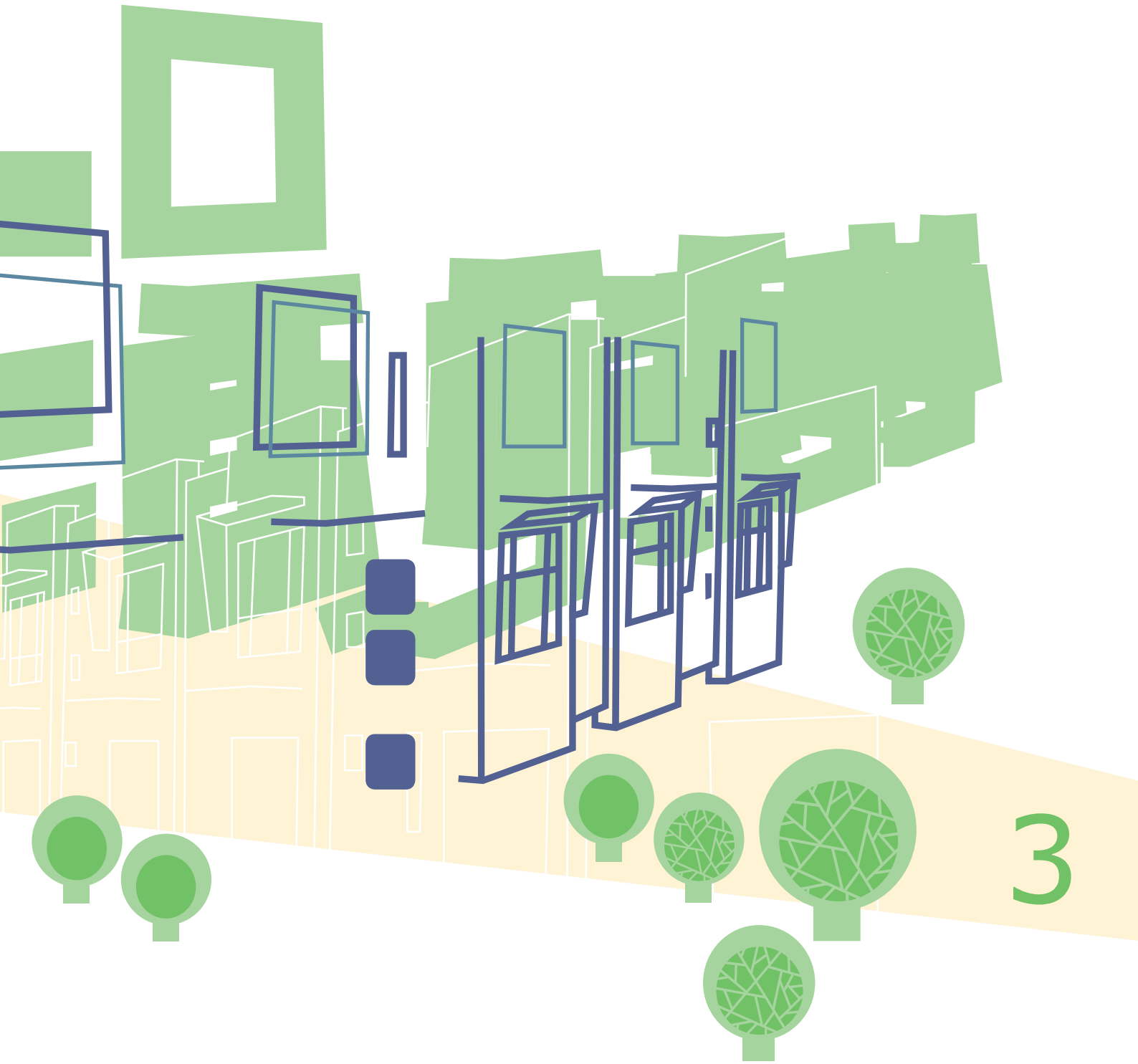
- o commenced work on Woodville West urban design to ensure features that promote accessibility, safety and independence for older people and people with disabilities.

> Aboriginal housing

- o provided the first 61 of 241 new dwellings and 119 of 206 upgrades in remote communities, through the National Partnership Agreement on Remote Indigenous Housing following consultation with community members
- o commenced implementation of a new housing service model in the APY Lands.

> Social housing service delivery

- o established Tenants Information and Advocacy Service for public and private renters
- o implemented a common register for not for profit housing providers
- o rolled out a new Housing SA service delivery model to better connect customers with housing that meets their needs
- o established a new central Customer Contact Centre
- o implemented a specialist team to deal with ongoing disruptive tenancy issues
- o implemented a Private Rental Liaison Program to facilitate private rental outcomes for low income earners
- o introduced the Case Work Support Initiative, a team of social workers in the northern suburbs and Whyalla to support high and complex needs tenancies.
- o established the Aboriginal Consultancy Program, employing three Aboriginal consultants to provide cultural advice and support to staff and customers
- o established a role for the Community Building Team to focus on specific groups of customers, such as groups sites or streets, to improve surroundings and build capacity to maintain tenancies.



3

The opportunities
and drivers of change

Chapter three

The opportunities and drivers of change

Over the next 30 years, South Australia will face some significant challenges which will require us to change the way we think and operate.

These challenges include a projected increase in the State's population, with a SA Strategic Plan target for 2 million people by 2027 and an interim target of 1.64 million by 2014. Latest official projections suggest that these targets will be achieved with the State's population projected to reach 2 million by 2030 and 2.1 million by 2036¹.

3.1 Declining housing affordability

Despite a decade of sustained national economic growth, housing affordability across Australia has worsened. The causes are complex and are driven by changes in financial markets, demand patterns, and lack of housing supply and costs.

The Australian Bureau of Statistics reported a 10.6% decline in building approvals (total dwelling units) in South Australia between 2009/10 and 2010/11 against a national average decline of 5.1%. The SA Housing Industry Prospects Forum's March 2011 report notes; "The decline in the housing market is making its presence strongly felt even though the downturn actually began in 2008. Although the new housing market has been in decline for some nine quarters, it was not so apparent earlier as the market was coming off very high levels of activity."

The property sector has raised concerns in accessing finance. It is now required to invest significant funds upfront, or secure a higher percentage of pre-committed sales before they can commence construction. This has a slowing effect on housing production, particularly in larger or higher density developments.

Supply shortages are most acute in the lower cost end of the rental and home purchase market. While there has been an increase in supply of lower cost dwellings through the Nation Building Economic Stimulus Plan, for every three low income renters there is just one lower cost rental property available to them. For South Australian households seeking to buy a home, just 22% of sales in 2010/11 were affordable to the lowest 60% of household incomes². Whilst the housing market is generally considered efficient, it does not provide an adequate supply of lower cost properties for households on median or lower incomes.

A lack of supply has led to an uneven spatial impact of poor housing affordability across the state. Many locations with good access to services, transport, employment and education are out of reach for lower income households seeking to rent or purchase. Households, such as older persons seeking to downsize into more affordable and accessible housing, younger people starting out or lower income families, are increasingly being forced to choose housing that is located on the fringe of our cities.

¹ DPLG 2010 Population Projections for South Australia and Statistical Divisions, 2006-36.
² Valuer General Sales Data, 2011

3.2 Changes in demographics, household formation and housing need

Over the next 30 years our State's population will change. Projections indicate that by 2031 our state will have the second highest percentage (26.5%) of people aged over 65 in the country (currently 15.4%)³. People are also living longer and want to live in the community of their choice. This will have an effect on the type and size of housing, accessibility, and connections to community and services. Older Australians will be more mobile than previous generations and will potentially make several housing moves post retirement.

Changes announced by COAG in April 2010 will lead to significant reforms to health and aged care. It is the Commonwealth's intention to undertake full policy and funding responsibility for programs and services for people aged over 65 years. Transition arrangements are being developed in consultation with the respective states.

Approximately 11.5% of South Australians over 75 are living in residential aged care facilities and this number will increase. The majority of older South Australians will continue to live in their own homes or other domestic-scale residences such as independent living units and retirement villages.

In 2009 almost one in five people of all ages were estimated to have some form of disability and this has implications for the design and location of our housing⁴. About half of all people with a disability, largely occurring as a result of the ageing process, are older. Significant numbers of young people will have long-term or life-long disability. Projections indicate, across Australia, the number of people aged under 65 living with a profound or severe disability is expected to grow by around 15% over the next 20 years⁵. We need to provide options for people, their families and carers, by looking at new and innovative solutions that support independence and choice.

The number of vulnerable people needing access to support services will continue to drive the need for appropriate housing responses. For example, in 2006 around 8,000 South Australians were in situations that were identified as homeless, including 848 people identified as sleeping rough⁶, which is 5% less than the national average of 16%.

Young people at risk will also need special care and support that goes beyond housing provision. Young people face difficulties accessing housing, owing to lower incomes, low amounts of savings, insecure employment, debts associated with study and little or no private rental tenancy history.

Trends indicate that households will become smaller and there will be an increase in childless couples, single person households and combined families. These newly forming households will have different needs from traditional family households, which will affect the demand for housing type and tenure. An increase in casual and part-time work will also affect housing tenure, as it can limit a person's capacity to secure and sustain a home loan.

³ State of Ageing Report, 2009

⁴ ABS Survey of Disability, Ageing and Carers, 2009, South Australia.

⁵ Australian Institute of Health and Welfare, "Australia's Welfare" 2009 Table A4.2 (figures for 2010-2030)

⁶ Chamberlain and McKenzie, "Counting the Homeless" Australia 2006, ABS Canberra Catalogue no. 2050.

While there remains a market appetite for large homes, there are some shifts occurring. Market research undertaken of prospective lower income home buyers indicated that over a third would make tradeoffs in the size of a home for a location closer to the city ⁷.

Similar to purchasers in the wider market, lower income buyers preferred to live in inner and middle ring suburbs, as they provided access to schools, services, and proximity to work in the city. More than two thirds of respondents identified as being environmentally aware and sought a property with environmentally sensitive features.

Delivering an affordable and liveable South Australia is more than the provision of housing. Jobs, health and environmental priorities play an important part in making our state a great place to live.

The State Government has set a target to create an additional 282,000 jobs within Greater Adelaide by 2036 to facilitate economic growth⁸. An adequate supply of well located affordable housing will play an important role in ensuring that key workers have housing options close to growth areas and workplaces.

Liveable, walkable and accessible neighbourhoods promote a healthier lifestyle and efficient cities. Developing state guidelines for Age Friendly Environments and Communities in relation to residential developments, communities, cities and regions will contribute to prosperous and sustainable communities ensuring South Australians are involved, participate and are connected regardless of age or ability.

3.3 Economic, environmental and health priorities

A focus on environmentally sustainable construction of our homes will assist in reducing living costs and protect the environment and our quality of life. This extends beyond efficiency of water, energy and waste efficiencies and includes construction materials and processes, as well as the location of our homes and design of our neighbourhoods. These improvements often have the greatest impact on consumer's of affordable housing, as lower income households typically spend a greater proportion of their income on utilities, but are the least likely to be able to afford energy efficiency improvements without assistance.

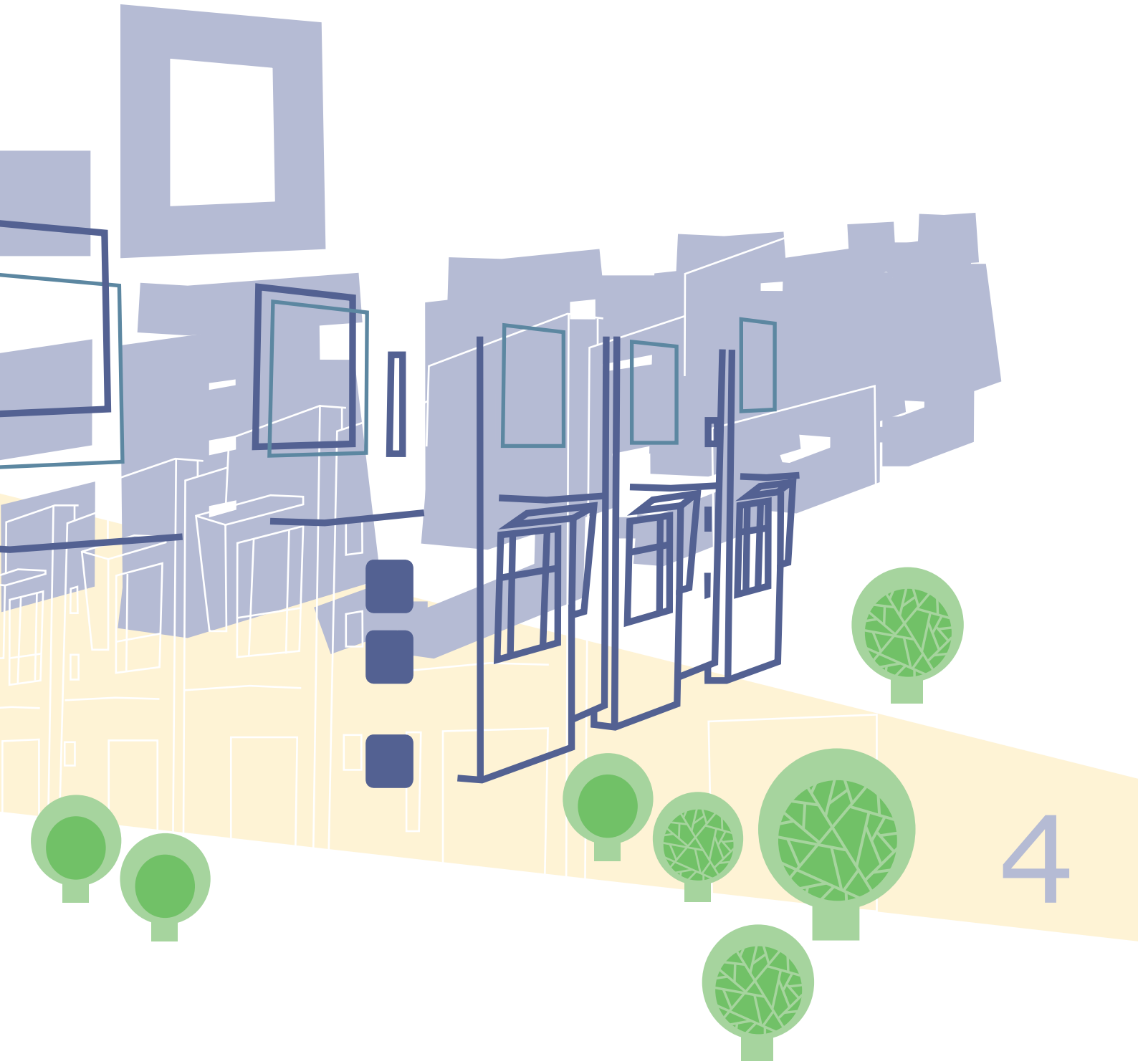
People's preferences for housing also change. Research on housing careers by the Australian Housing and Urban Research Institute⁹ found that the single greatest motivation for movement through the housing market is consumption; that is, households move in order to occupy a better dwelling or live in a better neighbourhood. In November 2009, the Australian Bureau of Statistics reported that Australia now has the largest homes across the globe. The average size of new homes in Australia was 214.6m². The second largest is the USA with an average of 201.5m². This has an impact on the availability of lower cost dwellings.

7 Key Preferences of Affordable Home Buyers, Housing SA 2009

8 30 Year Plan for Greater Adelaide, Dept. of Planning and Local Government, 2010

9 21st Century Housing Careers, Australian Housing & Urban Research Institute, 2009.

Each community has its own challenges and needs that will drive changes to the responses that are provided. Planning conditions, economic and investment climate, local needs and demand, local character and community support influence the scale and type of housing investment in our neighbourhoods.



Directions

Chapter four

Directions

4.1 Tell us what you think!

This section puts forward the directions and proposed measures that we are considering for the new Housing Strategy.

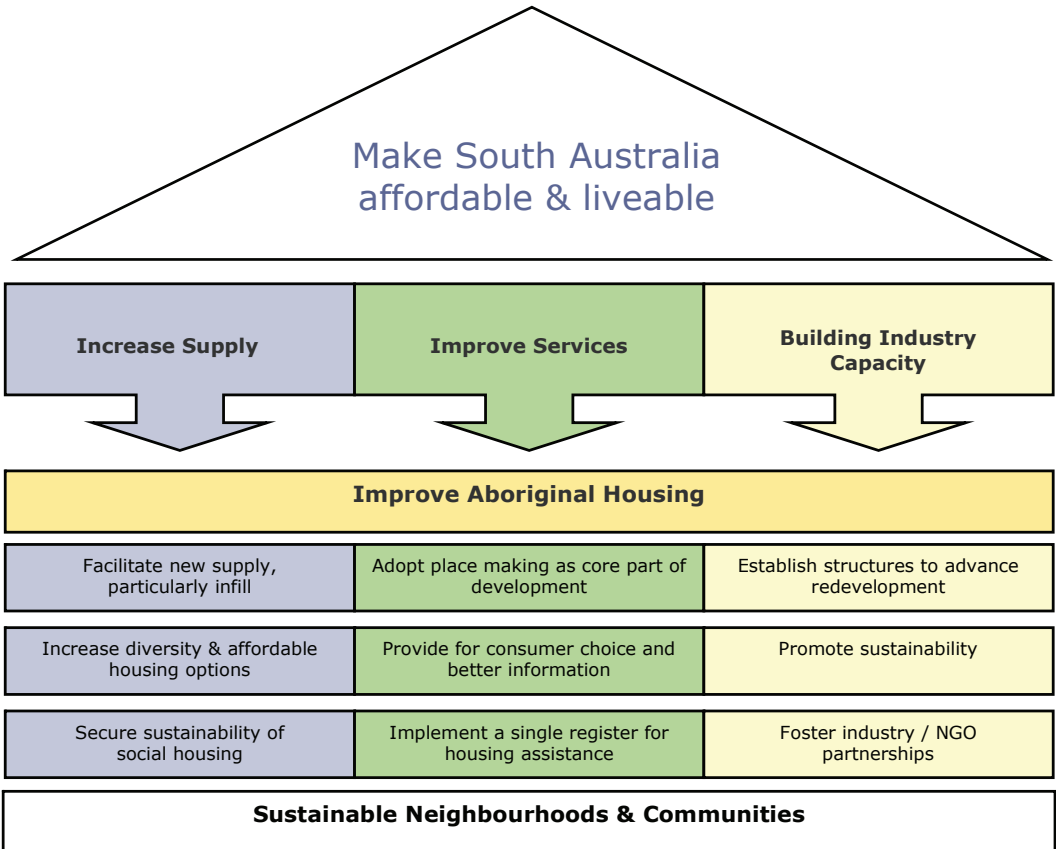
We want to hear your views and ideas about the directions, so that together we can focus on improving housing affordability for South Australians.

You may wish to consider the following questions as prompts to assist you in thinking about the proposed directions.

- 1.** What are your views on the future directions for housing in this state?
- 2.** What are the challenges and opportunities?
- 3.** Are there specific demographic, economic, locational or other differences that call for special attention?
- 4.** Are there examples or solutions elsewhere of policy settings or partnering arrangements that could be implemented in South Australia?
- 5.** What specific solutions should governments, private industry and the not for profit sector take?

4.2 Proposed directions

- > **Direction 1:**
Creating sustainable neighbourhoods and communities of which affordable housing is a part
- > **Direction 2:**
Building the capacity of the housing industry, including the not for profit sector, to provide affordable housing
- > **Direction 3:**
Facilitating more affordable and high needs housing opportunities
- > **Direction 4:**
Improving housing outcomes for Aboriginal South Australians
- > **Direction 5:**
Improving the way people access and are supported in housing



Direction 1

Creating sustainable neighbourhoods and Communities of which affordable housing is a part

Sustainable neighbourhoods and communities:

- o are vibrant and resilient to change
- o have good access to employment, infrastructure, services, recreation and social interaction
- o are well-designed and promote community safety
- o respect cultural heritage and contribute to community culture
- o use the environment responsibly
- o provide residents with the opportunities and choice to participate in community life and development.

Sustainable neighbourhoods and communities are inclusive of all people and provide opportunities for everyone to reach their full potential. Housing affordability is a key element of sustainable communities, ensuring that all South Australians have greater choice and flexibility. Specific responses for the provision of social and affordable housing contribute to a diverse community and promote social inclusion and belonging.

In 2005, South Australia adopted a policy for the provision of at least 15% affordable housing in all new significant developments, including a third or 5% for those with high needs. The policy operates through Development Plan policies and is linked to the development approval process. Affordable housing includes rental and home ownership opportunities for people earning a low or moderate income.

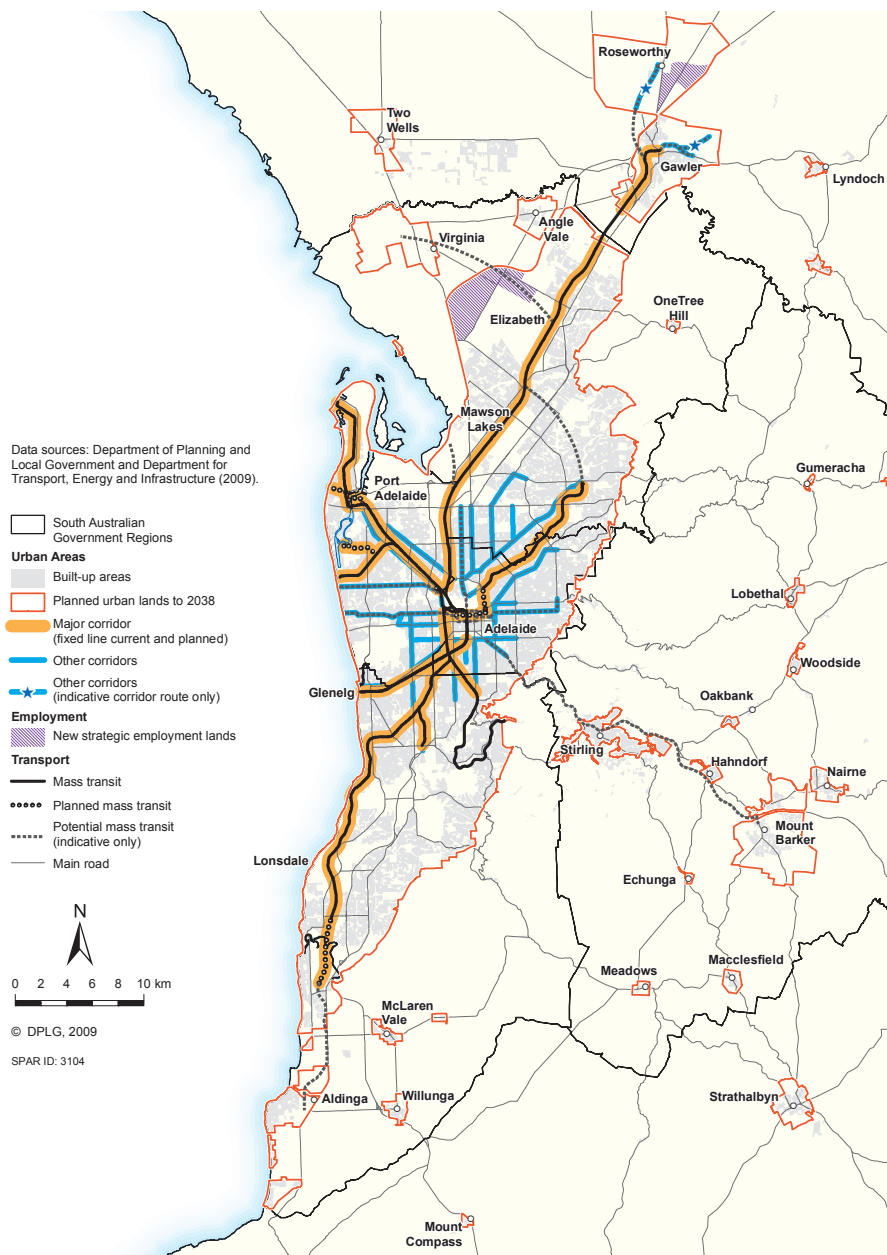
Growth that supports sustainable communities

Our state strategic plans for infrastructure and planning seek to provide for a sustainable population growth and aim to create environments that encourage social inclusion.

The Planning Strategy (The 30 Year Plan for Greater Adelaide and regional volumes) is underpinned by an \$11.4 billion investment over four years in infrastructure to upgrade and modernise transport networks, hospitals and schools, and to supply the water needed to sustain population and economic growth.

By 2030 an additional 258,000 dwellings will have been built within Greater Adelaide from a base of 473,000. The aim is to locate the majority of new housing in current urban lands, particularly around transit oriented developments and growth corridors (Figure 1), to ensure that, by the end of 30 years, up to 70% of new dwellings are built within our established boundaries.

Figure 1: Growth Corridors



Transit corridors for development, Map D4, 30 Year Plan for Greater Adelaide, 2010

The Planning Strategy aims to increase access to housing that is affordable through two key strategies. The first is to increase the volume and diversity of new housing through adequate land supply and policies to promote a competitive mix of housing styles, types, sizes and densities. It sets a target of 30% of new housing available at competitive house prices – at or below median house prices in its market. The Plan also sets a target of 38,700 new dwellings (15% of all new growth) for affordable housing outcomes.

The Department of Planning and Local Government has released its first annual Housing and Employment Land Supply program report, which provides for a balance of infill and greenfield development to provide for at least 15 years supply of land and reduce pressure on housing affordability.

Regional towns will also change. Significant economic and population growth will continue in many regional areas and create demand for additional housing.

Good Quality Integrated Design

An important part in the delivery of a new Housing Strategy will be to maintain a strong commitment to the standards of design. While developing cost effective models, it is clear that community expectations look to new building standards to reflect a good quality of life in safe, sustainable and inclusive communities. Space, location and other housing attributes are key considerations in decisions about where to live. Importantly, these factors should collectively support competition, technical efficiency and innovation amongst suppliers of housing.

As community expectations evolve, they are reflected in the technical standards we set for housing. Since the 2005 Housing Plan changes have been implemented or proposed to improve housing quality, sustainability and adaptability. In order to reduce the impact of such changes on house prices, we need to consider the implications of affordability in their adoption and, where necessary, provide for longer lead time in their introduction, enabling new practices to be embedded in the industry.

Our homes and communities will need to be environmentally sustainable into the future. This means promoting new ways in which we build, design and power our homes to maximise use of renewable resources and minimise any environmental impacts. Since 1 September 2010, all new homes and extensions built in South Australia are required to achieve a six-star level of energy efficiency.

In addition, Universal Housing Design principles will also affect the way we design our homes. Universal Housing Design includes easy living features that aim to make homes easier and safer for people with disabilities, ageing Australians, people with temporary injuries, and families with young children. Through the National Dialogue, industry and disability leaders have indicated support for an aspirational target for new homes to meet Universal Housing Design standards by 2020.

South Australian guidelines are being developed for Age Friendly Environments and Communities. As people age, they may change their housing, downsize to apartments or move to age-specific accommodation such as retirement villages. Age friendly design will ensure people can remain in their own homes, connected to their local community, active, independent and involved. Guidelines will integrate age friendly residential developments and communities with broader age friendly principles for our cities and regions.

South Australia's Integrated Design Commission promotes design excellence through an 'Intelligent Investment' approach to the design, planning and development sector. Integrated design seeks to achieve multiple objectives simultaneously; demonstrating the transformative potential of design to deliver solutions that model a 'highest aspiration commitment' to innovation; based on public engagement around the 'new urban form' envisaged in the 30 Year Plan for Greater Adelaide.

Transforming the Urban Form

Uno and Ifould Apartments in the City of Adelaide and the urban renewal of Woodville West are examples of how Housing SA is contributing to the transformation of our city over the next 30 years.

Bowden Urban Village also demonstrates the state's vision to transform urban form.

Housing SA has commenced construction on the 17 storey **Uno Apartments** located in the heart of the City of Adelaide. Uno offers a unique mix of housing types and tenure choices to create an inclusive urban community. Tenure options include private ownership and rental, affordable home ownership and rental, social housing and a youth accommodation service.

Led by Housing SA, the **Woodville West** urban renewal project is a key demonstration project to create a vibrant community in current urban settings, so that people can experience a high-quality, affordable lifestyle with easy access to efficient transport and services. It has been designed as a demonstration of an aged and disability friendly community, with features that promote accessibility, safety and independence. The redevelopment will replace over 180 dwellings and create more than 425 new dwellings. The new neighbourhood will have a mix of private, affordable and social housing.



The Land Management Corporation is leading the redevelopment of a former industrial site to create a new **Bowden Urban Village**. This project is an exciting new transit oriented development which is expected to produce around 2200 medium to high density dwellings.

Proposed actions to support sustainable neighbourhoods and communities

The Housing Strategy for South Australia will support sustainable neighbourhoods and communities through the following measures:

Design:

- > work with the Integrated Design Commission to encourage urban form and housing design that offers choice, creates new unique urban and regional areas, with distinct styles and character that complement existing neighbourhoods
- > promote environmental sustainability and adaptability in new and established housing and urban design, assisting in reducing living costs
- > promote accessibility and inclusion in urban and neighbourhood design.

Community development:

- > ensure 'place-making' and community development are at the core when planning and developing neighbourhoods
- > work with Local Government, the private and Not for Profit sectors and service providers to ensure opportunities for meaningful community engagement and to fulfil a commitment to work with communities in the design and choices for housing and its connections to space, work, play and life
- > advance urban renewal of disadvantaged areas with ageing assets and underutilised land to improve amenity, liveability and social mix
- > integrate principles for age friendly communities into planning and design at the local council level and residential developments.

Urban consolidation and land supply:

- > fast track rezoning of land and facilitate infill development by amending planning policy in strategic locations, particularly transit corridors and transit-oriented developments
- > ensure an adequate supply of land through the Department of Planning and Local Government's Housing and Employment Land Supply program, promoting a balance of infill and Greenfield development to provide for at least 15 years supply
- > regularly monitor housing affordability as an indicator to spatial differences in housing markets
- > accelerate social housing renewal to improve the physical and social infrastructure of former social housing estates and facilitate new supply through increased yield and improved social mix.

Regional housing:

- > facilitate appropriate housing responses in regional communities to support economic growth, including key worker, seasonal or short-term worker accommodation.

Social and Affordable housing:

- > promote social inclusion and mixed communities by ensuring at least 15% of all new significant developments include affordable housing, including 5% for high need
- > outside of significant developments, promote affordable housing at a smaller scale through greater housing diversity, including the development of dual occupancy and accessory dwellings (e.g. granny flats), innovative housing products and housing financing models.

Direction 2

Building the capacity of the housing industry, including the not for profit sector, to provide affordable housing

Background

South Australia's housing industry is a significant part of our economy. It includes, but is not limited to:

- o development and construction industry
- o planners, designers and architects
- o public sector agencies, including Housing SA and Land Management Corporation, local, state and federal governments
- o community and Aboriginal affordable housing providers
- o support providers and homelessness services
- o finance agencies, including those for lower income households such as HomeStart Finance
- o emerging private sector in affordable housing (eg. National Rental Affordability Scheme) and retirement villages.

Forming new partnerships

As our desires for new housing choices and inclusive, sustainable communities grow, so too will new partnerships and business models specific to our goals of creating place and promoting inclusion.

Models operating internationally that could be considered for South Australia include:

- > **Redevelopment partnering arrangements:** Creation of special purpose vehicles or designated lead agencies to provide necessary leadership and impetus to advance redevelopment priorities. There are different forms of leadership: government owned enterprises such as Housing SA and the Land Management Corporation, Local Government, and/or new partnering arrangements with private sector and not for profit providers.
- > **High capacity not-for-profit partner agencies:** High capacity not for profit agencies are able to provide affordable housing by developing a range of partnerships and incorporating elements such as planning, property development, government and benevolent investment, and private finance.
- > **Incorporated Joint Ventures:** Joint venture parties agree to create, for a finite time, a new entity and new assets by contributing equity. They then share in the revenue, expenses, assets and "control" of the enterprise.
- > **Mixed return agencies:** Mixed return agencies have a long term presence in the community. They earn their returns through a mix of upfront and ongoing revenue. They buy, improve, sell, lease and rent land and property. Continuous investment in keeping the places successful yields better returns in the long run and offers a more sustainable and liveable community for residents.

- > **Intermediary finance:** Intermediary finance agencies provide a funding instrument that layers income streams of public grants, tax incentives, investment, and rental income. A common example is the use of long term, low risk, and low interest bonds.
- > **Community lending institutions:** Community lending institutions provide financing for low cost rental or home purchase managed by not for profit agencies.

Examples of new partnering arrangements in SA

Preferred Growth Provider – Unity Housing

Unity Housing Company is the largest provider of community housing in SA and is growing rapidly as one of the state's Preferred Growth Providers. Its housing portfolio consists of

- 860 houses across metro and near regions
- 5 boarding houses with total of 176 rooms
- 136 properties under development
- 129 properties allocated for transfer to Unity through Nation Building

Unity provides housing services to high need target groups whilst also working closely with partners such as government, commercial and local councils to deliver additional housing stock, at scale, through a broader affordable housing program.

City of Salisbury, Housing SA and HomeStart

A \$30,000 grant from the Affordable Housing Innovations Fund in June 2008 was provided to assist the City of Salisbury in procuring consultancy services for the development of an affordable housing project on Council owned land at Dansie Crescent, Brahma Lodge. With the assistance of HomeStart Finance, the project progressed to become the multi-award winning, 7 star energy rated 'Brahma Green' where around 30% of the market value has been converted into equity shares held by Council, so that moderate income earners were able to afford to purchase the 11 new homes.

Not for profit housing organisations

Not-for-profit housing organisations are a growing and significant contributor to affordable housing. South Australia is supporting more than a 60% growth in registered dwellings over the next few years, through the allocation of properties under the Nation Building Economic Stimulus funding and new investment under the National Rental Affordability Scheme. Housing Associations and Cooperatives provide not only a complementary social housing response to public housing, but also contribute to choice and diversity in the emerging affordable housing sector.

Increasingly, the not for profit sector will have a vital role in delivery of the Planning Strategy. Providers bring a unique combination of taxation benefits, financing, community connections and ability to partner. Tenants of community housing are also able to access Commonwealth Rent Assistance and this, combined with favourable

taxation treatments means that the not for profit sector may provide a more sustainable rental housing option for many low income tenants.

Consistent with the proposed directions of the Housing Strategy, the growth of the sector will not only be measured by growth in housing stock, but in the full spectrum of affordable housing services and outcomes created. This includes, home financing, development of mixed communities, homes for sale to lower income households, access to private rental assistance, shared equity products, etc.

Workforce development

Workforce development is an issue that concerns all providers. Various vocational education and training initiatives have been developed to recruit and retain workers and to tackle issues associated with an ageing workforce. The State Government is working with the industry to accelerate these efforts.

The State Government has committed that 15% of labour on government construction projects will include apprentices, trainees, Aboriginal people and local people with barriers to employment. The housing investment of the Nation Building Economic Stimulus plan is estimated to have created more than 1,500 additional jobs. The State Government has also committed to securing at least 20% employment by Aboriginal people through the National Partnership Agreement on Remote Indigenous Housing

Examples of workforce development programs in SA

Doorways to Construction Program (D2C) is SA's Vocational Education and Training in schools program for the building and construction industry, which has established an enviable reputation across the nation for innovation and quality. The Program is funded through a levy paid by the building and construction industry, with 43 programs being established since 2000¹⁰. The program is a broad and general introduction for students into the building and construction industry. It provides them with a solid foundation of skill, knowledge and experience, which articulate into a range of vocational training courses and is the introduction for many career pathways.

National Workforce Development Strategy in Homelessness

In recognition of the expanded national response to homelessness, states and territories are working together to ensure there are sufficiently trained and expert staff to address all areas of homelessness, not just in specialist homeless services areas. The work includes, but is not limited to, recognition of prior learning and service, portability of qualifications, the development of expert practitioners and expanded career paths to retain staff.

Proposed actions to build the capacity of the housing industry, including the not for profit sector

In seeking to build the capacity of the housing industry, including the not for profit sector, to provide affordable housing, the following measures are being considered:

New housing delivery vehicles:

- > establish place based partnering arrangements to facilitate urban renewal that includes social and affordable housing
- > encourage the establishment of partnering arrangements with Local Government, not for profit and private industry to finance and deliver higher density mixed use and mixed tenure developments, such as the UNO Apartments in the City of Adelaide.

Home lending and financing:

- > work with Commonwealth and other states and territories to advance financing and home lending options for affordable housing
- > advance home lending and finance options available from HomeStart Finance for low and moderate income households.

Stronger not for profit sector for affordable housing:

- > encourage the development of commercially sophisticated not for profit companies that have sufficient working capital and desire for progressive growth and can access alternative funding sources.

Workforce development:

- > support sector based workforce development strategies to ensure the right mix of skills within the industry.

Direction 3

Facilitating more affordable and high needs housing opportunities

Background

The State Government is working with Commonwealth and Local governments, private industry and not for profit partners to improve the overall efficiency of the housing market, particularly in relation to addressing the shortage of supply and opportunity for lower income households.

This is not an area for governments alone. There is a widening gap in housing affordability and more people are paying unaffordable rents or not entering home ownership. The burden of low housing affordability is not equally shared across the community. Lower-income households experience high housing costs (more than 30 per cent of income) at almost double the Australia-wide average¹². House prices have more than doubled over the past decade and there appears to be a delay among young people in attaining home ownership, owing to employment patterns and lifestyle factors.

One in five South Australians rent privately. The number and percentage of households in private rental continues to grow. 38% of renters are on low incomes, earning less than \$34,000 per year in 2006. Research undertaken by the Australian Housing and Urban Research Institute indicates that the overwhelming majority of tenants continue to aspire to home ownership, but almost half believe that they will not be able to secure a home of their own within the foreseeable future because of high housing costs¹².

South Australia's Social Housing Sector

Social housing provides a secure and affordable housing option for low income families and individuals and for those with high needs that require support services to maintain tenancies.

At 30 June 2011, the social housing sector in South Australia comprises over 50,000 rental properties, providing more public housing per capita than any other state or territory¹³. Housing SA has a portfolio of 49,932 rental properties, including 40,726 public housing properties, 1,819 properties specific to the Aboriginal rental program, 4,478 community housing properties 1,891 special needs housing properties and 1,018 indigenous community housing properties. This includes properties leased to other organisations to manage tenancies through special housing and support programs¹⁴.

Nationally and in South Australia, a significant change is underway. Not for profit providers are emerging as major providers of affordable housing.

South Australia is participating in work to develop a National Regulatory System for the non-government housing sector. Consultation will occur with relevant agencies. National regulation will support growth in the sector by increasing the confidence of investors, financiers and tenants and reducing red-tape for providers who operate in more than one jurisdiction.

11 Housing Affordability in Australia, AHURI 2006

12 Outcomes of housing aspirations & their determinants, AHURI 2000

13 Report on Government Services 2011, Productivity Commission

14 Total Lettable Stock, Housing SA 30 June 2011

The not-for-profit housing sector is diverse, comprising a large number of medium, small and very small community organisations. There are more than 150 providers and over 9,000 properties with various forms of funding or leasing arrangements administered by Housing SA.

Supported accommodation for people living with a disability in recent times has been provided predominantly in group homes or small cluster sites. Supported accommodation options are needed that meet the individual requirements of people living with a disability, and also promote community inclusion, choice and control and balance the need for cost effective support models.

Supported Residential Facilities provide accommodation and personal care services. There are 29 facilities in the sector, housing around 860 people, 25 privately operated and four managed by non-government agencies. This is significantly less than the 48 facilities in 2003. Referrals for people under 30 years have slowed significantly while those for people 31-49 years remain stable. 60% of residents are 50 years or over.

Excellence in affordable housing

Affordable housing is a term set out under State regulation that refers to accommodation for which households pay no more than 30% of their annual income to rent or buy. In South Australia, the indicative purchase price for an affordable home in 2011 is up to \$288,000 in metropolitan and outer Adelaide and \$244,000 for the rest of the State. For rental, indicative weekly rental in South Australia is \$267 in metropolitan and outer Adelaide and \$227 for the rest of the State.

People needing affordable housing comprise a very diverse group of households. They may be seeking:

- o some short to medium term support for rental housing with capacity to rent independently in future or enter home ownership
- o assistance to live independently in their own home
- o shared equity home purchase assistance
- o responses to homelessness and complex needs
- o an entry point into the housing market, starting with private rental and hoping to save for a deposit
- o a smaller home near their family and support (eg. for older persons)
- o short term accommodation for students, recent arrivals and regional workers.

As of June 2011, more than 2,000 commitments for new affordable housing have been secured through South Australia's unique inclusionary policy for significant developments to include at least 15% affordable housing. Housing SA offices and our not for profit partners also provide renters with advice and support to access private rental accommodation.

South Australia has directly invested in partnerships with not-for-profit housing organisations through the Affordable Housing Innovations Fund, which has seen approximately \$60m in Government funding matched with land and resources to produce around 500 properties for low income rental over the last four years.

New approaches to affordable housing

South Australia has implemented some unique programs that offer customers alternative affordable housing options.

The **Affordable Homes Program**

is helping South Australians on low and moderate incomes into home ownership by increasing the supply of lower cost homes. Affordable homes are sold on a first come first served basis to eligible buyers. Most are for sale for around \$250,000. New homes



are for sale within some of the state's premier housing estates through the State Government's policy for the provision of at least 15% affordable housing in significant developments, as well as former Housing SA properties. Since inception in 2007, over 750 affordable homes have been sold to eligible buyers through the Property Locator website.



Housing SA's **Private Rental Liaison Officer Program** supports customers who are unable to secure accommodation in the private rental market. The Program helps customers find suitable accommodation, provides advice on rights and responsibilities and makes referrals to other organisations. Since inception, over 7,100 customers have been referred to the program, with over 2,770 being housed in private rental accommodation.

The **National Rental Affordability Scheme (NRAS)** is being implemented in South Australia with a commitment for 3,800 new rental dwellings to be provided through the program over the next few years. The national scheme seeks to address the shortage of affordable rental housing by offering financial incentives to the business sector and community organisations to build and rent dwellings to low and moderate income households at a rate that is at least 20 per cent below the prevailing market rates.

Supporting further national reform

Innovation in South Australia has been driven, in part, by necessity. Housing SA receives the lowest per dwelling funding from the Commonwealth under the National Affordable Housing Agreement and social housing rental income has declined as it houses increasing numbers of higher need and lower income tenants. South Australia has the oldest average social housing stock, which requires continued investment and maintenance. Housing SA has been selling housing to fund capital improvements and reduce its debt to a longer term sustainable basis. Where possible, these homes have been sold into alternative affordable housing programs, such as the Affordable Homes Program – home ownership initiative.

The need for a change nationally in the way housing assistance funding is provided to states and territories has been highlighted in the Henry Tax Review¹⁵, which called for changes to the eligibility and funding levels of Commonwealth Rent Assistance and an extension to public housing tenants.

The Australian Government has referred to the Henry Tax review recommendations in its discussion paper for the Tax Summit scheduled for October 2011¹⁶. Such a change would have two important implications. It would encourage an increase in social housing stock numbers (as funding is more aligned to the number of people assisted in housing) and it would provide assistance based on a person's determined need, rather than decided by their tenure.

Proposed actions to facilitate the supply of affordable and high needs housing

South Australia will seek to open up new markets to promote innovative approaches to housing, including the provision of more than 1,000 new affordable and high need homes per year.

The not for profit housing sector will increasingly play a significant role in the delivery of this new supply. In doing so, the following measures are being considered:

Innovation:

- > encourage market leaders and government agencies to take a lead in demonstrating the viability of mixed use, mixed tenure, higher density building solutions close to transport
- > integrate leading practice principles for sustainable land use planning within new development and urban renewal
- > strengthen community resilience and sustainability through investment in community development.

Affordable home ownership:

- > develop accessible and innovative loan packages, such as HomeStart's Equity Start, to encourage home ownership for lower income households
- > open up affordable home purchase opportunities in higher cost markets via Shared Equity mortgages, such as HomeStart's Breakthrough Loan and Housing SA's Shared Value initiative
- > consider alternative financing options, such as reverse equity loans, to enable older persons or people with a disability to modify their homes
- > expand Housing SA's Affordable Homes Program providing preferential access for eligible buyers to purchase low cost homes.

Affordable rental:

- > pursue new rental supply initiatives that leverage government investment with contributions of equity or capital from not for profit and industry partnering agencies
- > encourage more investment in private rental and investigate alternatives for providing more stability and longer term tenures
- > promote a wider range of rental housing choices (e.g. key worker and short term worker housing, student housing)
- > expand Housing SA's Private Rental Liaison Program to provide support for lower income households to access and maintain private rental accommodation.

Public and Community rental housing:

- > identify and tender strategic development opportunities through a new Development Initiative that will deliver on affordable housing objectives and encourage private and non government partnerships in its delivery.
- > develop a better profile of social housing stock to meet the needs of a changing tenant base comprising those with high needs and ageing tenants (e.g. smaller homes, group settings and aged housing)
- > improve the quality of social housing and sustainability of neighbourhoods
- > continue to provide modifications and purpose built accommodation for persons with a disability in a manner which supports community living and promotes independence
- > engage in partnerships with agencies providing support to people with disabilities, mental health and older people to develop integrated housing and support models
- > work with the Commonwealth Government to improve housing assistance funding for social housing.

Direction 4

Improving housing outcomes for Aboriginal South Australians

Background

South Australia is committed to improving housing outcomes for Aboriginal people, ensuring that:

- > Aboriginal people have the same housing opportunities (in relation to homelessness services, housing rental, housing purchase and access to housing through an efficient and responsive housing market) as other Australians; and
- > Aboriginal people have improved housing amenity and do not live in overcrowded housing, particularly in remote areas and discrete communities.

Access to a range of housing options

Management of Aboriginal social housing in metropolitan and regional areas has undergone major change in recent years, with management incorporated into the Housing SA regional offices network. There are over 3,000 Aboriginal households under this type of management, which includes 1,237 households in public and community housing who have identified as Aboriginal households, plus 1,819 rental properties designated for Aboriginal and Torres Strait Islanders. A further 1,030 houses are managed within regional and remote Aboriginal communities¹⁷.

Aboriginal customers are also assisted into the private rental market via Housing SA's Private Rental Assistance Program, which provides financial assistance in the form of bonds and rent in advance to help low income renters gain access to the private rental market.

Housing SA promotes wider access for Aboriginal people to purchase a home of their own through initiatives such as HomeStart's Nunga Loan. This effort includes a long term commitment to create opportunities for home ownership in Aboriginal communities.

Improving service responses and supporting partner agencies to do the same for Aboriginal people is essential in contributing to 'Closing the Gap' and reducing disadvantage for Aboriginal South Australians.

Remote & Regional Aboriginal communities

Remote and regional Aboriginal communities experience considerable isolation from services and economic opportunity. The National Partnership Agreement on Remote Indigenous Housing is a ten year funding strategy to reform the provision of housing for Aboriginal people in remote communities and to address overcrowding, homelessness, poor housing condition and severe housing shortage in remote Aboriginal communities. In South Australia, 61 of 241 new dwellings have been constructed in remote communities and 119 of 206 capital upgrades have been completed in remote Aboriginal communities with a further 206 to be completed in non remote communities.



Until recently, regional and remote Aboriginal communities received grant funding to manage community housing as Indigenous Community Housing Organisations. The reform of services in remote and regional areas will improve housing management and provide fair and transparent decision making, and responsive repairs and maintenance ensuring a better quality of housing is available to households in communities.

Under the new national arrangements, there will be significant impacts on how communities are funded and how housing is managed. During this time of transition, grant funding continues to be provided to communities; however, as new arrangements are implemented, Housing SA will, in many cases, assume responsibility for housing management and service delivery in these communities.

Where communities have the desire and the capacity to self manage housing, they will be supported to do so. The majority of Aboriginal community organisations have a broader area of responsibility than just housing. Communities need support to increase capacity for self sustainability, and community leaders need to be supported to represent and advocate for the needs of their communities.

The State Government supports initiatives to increase Aboriginal participation in the workforce. Housing SA employs Aboriginal people in housing construction and management. It is committed to a target for 20% employment by local Aboriginal people under the National Partnership Agreement on Remote Indigenous Housing, as at 30 June 2011 South Australia had a workforce participation rate of 37.25% across five remote communities. It also provides housing for Aboriginal workers relocating to regional centres for employment training.

Proposed actions to facilitate housing opportunities for Aboriginal South Australians

In order to improve housing opportunities for Aboriginal South Australians, the following measures are being considered:

Improving Aboriginal access to housing:

- > improve service delivery so that Aboriginal people are more able to access housing options, including social housing, private rental and home purchase
- > expand special program initiatives for home purchase through initiatives such as HomeStart's Nunga Loan
- > increase transitional housing in urban, rural and remote settings and support for mobile populations.

Improving housing and opportunity in remote communities:

- > build, upgrade and maintain housing in Aboriginal communities
- > where agreed with the local community, provide a 'public housing like' model for housing management and service delivery for Aboriginal communities and support those communities who identify a capacity and desire to manage their housing
- > improve coordination between infrastructure and housing to ensure essential services are part of an integrated response to improve health, welfare, employment, education and training outcomes in remote Aboriginal communities
- > consider opportunities to facilitate home ownership options on Aboriginal owned land.

Supporting Aboriginal people in housing:

- > work with government and community based agencies to improve responsiveness of services to the Aboriginal community in a manner that is culturally sensitive
- > improve opportunities for Aboriginal people to participate in the workforce through short-medium term worker accommodation and training/linked to employment/trainee programs (which may lead to employment by Housing SA, or by other industries such as mining, construction, human service delivery).

Direction 5

Improving the way people access and are supported in housing

Background

From a consumer's point of view, choosing the right house, whether it is to rent or buy, is complex. There is a lot to consider – location, size, cost, security, as well as a family's current and future needs. There is a wide variety of Government assistance available and navigating the range of products and services can be a daunting task.

We need to find ways to provide customers with clear information and access to high quality advice, so that they can make decisions that are right for them.

In the future, people looking for housing advice and assistance will be able to access government services more easily and with less red tape under the 'Ask Just Once' initiative. It will enable consumers to access more government services by using more on-line and self-service technologies. This will allow front-line staff to focus their attention on providing assistance to those who most need it, while those customers who can help themselves will be able to do so online.

Through Housing SA, and our partnering agencies such as HomeStart Finance and not for profit providers, people are supported to access home ownership, private rental, social housing and short term housing. This includes the products, services and programs provided, funded or subsidised by Housing SA. As the range of affordable housing options grow, multiple application processes and waiting lists, as well as varying priority housing allocation policies, can add confusion.

In a resource constrained environment, the highest housing subsidies are directed to those with the most limited ability to access and maintain housing in the broader housing market.

Social housing

There are more than 22,000 applicants on the public housing waiting list; however, each year fewer than 3,000 new allocations are made. As a consequence, average waiting times for those with the most critical and urgent needs are increasing. Category 1 applicants (highest and most critical need) within metropolitan Adelaide wait on average 242 days. Most of the people on the waiting list will never be housed through a priority allocation system in social housing. They require clear information about the alternatives that are available to them and realistic advice to inform good choices.

Once housed in social housing, policies and the location of some homes may reinforce disadvantage for many tenants. Only 13% of South Australian public housing tenants reported that they were in paid employment. The extent to which social housing policies themselves impact on employment outcomes is debated, particularly given the level of disadvantage faced by social housing tenants. Nationally, social housing agencies are working with the Commonwealth Government to link up employment strategies, such as targeted support packages, place-based initiatives, improvements to childcare, transport, education services and access to affordable housing supply.

Support services

For many customers providing a housing option is only part of the overall solution; support is also required. Housing SA's Case Work Support Initiative provides resources and professional support through case management to high needs customers to help sustain their tenancy. A tailored tenancy management plan is provided as part of this initiative to maximise the success of the tenancy.

Most people with disabilities live at home with the appropriate support arrangements, so they can maintain their independence and connection with family, friends and the community. As people with a disability are more likely to rely on government income support, they can often be dependent on access to government provided accessible and adaptable housing. Some people with disabilities live in shared arrangements, such as group homes or clusters. Specialist facilities are also provided for people with very high or specialised support needs.

Providing affordable housing alternatives to social housing

Many customers presenting at Housing SA offices or contacting the Customer Contact Centre seek assistance to access private rental accommodation, rather than social housing.

Financial assistance is provided through Housing SA's Private Rental Assistance Program (PRAP), in the form of bonds and rent in advance, to help low income renters gain access to the private rental market. In the last two years there has been an increase in the number of people assisted through this program. In 2010-11 Housing SA provided assistance on 24,859 occasions with average assistance of \$927 for bonds and \$360 for rent in advance/rent arrears. PRAP is provided in addition to Commonwealth Rent Assistance, which is financial assistance that may be payable to Centrelink benefit recipients who pay rents above specified threshold levels in the private rental market.

Housing SA also assists people who have difficulty finding or securing private rental market housing through the Private Rental Liaison Program. 640 customers in 2010-11 were successfully assisted into housing through this program and others provided with information and advice to enable them to secure housing on their own.

Community housing programs and initiatives, such as the National Rental Affordability Scheme (NRAS), which provide rentals at below market prices, will be an important option for lower income households as market rents become increasingly unaffordable.

A review of the legislation that regulates the private rental market (*Residential Tenancies Act 1995*) is currently underway. Reforms of the legislation are being proposed to improve the protections available to private tenants, whilst recognising that these protections need to be balanced against the interests of private landlords for whom private rental properties are a significant investment. Reforms are also proposed to improve the protections available to private tenants in boarding houses and rental villages.

Internationally, private renters can access longer term lease arrangements, which provides greater housing security. This is not a typical feature in Australia, but is an area for future consideration.

HomeStart Finance, the state's home lending agency, has helped more than 60,000 lower income households buy a home of their own. They have also assisted more than 1,160 social housing tenants to purchase a home of their own through products such as the Equity Start loan, which provides an additional loan of \$50,000 to boost borrowing power. Tenants can use it to either buy the house they are living in (if it is for sale), another Housing SA property, or build or purchase a property available on the market.

Certain population groups are significantly underrepresented in home ownership, such as people living with disability, women and Aboriginal people, and further assistance is needed to provide schemes or home loan products that assist them in attaining home ownership, as required.

The Tenancy Information and Advisory Service is a free service for South Australians on low incomes who are renting public, private or community housing. It has responded to 2,850 telephone enquiries, and advocated for nearly 400 people to housing providers/landlords and at Residential Tenancies Tribunal and Housing Appeal hearings. It also provides tenancy financial counselling with funding provided through the Office of Consumer and Business Affairs.

Modernising and improving the way people access housing assistance

In addition to the whole of government 'Ask Just Once' reforms, Housing SA's modernisation reforms include establishing a common register for people looking for affordable housing, including social housing. It will assist customers to be better informed and enable them to exercise greater choice and responsibility. The common register will ensure more transparent and consistent access for customers, noting that the opportunities are becoming more diverse, with multiple providers offering a range of housing options.

New information channels, including online options, will be developed and a network of service providers established to provide improved access to the range of housing options.

For those customers seeking affordable housing, there is scope to implement a choice-based letting system in South Australia. Choice-based letting operates internationally and allows eligible people to express interest in advertised vacant properties which are then offered based on a set of known criteria and ranking.

In keeping with Housing SA's commitment to direct the highest housing subsidies to those with the most limited ability to access and maintain housing in the broader housing market, access to social housing in Australia will continue to be provided for priority applicants in accordance with their assessed need. A new housing needs assessment process will be developed in order to ensure fairness and consistency in determining priority status.

Service centre snapshot: Housing SA, Adelaide Office

The complexity of Housing SA's business is most apparent at its Adelaide Office, which is one of the busiest offices, servicing people from across the State and with one of the most diverse groups of customers.

Over a 12 month period 25,000 people came through the front door seeking assistance. Of those that applied for social housing, almost 40% were from a culturally or linguistically diverse background, while 31.4% had a disability and 15.6% had some form of mental health issue. 14.3% of people were homeless.



Many of these people are dealing with a crisis in their life, whether it relates to housing, health, family or a combination of these. Housing SA staff are trained to:

- o provide advice and support
- o detail the housing options available for clients
- o provide financial assistance to assist with the cost of renting privately, including bonds and rent in advance
- o identify if short term emergency options are required and make these available
- o provide links with support agencies
- o provide advice and referral on how to apply for Affordable Home purchase options
- o offer multi-lingual assistance for refugees experiencing housing crisis or settlement issues around their housing
- o provide travel assistance for traditional Aboriginal People who find themselves homeless but wish to return to their traditional lands.

Reforming responses to homelessness

Through South Australia's Strategic Plan the State Government set a substantial target to halve the number of 'rough sleepers' by 2010 and maintain thereafter. Between June 2007 and May 2011 there was a reduction in the number of rough sleepers in the inner city from 108 to 51.

In late 2008 the Commonwealth's White Paper 'The Road Home' outlined a national reform agenda concerning homelessness. At this time, the State Government entered into a new National Partnership Agreement on Homelessness with the Australian Government that increased funding available for responses to homelessness. Under this Agreement, South Australia has made a commitment to meet three national targets by 2013:

- a seven per cent reduction in overall homelessness
- a one third reduction in Indigenous homelessness
- a 25% reduction in rough sleepers.

To achieve this, Housing SA led a major strategic reform of the homelessness sector in South Australia. This work involved the strategic assessment and alignment of mainstream Government services, cross portfolio funding, non-Government specialist services, public housing assets and community housing to build an integrated service system.

The reform was driven by a mandate to improve outcomes for people experiencing homelessness, maximise new investment, ensure best practice principles were reflected consistently throughout the sector and promote the longevity of intended program outcomes.

Central to the better connected service system is the promotion of a client centred approach. Careful consideration is given to the experience of individuals accessing the system and a commitment has been made that people would only have to tell their story once. The development of a web-based standard case management system within every homelessness service has been a key to achieving these goals.

South Australia now has a service system that is more accessible, robust, equitable, transparent, connected and most importantly, better able to deliver sustainable outcomes for those who are homeless or at risk of homelessness in South Australia.

In 2010 the new sector was rolled out, with 75 new specialist homelessness services in operation across South Australia. They are in every region across South Australia and include services for adults, families, children, young people, Aboriginal and Torres Strait Islander people and women experiencing domestic violence. A new homelessness state-wide "gateway" service assists people to access housing and support 24 hours a day, seven days per week.

This process has also provided the opportunity to develop and implement a number of highly innovative housing and support models to respond to people who in the past may have fallen through the gaps. These include:

- Common Ground – Mixed community supportive housing in Adelaide and Port Augusta

- Ladder St Vincent Street: For young people to be housed and supported to maintain links with education and employment.
- Melrose Park: Specially designed and built supportive housing for older homeless people.
- Uno Apartments: High rise inner city mixed community building incorporating market housing, affordable housing, public rental and youth crisis accommodation.

Examples of specialised responses

The Terrace (formerly Afton House)

Refurbished during 2008-09, 'The Terrace' is the largest publicly owned boarding house in Adelaide.

The Terrace provides flexible accommodation and hosts single rooms with communal kitchens and bathrooms, as well as fully self-contained rooms. Featuring an environmentally sustainable design, The Terrace uses natural lighting and solar heating for hot water. The 19th century two-storey townhouses at the front of the building have been retained to ensure the streetscape of South Terrace remains consistent. Unity Housing Company Limited provides 24-hour onsite support for tenants and helps make referrals to specialist agencies including housing, health and welfare services.



Ladder, Port Adelaide

The Ladder project is a partnership between the State and Commonwealth governments and the Australian Football League (AFL). This project has delivered 23 dwellings in Port Adelaide and provides 24 hour on-site support to young people between the ages of 16 and 21.

Ladder is a supportive housing model for young people. This model of housing aims to prevent youth homelessness, youth unemployment and alienation of young people at risk. The SA model provides young people with stable housing linked to life skills, education, training and workforce participation. Ladder requires that tenants make a commitment to individual action plans that will enable them to achieve independence and employment. Ladder uses the AFL's networks to develop business and community support, as well as developing a mentor program incorporating past and present AFL players and local sporting personalities. Mentoring begins with tenants as they move into the accommodation service.



Proposed actions to improve the way people access and are supported in housing

The following measures are being considered to improve the way people access and are supported in housing:

Establish a new Consumer's Network

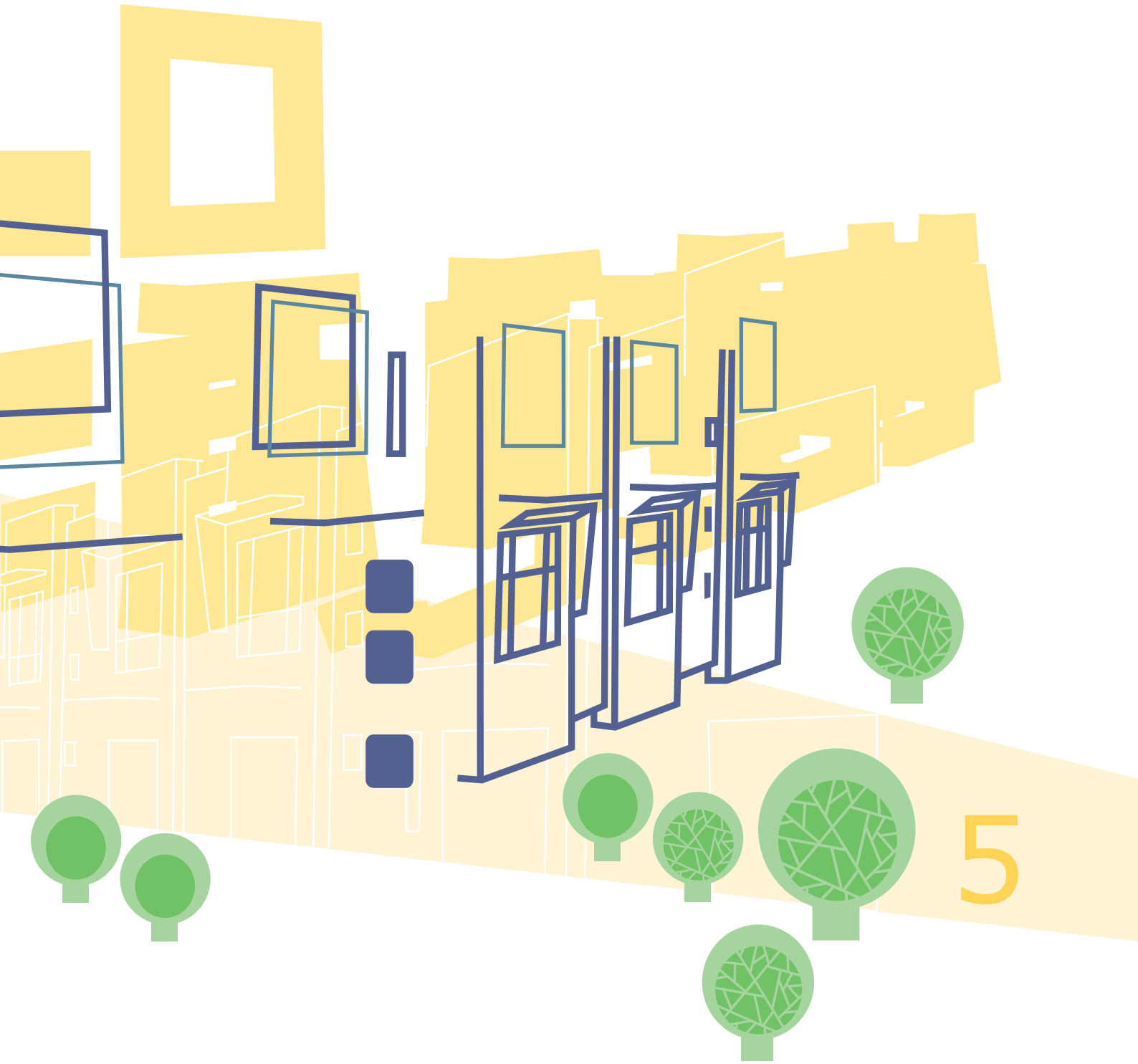
- > establish a Consumer's Network to advise the Minister on community engagement strategies for housing services and provision. It will include representation across homeless, rental, and home purchase markets.

Modernise and improve access to housing information and assistance:

- > as part of Housing SA's modernisation reforms, improve services so that customers seeking housing assistance will no longer need to apply through multiple organisations - they will be able to get information on and apply for the full range of housing options via a common Housing Customer Register
- > standardise and simplify the eligibility assessment process to better target social housing to customers that are most in need and at risk of homelessness
- > consider initiatives such as choice based letting that provide customers with greater control over their housing, matched with a greater expectation of personal responsibility
- > support customers that are able to participate in the private rental market or purchase their own home. This includes referral to the Private Rental Liaison Program, Affordable Homes Program and HomeStart Finance
- > improve the availability of online services for housing customers, supported by new IT systems to be provided under the 'Ask Just Once' initiative
- > work with HomeStart and other lenders to assist private and social housing tenants to consider and realise home ownership opportunities.

Support people to maintain housing:

- > work in partnership with support agencies to develop a co-ordinated and well integrated case management approach to help people through crisis to stable, ongoing accommodation and support
- > work closely with justice and support agencies to improve management of anti-social and disruptive tenancies
- > work with the Commonwealth Government to link up employment strategies with social housing tenants.



Consultation
Chapter five

Consultation

Your input is sought on the lead proposals and key directions discussed in this paper.

Your comments will be used to shape the directions and actions of a new Housing Strategy for South Australia.

The public consultation period will close on Friday 9th December 2011.

Submissions will be accepted via email to
housingstrategy@sa.gov.au

Or post to:

Housing Strategy Green Paper
GPO Box 292
Adelaide 5001

All submissions will be made publicly available on the internet site at
www.saplan.org.au/housingstrategy

Please mark your submission '*Confidential*' if you do not wish for it to be made publicly available. Submissions will not be responded to individually.

Glossary

Affordable housing Accommodation that households pay no more than 30% of their annual income to rent or buy. In SA the indicative purchase price for an affordable home is up to \$288,000 in metropolitan and outer Adelaide and \$244,000 for the rest of the State. For rental, indicative weekly rental in SA is \$267 in metropolitan and outer Adelaide and \$227 for the rest of the State.

The criteria for affordable housing are updated annually by Government Gazette under the South Australian Housing Trust Act 1995. Housing SA certifies whether or not the affordable housing criteria has been met, by ensuring it is offered for sale to an eligible home buyer or affordable rental provider at an appropriate price.

The criteria provide for variation in recognition that affordability is not only about the purchase/ rent, but also ongoing running costs. As such, variations can be sought to acknowledge energy efficient technology which enables the dwelling to be more energy efficient, or where it is on a small allotment and within close proximity to public transport.

Choice based letting A system that allows customers to apply for subsidised housing vacancies that are publicly advertised.

Community housing A form of social (i.e. government subsidised) housing that is managed by community-based housing organisations for people on low incomes or with special needs.

Growth areas Areas identified for urban expansion under the 30 Year Plan for Greater Adelaide.

Homelessness There are three types of homelessness:
Primary Homelessness: People without conventional accommodation (e.g. sleeping rough and improvised dwellings)
Secondary Homelessness: People who frequently move from one temporary shelter to another (e.g. emergency accommodation, youth refuges, friends' places)
Tertiary Homelessness: People staying in accommodation that falls below minimum community standards (e.g. some boarding houses and caravan parks).

Housing affordability The relationship between housing expenditure and household income and ensuring that, after housing costs, households are able to afford other costs such as healthcare, education, transport and food.

Liveability A range of factors that enable a safe, affordable, accessible and environmentally sustainable style of living.

Mixed communities Areas that include diverse populations of people from different social, economic, cultural and educational backgrounds.

Mixed use development	A development that incorporates a variety of land-use types including residential, retail, civic, commercial, and light industrial.
Neighbourhood	A small section of a larger urban area with its own facilities.
Place-making	The process of creating 'places' by drawing on the assets, inspiration, and potential in a community to create public spaces that are well-designed, promote healthy and sustainable living, and foster relationships between people and place.
Preferred Growth Provider	A high performing housing provider who has significant growth capacity and high level governance capability.
Preferred Support Provider	A high performing support agency who has capacity and high level governance capability to deliver homelessness support services .
Public housing	Rental housing that is publicly owned and managed by the state.
Shared equity	A scheme that enables a homebuyer to purchase part of a property without paying the full price. The homebuyer and a third party (eg. government, housing provider, and lender) share the cost of the property to make it more affordable for the homebuyer. When sold, both parties generally share in the equity of the property.
Social housing	Rental housing that is publicly funded and which is owned and managed by the State or not-for-profit housing providers.
Social inclusion	Drawing on the community's shared values and aspirations to achieve a sustainable future through the elimination of all forms of unlawful discrimination and the promotion of equality of opportunity and the means to participate for all citizens.
Urban consolidation	Seeks to increase the number of houses or units within existing areas so that services are used more efficiently and there is a reduction in the overall impact on the environment.
Urban renewal	A collaborative process to enhance and sustain quality of life in areas of relative disadvantage, through working with the community to develop its resources, services and networks.

