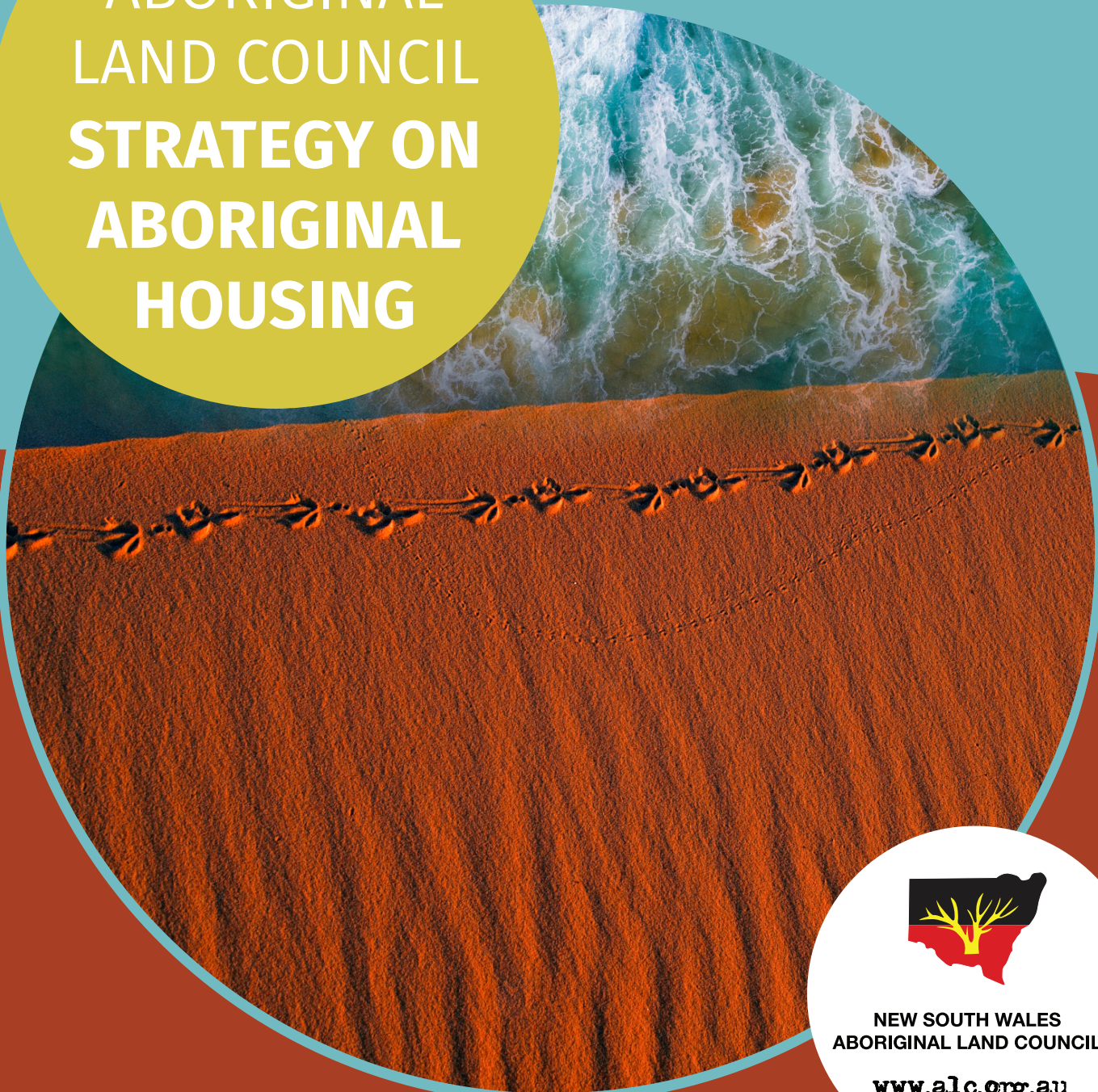


NSW  
ABORIGINAL  
LAND COUNCIL  
**STRATEGY ON  
ABORIGINAL  
HOUSING**



NEW SOUTH WALES  
ABORIGINAL LAND COUNCIL

[www.alc.org.au](http://www.alc.org.au)

Approved by NSWALC Council September 2019





# NSWALC STRATEGY ON ABORIGINAL HOUSING

## 1. PURPOSE OF THIS DOCUMENT

The NSWALC Council has approved this document as a statement of the strategic approach to housing that NSWALC is taking, with a particular focus on the role of the newly established NSWALC Housing Ltd. Establishing this housing company is an action to implement Goal 3 in the NSWALC Strategic Plan 2018-2022: Pursue Economic Independence and Prosperity for Our People.

The Strategy responds to the priorities and concerns that the Network highlighted in consultations throughout 2018 and 2019, including regional forums, dedicated workshops on a draft of the Strategy and input from the Statewide Conference in November 2018.

The Council will review the Strategy annually to ensure it remains current and reflects significant developments.





## 2.PREAMBLE

There have been many attempts to address the issues in Aboriginal housing: some successes, but many painful experiences and broken promises. This Strategy seeks to learn from the lessons of the past. The most important lesson is that our housing issues won't be solved unless our work is genuinely grounded in our communities, is based on deep and ongoing engagement, and responds to agreed needs. This is why NSWALC has developed this Strategy.

NSWALC is investing time and resources so that we get this part right. It means that we won't be able to do everything at once - we will need to focus, and establish strong foundations. There are lots of pieces that need to be brought together. But our people, in communities across the State, have to be at the centre of it. Without our knowledge, our experiences and our aspirations, without our people exercising self-determination, it won't work. And this will be the first thing that we say as we build the partnerships that we need with government, the private sector and not for profits.

## 3.OBJECTIVES

There is currently a shortfall of over 24,000 social and affordable dwellings for Aboriginal people in NSW and this will rise to 65,000 dwellings by 2031. In addition, in 2016, 42% of Aboriginal households in NSW owned or were purchasing their home, compared with 65% of non-Aboriginal households. Indigenous people make up 3% of Australia's population but 20% of the nation's homeless.

NSWALC's Housing Strategy seeks to address these gaps by:

- increasing access to the range of housing options (across all forms of tenure) for Aboriginal people in NSW – and to the opportunities for social and economic participation that emerge when housing security is achieved,
- expanding the opportunities for Aboriginal people to participate in the service delivery, management and governance of social and affordable housing in NSW,
- establishing partnerships across the Land Council Network to leverage existing land assets and other strengths.

Housing owned by Local Aboriginal Land Councils (LALCs) makes up the largest part of the total portfolio that is managed by Aboriginal community housing providers. LALCs are facing a period of uncertainty with changes to Aboriginal Housing Office (AHO) registration and subsidy policies and head-lease arrangements under Build and Grow coming to an end. NSWALC has a responsibility under the Aboriginal Land Rights Act 1983 to work to secure sustainable future housing management options for LALCs.





The following sections detail how NSWALC's strategic objectives apply across various areas and initiatives.

### 3.1 NSWALC HOUSING LTD

NSWALC Housing Ltd has been established to spearhead efforts to increase the amount of housing available to Aboriginal people in NSW and to give more Aboriginal people the choice of an Aboriginal housing provider. We need more social and affordable housing for Aboriginal people and more of it needs to be managed by Aboriginal providers – at the moment more Aboriginal people live in mainstream public or community housing than in Aboriginal housing. Service provision by Aboriginal organisations strengthens self-determination and brings benefits because Aboriginal organisations are better at culturally appropriate service delivery.

NSWALC Housing Ltd will have a strong focus on the growth of Aboriginal housing, but across both the Aboriginal and mainstream housing sectors NSWALC Housing Ltd will:

- drive quality improvements in delivery of culturally sensitive services and culturally appropriate dwellings
- drive the employment of Aboriginal staff and the creation of valuable career paths
- increase opportunities for Aboriginal-owned businesses to deliver housing and asset services
- provide a stronger voice for Aboriginal people in development of policy and practice, and support the operation of State and national-level peaks for Aboriginal community housing.

NSWALC Housing Ltd will also be able to connect to the broader strengths of the Network and the key role of LALCs and their members through other activities under NSWALC's Economic Development Policy, such as the LALC business enterprise program, NSWALC employment, training, land development and construction enterprises, and the Yarpa Business and Employment Hub.

Through its focus on service quality, NSWALC Housing Ltd will demonstrate how access to secure, affordable and appropriate housing contributes to improved outcomes for Aboriginal people. NSWALC Housing Ltd will demonstrate a social return on investment and use this to seek greater support for social and affordable housing from governments and other partners.

To support NSWALC Housing Ltd's purpose of increasing housing for Aboriginal people, it will service both Aboriginal and non-Aboriginal households, including through management of properties transferred from the mainstream social housing system. Services to non-Aboriginal households will be additional to, not in place of, services to Aboriginal households. This will maximise the surpluses that can be generated to reinvest to achieve the overall objectives of this Strategy.

Strategic oversight of the company will come from the NSWALC Council itself and a skills-based Board. The Board will be appointed by and accountable to the NSWALC Council – and ultimately to the Aboriginal community that participates in NSWALC Council elections.







## 3.2 LALC HOUSING

Housing owned by LALCs makes up the largest part of the total portfolio that is managed by Aboriginal community housing providers. But the number of houses managed by most LALCs is small and very few LALCs have been able to increase their housing stock. Most other Aboriginal community housing providers also operate with very limited scale.

The highly fragmented nature of the Aboriginal community housing sector puts all providers at a disadvantage when compared to the non-Aboriginal sector, where consolidation has been supported by Government funding and achieved over more than a decade. Fragmentation and lack of scale:

- gives rise to unnecessarily high administrative costs and other overheads
- makes it hard to build up surpluses that could be used to construct new stock
- draws LALC time and resources away from other activities that can bring additional benefits to communities
- makes it difficult to employ people with the different skills needed for high quality service delivery
- carries a risk that more Aboriginal families will end up with a non-Aboriginal housing provider because a capable Aboriginal provider is not available.

These obstacles make it difficult for LALC housing on its own to deliver the objectives that the NSWALC Council is seeking for Aboriginal housing. There are no longer ongoing government subsidies for mainstream housing operations, and governments expect housing providers to fund new stock from the surplus that a larger portfolio can generate. While NSWALC will continue to advocate to government for funding models to recognise the full costs involved in achieving housing outcomes for Aboriginal people, it would be risky to rely on government. The NSWALC Council has decided that significant new effort must be devoted to building a NSWALC housing company that can operate at the necessary scale.

It will still be up to each LALC to decide for itself how members should be assisted with housing, and NSWALC will continue to support LALC housing through:

- advocating for recognition and resourcing for LALC housing
- giving support to LALCs where they choose to manage housing directly – both from NSWALC's core activities and from NSWALC Housing Ltd as a partner in the sector
- working to improve capabilities across the Aboriginal community housing sector
- ensuring LALCs have effective alternatives to direct housing management, through NSWALC Housing Ltd, and other providers.

LALCs are facing a period of uncertainty with changes to AHO registration and subsidy policies and head-lease arrangements under Build and Grow coming to an end. NSWALC Housing Ltd will provide an additional housing management option for LALCs, but also believes that the Aboriginal housing sector needs a range of viable, high quality providers that provide coverage of the whole State. NSWALC will continue to work with the AHO and other Aboriginal providers to ensure that sector investment builds on areas of existing strength and provides a pathway to viability and quality service provision.

### 3.3 NSWALC HOUSING LTD PARTNERSHIPS WITH LALCS

NSWALC expects NSWALC Housing Ltd to be able to provide LALCs with a high quality option for housing management and stock growth into the future. This should mean there'll be less need for LALCs to remain involved in direct housing management if they don't want to - and more chances for LALCs to focus on housing related activities that can generate additional employment and economic opportunities.

Whether or not a LALC chooses to manage its own housing, future housing-related roles for LALCs could include:

- as owners of housing and other land, working with NSWALC Housing Ltd and the Network to identify opportunities to enhance the value, productive capacity and yield of these assets
- starting or expanding enterprises in the areas of repairs and maintenance, asset upgrades and delivery, anchored by ongoing contracts emerging from NSWALC Housing Ltd operations at scale
- starting or expanding enterprises to deliver tenant engagement, support programs and support co-ordination for NSWALC Housing Ltd and other housing providers
- starting or expanding initiatives to conserve and share Aboriginal culture and heritage in the communities where NSWALC Housing Ltd operates, using our cultural strength to support better housing outcomes.

These roles could be taken on by individual LALCs or by groups of LALCs working together on a regional basis and using the wider resources of the Network, such as the support for LALC enterprises under the Economic Development Policy.

NSWALC Housing Ltd will also look to partner with LALCs in other ways.

- By taking our share of growth opportunities in the mainstream and Aboriginal community housing sectors, NSWALC Housing Ltd will be able to offer additional housing to LALC members as part of the Aboriginal community.
- NSWALC Housing Ltd will recognise the key role that LALCs play in representing their communities by inviting LALCs to contribute to place-based approaches to building safe and stable communities.
- LALCs' understanding of community aspirations and concerns will give power to the advocacy that NSWALC Housing Ltd carries out.





## 3.4 EMPLOYMENT AND TRAINING OPPORTUNITIES

Increasing employment opportunities is one of the overarching objectives of this Strategy, in line with Goal 3 of the Strategic Plan 2018-2022: pursue economic independence and prosperity for our people. Bringing together the management of housing stock to achieve scale will allow NSWALC Housing Ltd to:

- employ Aboriginal people as part of its core housing operations, and
- form commercial relationships with other Aboriginal firms (including LALC enterprises) for the delivery of related services.

Portfolios of scale create the opportunity for an ongoing pipeline of work that can sustain businesses operating across a location. With the establishment of NSWALC Employment and Training, and Yarpa, as related elements of the Strategic Plan 2018-2022, NSWALC is putting additional effort towards improving how employment and training services work for Aboriginal people.

NSWALC Housing Ltd will implement a workforce development strategy that will aim to promote interest in housing-related careers and develop the training pathways needed to secure the supply of skilled workers over the longer term. NSWALC Housing Ltd will also use its procurement activities to promote Aboriginal employment outcomes.

## 3.5 DISCRETE COMMUNITIES

Discrete Communities are a particular focus for NSWALC, and the NSWALC Council has directed that ongoing effort be directed to addressing the needs of these communities. This recognises the significance of Discrete Communities for Aboriginal families and communities, and the roles that housing on Discrete Communities plays at different times in people's lives.

The resources required to address the infrastructure issues on Discrete Communities are beyond anything that NSWALC Housing Ltd could provide. Further, there are additional costs inherent in managing housing in remote areas, including some Discrete Communities. The NSW Government recognised those costs with the commitment under the Build and Grow strategy that, in remote and very remote NSW and a number of the former reserves and missions, subsidies for housing providers would not be time limited.

NSWALC will continue to advocate for the additional costs to be recognised in funding models for Discrete Communities, and will intensify efforts to have government recognise and address the legacy of their past actions. NSWALC is partnering with the NSW Government to deliver the Aboriginal Communities Water and Sewerage Program, and welcomes as a starting point the recent Roads to Home commitment by the NSW Government in response to our advocacy. NSWALC Housing Ltd will be an effective service delivery partner, supporting solutions for Discrete Communities where government determines to act and commit the necessary resources.



## 3.6 HOME OWNERSHIP

On current trends it would take many decades to close the gap in Aboriginal home ownership in NSW. The NSWALC Housing Ltd Growth Strategy (see below) provides a basis for the development of private market dwellings to support the delivery of additional social and affordable housing.

In addition to NSWALC Housing Ltd's Growth Strategy, NSWALC will also pursue other strategies to increase the level of home ownership. NSWALC is working to develop a pilot home ownership model for use on LALC land. Research suggests that viable models may include community land trusts, shared equity schemes, and rent to buy schemes. In developing the approach, NSWALC will draw on LALCs' experience of previous initiatives, and test the models in locations with different land values and market conditions. NSWALC intends to develop a practical set of tools for LALCs to apply, including template documents and a proposed approach to long-term administration and record keeping.

## 3.7 AHO AND THE ABORIGINAL COMMUNITY HOUSING SECTOR

Despite the urgent need for additional housing identified above, the current environment for the Aboriginal community housing sector is challenging. Growth of the sector through management transfers has been delayed. Growth in the size of the AHO portfolio is slowing while growth in the mainstream portfolio is accelerating. Recent changes to AHO subsidy and registration policy are significant, leading to issues for LALC housing.

Despite initiatives over more than a decade to build capacity in the Aboriginal community housing sector, government did not allocate any share of recent growth initiatives to Aboriginal providers. This includes the current transfer of 14,000 public housing dwellings under the Social Housing Management Transfer program, a major initiative that Aboriginal organisations have not benefited from.

NSWALC is setting up an Aboriginal housing capability to ensure that Aboriginal organisations take their fair share of future growth opportunities. NSWALC believes that the entry of NSWALC Housing Ltd as a major new housing provider will mean the government has no excuse for holding up large-scale transfers of stock to the sector.







NSWALC believes that consolidation in the Aboriginal community housing sector is necessary to ensure that:

- the sector can compete with mainstream providers for future State and Federal growth initiatives
- the proportion of Aboriginal households in NSW managed by Aboriginal providers will grow in the next decade
- the NSW Government has a range of viable and capable partners, allowing transfer of management and ownership of the AHO portfolio to the sector, in line with the original aims of the Aboriginal Housing Act 1998.

NSWALC Housing Ltd will collaborate with other Aboriginal CHPs to improve service delivery arrangements and will draw on the capabilities of NSWALC to build on existing strengths in the sector. These joint efforts will include a focus on demonstrating impact through strengthening of monitoring and accountability to clients.

NSWALC is also working with the government, peak organisations and the Land Council Network to secure increased involvement by Aboriginal organisations in the delivery of support services in the homelessness system. NSWALC Housing Ltd will not provide homelessness services directly but by developing relationships with Aboriginal and mainstream support providers in its service locations, and linking to the wider advocacy work of NSWALC, it will gain influence over policy and practice in helping Aboriginal people experiencing homelessness.

## 4 NSWALC HOUSING LTD GROWTH STRATEGY

The importance of scale in giving providers the financial basis for large scale new development has been critical in the evolution of the community housing sector over the last 10 years. Mainstream Tier 1 providers typically have portfolios of housing under management in the order of 2,000 – 6,000 properties, made up of

- properties they own or have been given ('vested'), usually by government
- 'capital' properties that have been head leased from DCJ (former FACS), and
- 'leasehold' properties that have been head leased from the private market.

Providers of this size employ large numbers of staff and can generate operating surpluses for investment in further growth opportunities, supporting broader housing management operations, or improving service quality. NSWALC believes that to achieve its objectives, NSWALC Housing Ltd needs to aim for a portfolio of this magnitude.

## 4.1 GROWTH TARGETS

NSWALC Council has approved the following growth targets for NSWALC Housing Ltd (including housing approved and funded for acquisition or construction, as well as under management):

- by 2020, 100 – 300 properties.
- by end of 2023, 1,000 – 3,000 properties.
- by end of 2028, 2,000 – 6,000 properties.

While NSWALC Housing Ltd is being set strong targets, the company will pursue growth prudently.

In particular:

- in pursuing these targets, NSWALC Housing Ltd will need to focus on ensuring that it has a geographically coherent footprint, with portfolios of sufficient size in locations that underpin viability
- in seeking management transfers of AHO and mainstream housing, NSWALC Housing Ltd will always carry out thorough due diligence to establish maintenance liabilities and negotiate resourcing to ensure the stock condition doesn't prevent positive outcomes for tenants
- links with support services will be a critical element of establishing NSWALC Housing Ltd operations in each location
- rent will be the main source of income for NSWALC Housing Ltd, and the company will encourage the adoption of consistent and robust rent policies across all its tenancies to create fairness for tenants and underpin financial sustainability, while always being sensitive and supportive of tenants' individual circumstances.





It is also important to recognise that the growth trajectory for NSWALC Housing Ltd may not be smooth and effort invested may not always yield immediate returns. Developing relationships with a wide range of partners in service delivery and asset development, as well as other advisers and supporters, will require sustained effort so that NSWALC Housing Ltd is well positioned when government funding initiatives or other opportunities emerge.

NSWALC Housing Ltd will manage and deliver services directly. However depending on the speed and location of growth during the start-up phase, it may need initially to outsource some services to other existing providers, including a small selection of mainstream CHPs that have already demonstrated their commitment to working with us to help establish a new large-scale Aboriginal provider.



## 4.2 OTHER ASPECTS OF THE GROWTH STRATEGY

NSWALC recognises that even the achievement of NSWALC Housing Ltd's ambitious growth targets will only go a small way towards meeting the housing needs of our people. In line with this, this Strategy recognises that we need to give attention to several other aspects of growth:

- NSWALC Council believes it is very important that, right from its beginnings, NSWALC Housing Ltd find ways to operate in different parts of the State, gaining expertise in the varying conditions and requirements around the NSWALC regions. This does not mean taking a scattergun approach, but carefully testing our approach in a staged way.
- NSWALC Housing Ltd will support growth in Aboriginal housing capability by developing and testing new approaches in its operations and then sharing the results with other Aboriginal organisations to apply in their operations.
- NSWALC Council is seeking to grow the total Aboriginal housing stock, not a zero-sum game where the growth of NSWALC Housing Ltd comes at the expense of other Aboriginal providers. Our desire is to work collaboratively with other providers to build a strong Aboriginal housing sector that includes choice for Aboriginal people.
- Raising our voice in government policy making processes and public debates can help to generate results across service systems for all organisations, and must be part of our growth strategy alongside our efforts to help our people directly. Our experience and expertise in providing housing will give greater weight to our comments in these forums, and demonstrate how we are enacting self-determination in practice.



NSW Aboriginal Land Council  
33 Argyle St, Parramatta NSW 2154

PO Box 1125, Parramatta NSW 2124  
Ph: 02 9689 4444 Fax: 02 9687 1234  
Email: [nswalcenterprises@alc.org.au](mailto:nswalcenterprises@alc.org.au)  
Web: [www.alc.org.au](http://www.alc.org.au)

© NSW Aboriginal Land Council | September 2019

