

# THE CONSTELLATION PROJECT

*TOWARDS ENDING HOMELESSNESS IN A GENERATION*

2019 Year in Review



# Introduction



Together the founding members of the Constellation Project share a vision **to end homelessness in a generation**. We are driving action through collaboration.

The Constellation Project (Constellation) is a collaboration of cross sector participants working towards ending homelessness in Australia in a generation. Whilst this is an ambitious vision, there is sufficient evidence to demonstrate that this is achievable.

Constellation is driving action around identified solutions that are informed by global experience and the extensive evidence base. The project operates with a dedicated and funded executive team that supports and enables the collaboration.

This document gives an overview of what Constellation has achieved in the last 12 months. We invite you to join us and lead together on this important issue for all Australians.



# Testimonials



I had many reservations and scepticism when invited to be part of this project. 'Why would the private sector want to get involved in homelessness when the governments of today and yesterday have not been able to solve the problem'.

I have since been impressed with the level of commitment and dedication from all those individuals and organisations that are involved in the process. I have noticed a high level of professional and genuine personal commitment to make a difference and impact on a very serious and ever increasing situation, particularly for First Nations people of Australia.

**Ivan Simon**

*Governance Group Member*

Co-Chair of the National Aboriginal and Torres Strait Islander Housing Authority



It has been an exciting opportunity for the MinterEllison team to join forces with the Constellation Project. Investing in our people and social infrastructure is a critical aspect of the social capital that binds us together - and provides the basis of our success - as a community.

Bringing legal expertise across real estate, infrastructure consulting, direct and indirect tax, funds and finance and applying those skills and access to networks in a combined approach with other concerned citizens demonstrates the power and potential of cross sector and community engagement. The process undertaken in a structured and agile framework, has been instructive, rewarding and inspiring.

This is a multi-faceted issue that has no single solution and requires long term commitment, but together we can hope to create lasting impact.

**Keith Rovers**

Partner at MinterEllison

MinterEllison is an international law firm, headquartered in Australia

MinterEllison

# Founding members



The founding organisations, Australian Red Cross, Centre for Social Impact, Mission Australia, and PwC Australia, recognised that by working together they stand a better chance of driving action on homelessness.

Together the founding members bring a unique national network and deep technical expertise to the project. In 2019, the Constellation Project is a 1,155 strong network, comprised of organisations and individuals from business, not for profit, academia, government and philanthropy.



Red Cross brings deep expertise and understanding of First Nations perspectives. They also bring the insights of people with lived experience of homelessness that inform the project.



The Centre for Social Impact brings the evidence base providing data driven insights that form the basis of our work.



Mission Australia brings experience as a provider of specialist homelessness services, community housing and other supports. They have significant subject matter knowledge as well as research and advocacy expertise.



PwC brings technical skills in key areas such as data and financial modelling as well as design, facilitation and communications.

*The Constellation Project is about a community coming together in a different and innovative way. Bringing together the knowledge and brain power of all the partners and contributors to develop new and sustainable solutions to homelessness. We can do it, that's why I am involved!*

**Mike Allen**

*Independent Housing Advisor and former Secretary of NSW Dept of Housing*

# Our Vision: To end homelessness in a generation.



## More Homes

Increasing the supply of safe, affordable, accessible, appropriate and secure housing for people in Australia on very low to moderate incomes



## Better Journeys

Preventing entry into homelessness and accelerating journeys out



## Leading Together

Across sectors to change policy and practice

## How we work

- We invest in the core to drive collaboration
- We don't duplicate work
- We value lived experience and First Nations voices and place them at the centre of our work
- We use social labs to accelerate solutions
- We pool funding and resources
- We have a cross-sector network

### What is a social lab?

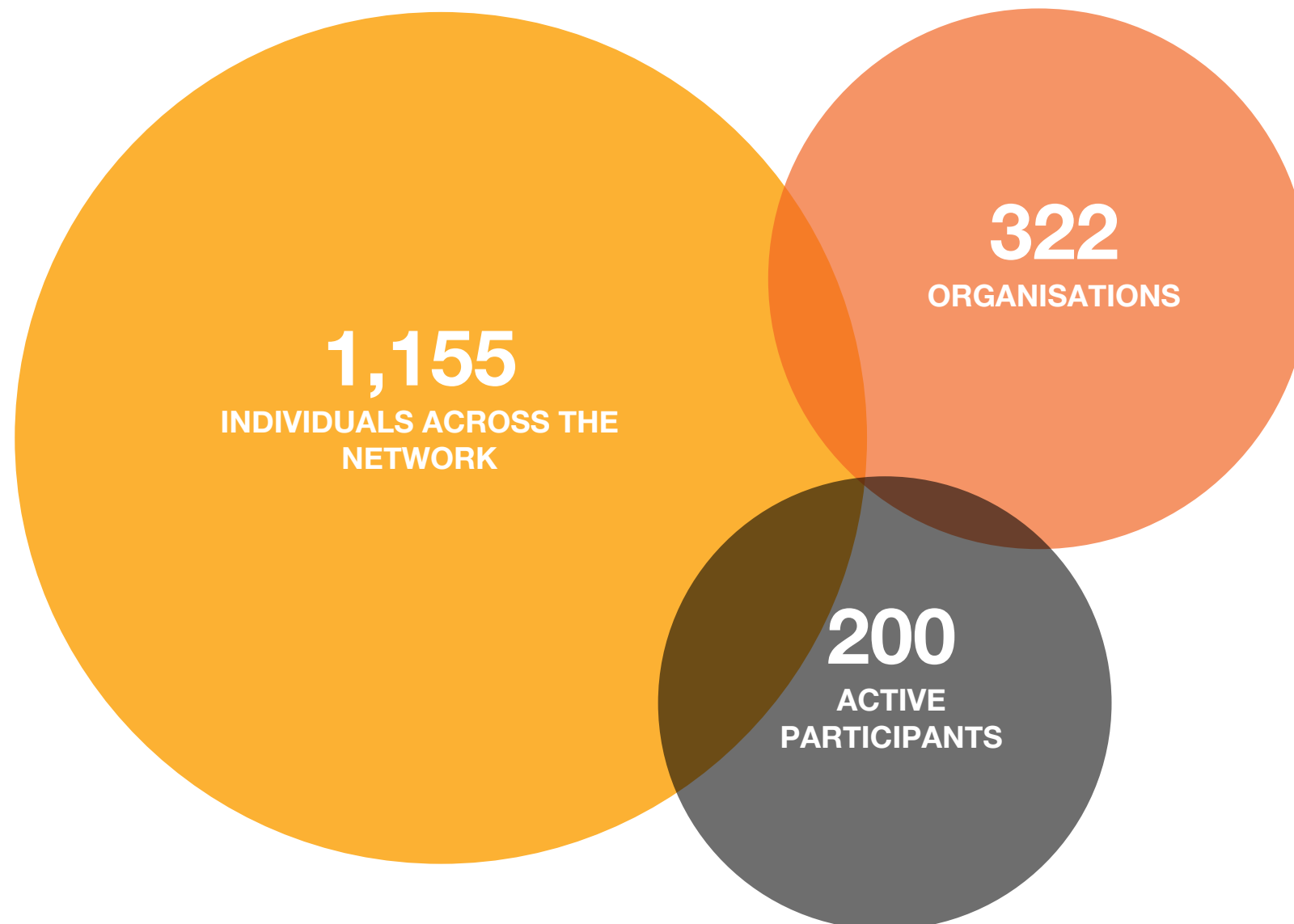
A 'social lab' is an iterative and collaborative approach to solving complex social issues.

A diverse team of 30-40 people is split into small teams to address different aspects of a challenge, volunteering up to 20% of their time for 3 month cycles of accelerated work.

# Cross sector network

Since work began on the project early this year we have been focused on cultivating a cross sector network.

The purpose of the network is to ensure that we have the right skills and knowledge engaged, that we build on rather than duplicate existing work and that we are able to collectively advocate for the change that is needed.



# Cross sector network



The Community Housing Industry Association (CHIA) is very pleased to be collaborating with the Constellation Project. For some time we've been looking at ways to attract ethical institutional investors into social & affordable housing. Working with Constellation on the Housing Capital Aggregator project will enable us to put a sound solid proposal to government on how

we can, with their support, stimulate investor interest. Let's hope 2020 is the year we can really make an impact on social and affordable housing.

**Wendy Hayhurst**  
CEO CHIA



I came into the Constellation Project as a person with Lived Experience of homelessness and I also have a small degree of lobbying and investment experience.

It's been an incredible experience working alongside the knowledge and expertise of the others involved.

I've found what they've brought to the table truly inspiring. The sheer determination of everyone to do whatever they can to end homelessness has given me a huge amount of reassurance that we really can make a difference in countless people's lives.

**Sarah Nelson**  
Lab Participant



Westpac is a proud supporter of Mission Australia. Housing security is an area we share a common interest in because it ensures a sustainable future for all Australians.

We're pleased that our support for Mission Australia has added a stakeholder manager to the project and enabled social and affordable housing experts to join the Project's lab teams.

**Siobhan Toohill**  
Westpac Group Head of Sustainability

# Who we are

Our Governance Group is made up of a member from each Founding Organisation, as well as an independent chair and First Nations representative.

Constellation's strategic direction is set by the Governance Group and is ably supported by a full time 'executive team' who have ensured the effective operation of the project.



Kristy Muir  
CEO  
**Centre for  
Social Impact**



Marion Bennett,  
Executive, Practice,  
Quality and  
Performance  
**Mission Australia**



Shamal Dass  
Head of Philanthropic  
Services  
**JBWere**



Rosalie Wilkie  
Partner  
Social Impact  
**PwC Australia**



Ivan Simon  
Co-Chair  
**National  
Aboriginal and  
Torres Strait  
Islander Housing  
Authority**



Poppy Brown  
Director NSW & ACT  
Housing  
**Australian Red Cross**



# Who we are

The Executive Team ensures the effective operationalisation of the strategy and manages the backbone function of the project, to deliver outcomes defined by Constellation.

In the first phase of the project, the key focus of the executive has been to ensure the effective running of the social labs. This includes working with the and the lab teams, managing the diverse stakeholder network and supporting and enabling the Lived Experience Advisory Team.



Jacqui Jones  
**PwC Australia**



Garrett Smith  
**PwC Australia**



Sarah Soteriou  
**Australian Red Cross**



Davina Dressler  
**Mission Australia**



Chris Hartley  
**CSI**

# Our work - 'More Homes'

For the past year, the Constellation Project has focused on its first pillar - More Homes - which looks at the supply side of housing. This is because the cost of housing for Australians on low incomes is a major driver of homelessness.

Home ownership continues to be a driver of economic growth and a source of wealth generation for many Australians. But not everybody is a homeowner and both owners and renters are finding it increasingly difficult to afford a roof over their heads.

Last year in Australia there were [more than 200,000 new homes built](#) but not nearly enough were accessible or affordable for those who need them most.

## Why don't we just create more housing that is affordable for people on low incomes?

The problem exists because this kind of housing has a 'financial feasibility gap', and it's where the Constellation Project's More Homes pillar is focused.

Building housing is expensive, it includes land and construction plus many other less visible costs including approvals, financing and taxes. There is also fierce competition for locations that are close to transport, jobs and amenities.

For any project to be financially feasible, development costs have to be recoverable and that's the challenge we're facing. The revenue from housing for people on low incomes doesn't cover costs and the current system of incentives and subsidies is insufficient to solve the problem.

Australia needs a system that will ensure a healthy supply of housing for everyone.

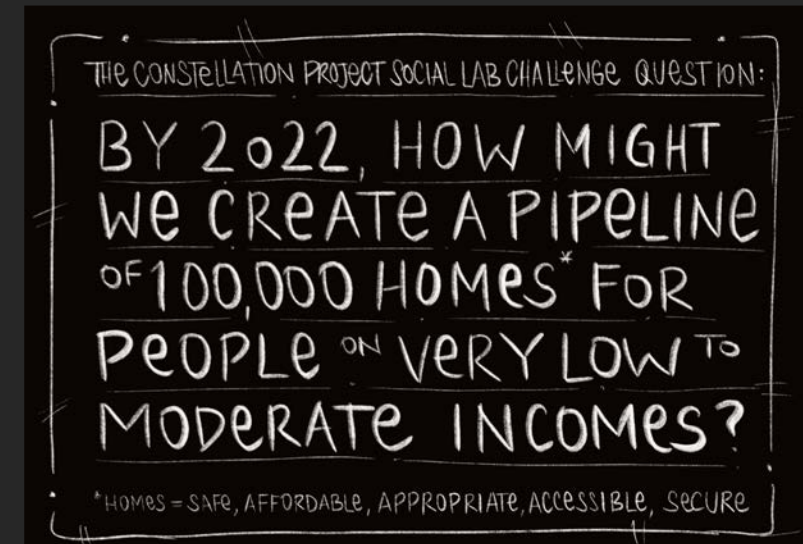
In the next 17 years (2036), we need [over a million new homes](#) to meet the growing demand from people on low incomes\*.

According to our calculations, at our current rate of construction it could take over 300 years to reach this target.

# More Homes social lab

The Constellation Project is building on existing ideas to develop potential solutions that address facets of the financial feasibility problem. Our tools and prototypes are replicable, open source and designed to scale.

The work in the More Homes pillar is centered around a specific challenge question:



The Constellation Project has adopted a housing first approach. In 2019, we began our work on the More Homes pillar.

*Our 'More Homes' social lab brought together a diverse group to deliver:*



2

cycles



6

sprints



4

solutions



>350

Meetings with stakeholders

We now have 4 emerging solutions

1. A **housing capital aggregator** to enable large scale institutional investment in affordable housing
1. Removing barriers for the implementation of **mandatory inclusionary zoning**
1. A replicable **aged-care model** and business case for **First Nations communities**
1. **Federal and State co-funding model** to enable public capital to flow and operate more efficiently

# Social lab teams

*Our more homes lab teams are operating at varying levels of development.*

Some of the more advanced concepts are currently being tested with government. Our ways of working draw on agile methodology with a develop, test and iterate approach. The overall strategy is to develop a suite of solutions that address various aspects of the problem.



## **Federal & State Co-funding Model**

An economic and financial feasibility tool designed to inform the funding flow and financial arrangements between various levels of government. The tool is currently being tested in market and aims to significantly optimise housing outcomes.

## **Mandatory Inclusionary Zoning (MIZ)**

If Australia had a regulatory environment that supported inclusionary zoning 10 years ago, Australia would now have an additional 75,000 homes across the country that are affordable to people on very low to moderate incomes. The team has been developing a viable model of MIZ that is palatable and viable for all relevant parties.

## **First Nations Aged Care Village**

The First Nations team are advancing their 'Aged Care Village' concept and will develop a prototype financial feasibility model. The feasibility model will be informed by key economic and demographic data to identify where a village of homes for ageing community members may best be situated.

## **Unlocking Private Capital**

The team is focused on developing a prototype Housing Capital Aggregator to attract institutional investment. A capital aggregator has been identified as the missing piece in a framework that includes the important National Housing Finance and Investment Corporation (NHFIC)'s debt aggregator introduced last year.

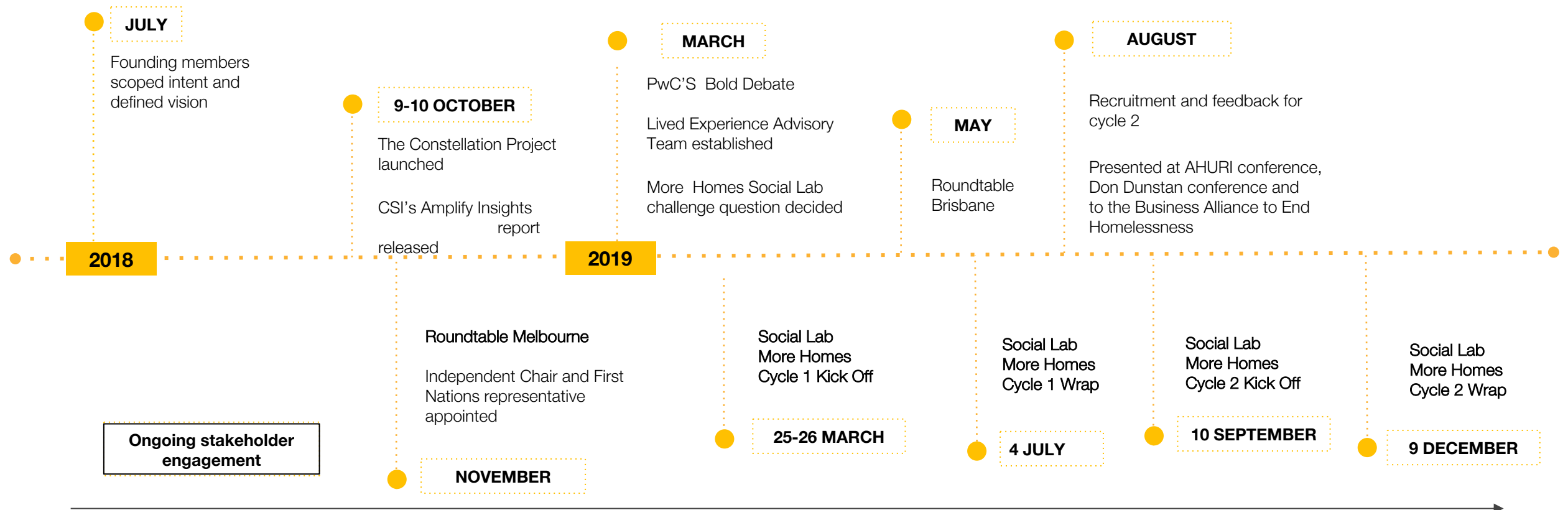
For more information on each of these solutions see the Appendix.

# Key milestones



The Constellation Project has engaged with over 350 stakeholders in 2019, including all levels of Government and has run two cycles of a social lab.

We work nationally, with the social lab managed primarily from Sydney. Our Lived Experience Advisory Team and First Nations Leadership Team also inform all aspects of our work.



# Where to in 2020



In 2020 the Constellation Project will continue to build its network and continue with the More Homes social lab.



Kick off cycle 3 of More Homes, where we will refine the existing concepts after further testing with stakeholders



Commence the Better Journeys workstream. This includes the establishment of an advisory group to guide the work and establish the right pre-conditions for success.



Continue to engage stakeholders and expand the network, including further meetings with Government at all levels and the private sector.

## Measuring our Impact

From the inception of the Constellation Project we intended to measure the impact of our work. The Centre for Social Impact in conjunction with Social Policy Research Centre (SPRC) at the University of New South Wales is currently undertaking an ongoing impact evaluation for the outcomes of our work.

The project also makes use of feedback loops to continually improve our design and execution at the program level. We regularly survey our lab participants to inform our future work.

## How to get involved

We welcome further support and ongoing feedback around our work.

If you are interested in being part of The Constellation Project, please do reach out to us at

team@theconstellationproject.com.au,  
alternatively you can join our mailing list by  
visiting

[www.theconstellationproject.com.au](http://www.theconstellationproject.com.au).

# Thank you!

There is an impressive breadth of expertise in our network of participants. They include representatives from government, not for profit, private contractors, small and large corporates, as well as housing and homelessness support providers.

The Constellation Project is incredibly grateful for the support of the many organisations and individuals who continue to contribute to our work and share our vision to end homelessness in a generation.



# Appendix

Our four lab teams are at various stages of development with their prototypes, some are more advanced than others and one is currently engaged with a live opportunity. Following is a brief overview of the work happening in each team.



# Social lab team 1

## Unlocking Private Capital

### **PARTICIPANTS: LAB CYCLE 1**

#### **Lab team members**

Ali Ozeer, PwC  
Angela Ballard, Atmosphere Consulting  
Brett Macklin, St Vincent De Paul Society NSW  
Carrie Hamilton, Housing Action Network  
Caroline Finch, PwC  
Elmira Seitakhmetova, PwC  
Katie Liew, PwC  
Sarah Nelson  
Sarah Moshirian, PwC

#### **Network Champions**

Bill Anthony, Mirvac  
Brad Cannen, Tagma  
Erna Djuwita, PwC  
Greg McCourt, Lendlease  
Jenny Brown, Australian Red Cross  
Kobi Maglen, Social Ventures Australia  
Monti Daryani, IAG  
Pai Liu, JBWere  
Simone Parsons, Women's Community Shelters

### **PARTICIPANTS: LAB CYCLE: 2**

#### **Lab team members**

Andrew Hamilton, Social Scaffolding  
Ali Ozeer, PwC  
Arabella Searle, MinterEllison  
Carrie Hamilton, Housing Action Network  
Erin Hannan-Jones, PwC  
Jason Matchado, PwC  
James Momsen, MinterEllison  
Sarah Nelson  
Shane Austin, Salvation Army

#### **Network Champions**

Ben Keck, Assemble  
Brad Cannen, Tagma  
Chris Tang, MinterEllison  
Keith Rovers, MinterEllison  
Lisa Mitry, MinterEllison  
Natalie Bentley, MinterEllison  
Raj Gopiraj, PwC  
Rebecca Thomas, Social Ventures Australia  
Wendy Hayhurst, Community Housing Industry Association

## THE CONSTELLATION PROJECT

The Constellation Project is driving action through collaboration. We share a vision to end homelessness in a generation.



More Homes Cycle  
2

## THE CASE FOR A HOUSING AGGREGATOR

The Housing Capital Aggregator's objective is to enable large-scale private investment in affordable rental housing.

# THE MAJOR NEEDS IDENTIFIED

## SUBSIDY STREAM

The Housing Capital Aggregator requires government commitment through a robust perpetual stream of recurrent concessions or other financial co-investment. Investors are unlikely to consider large-scale investments without the credibility of this government incentive. Australian governments are increasingly recognising the connection between housing expansion and productivity. When a new subsidy incentive becomes available to unlock private investment, the capital aggregator will be ready to maximise its impact.

## TRANSACTION EFFICIENCY

The Housing Capital Aggregator will provide the financial sophistication and scale required by the capital markets to invest in the granular asset profile of affordable rental housing. Standardised documentation and transaction streamlining will be developed to ensure the value-for-money efficiencies and tax exemptions of the non-profit community housing sector are magnified, not lost, through aggregation.

## DEVELOPING A BUSINESS CASE

A business case for the Housing Capital Aggregator's asset class and return profile is being developed by CHIA and a group of cross-sector participants working together as part of The Constellation Project.

## THE PROJECT WILL:

- ▶ Engage specialist legal and tax advice in efficient fund structure and ownership of affordable housing pools,
- ▶ Outline appropriate asset class allocation for aggregated affordable housing funds, and
- ▶ Support the affordable housing funding program that CHIA will outline in its upcoming budget submission.



## ABOUT THE CONSTELLATION PROJECT

The Constellation Project is a growing network of organisations and individuals collaborating across sectors to drive action on homelessness in Australia.

Founded by the Australian Red Cross, Centre for Social Impact, Mission Australia, and PwC Australia, Constellation is focused on delivering practical solutions that are co-designed with people who have lived experience of homelessness.



## ABOUT CHIA

The Community Housing Industry Association (CHIA) is the national peak body representing all housing providers, big and small. As a member-funded organisation, CHIA is not reliant on government funding, enabling it to be an independent voice shaping social and affordable housing policy and programs at a federal level.

## A paradigm shift is required in the Australian property market.

Treating homes as financial assets has generated wealth for some, but has also led to an undersupply of affordable rental housing, contributing to rising homelessness. The Housing Capital Aggregator provides a pathway to further expand Australia's property productivity towards this unmet demand.

It proposes to pool private institutional investment into construction capital for this key social infrastructure, which can be unlocked by future recurrent government co-investment.

# THE HOUSING AGGREGATOR WILL:

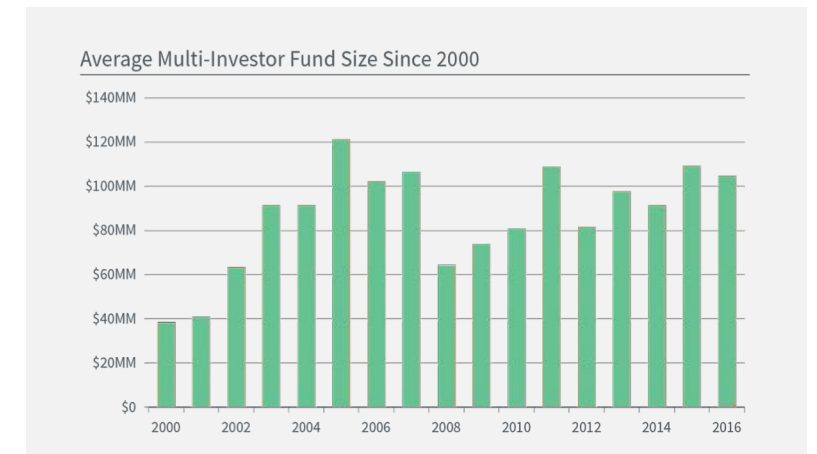
- ▶ Enable private institutional investors to create a portfolio of low-risk investments in affordable rental housing
- ▶ Complement the NHFIC's existing debt finance aggregation with an investment tranche based on a future government funding mechanism
- ▶ Bring transactional efficiency and scale to capital investment in housing
- ▶ Confront documented market failure in Australia by expanding affordable rental housing supply, which is essential to ending homelessness and increasing productivity

Currently, investment in affordable rental housing is frustrated by perceived risk and inconsistent pipeline. The Housing Capital Aggregator's due diligence and pooling of projects' underpinning government subsidy will allow 'patient investors' to receive solid returns plus meaningful social impact. Finally, super funds can achieve scale in the low-risk affordable housing ecosystem of NRSCH-regulated counterparties and near-zero vacancy driven by tremendous unmet demand.

Social Infrastructure like this is also beginning to be recognised as an asset class in its own right in Australia, with appealing counter-cyclical cash flows or a neutral correlation with economic growth. When compared to the typical core asset classes, this affordable rental housing social infrastructure provides diversification into a mixed asset portfolio, as well as sound risk-related returns and meaningful social impact.

## U.S. AFFORDABLE HOUSING CAPITAL AGGREGATORS

Source: Cohn Reznik LLP, Housing Tax Credit Investment and Operational Performance, April 2018



Housing aggregators are well established overseas. Over the last 30 years they have provided construction funding for nearly 2 million affordable dwellings in the US, based on a permanent recurrent funding program there. Proportionate to the population of Australia, this equates to 200,000 affordable rental dwellings, or about 6,500 per year.

## KEY TERMS

### AFFORDABLE RENTAL HOUSING

An overarching term that includes all social/public, community, key worker and subsidised housing that is rented at below 80% of market for the purpose of meeting documented community need.

### CRA

Commonwealth Rent Assistance is a non-taxable income supplement payable to eligible people who rent in the private rental market or community housing.

### CHPs

Community Housing Providers provide housing for people on very low to moderate incomes or those with additional needs. Housing is often built-for-purpose property developed by CHPs and provided through their professional tenancy and property management capacities. CHPs are government-regulated by the NRSCH and almost all are not-for-profit organisations.

### NHFIC

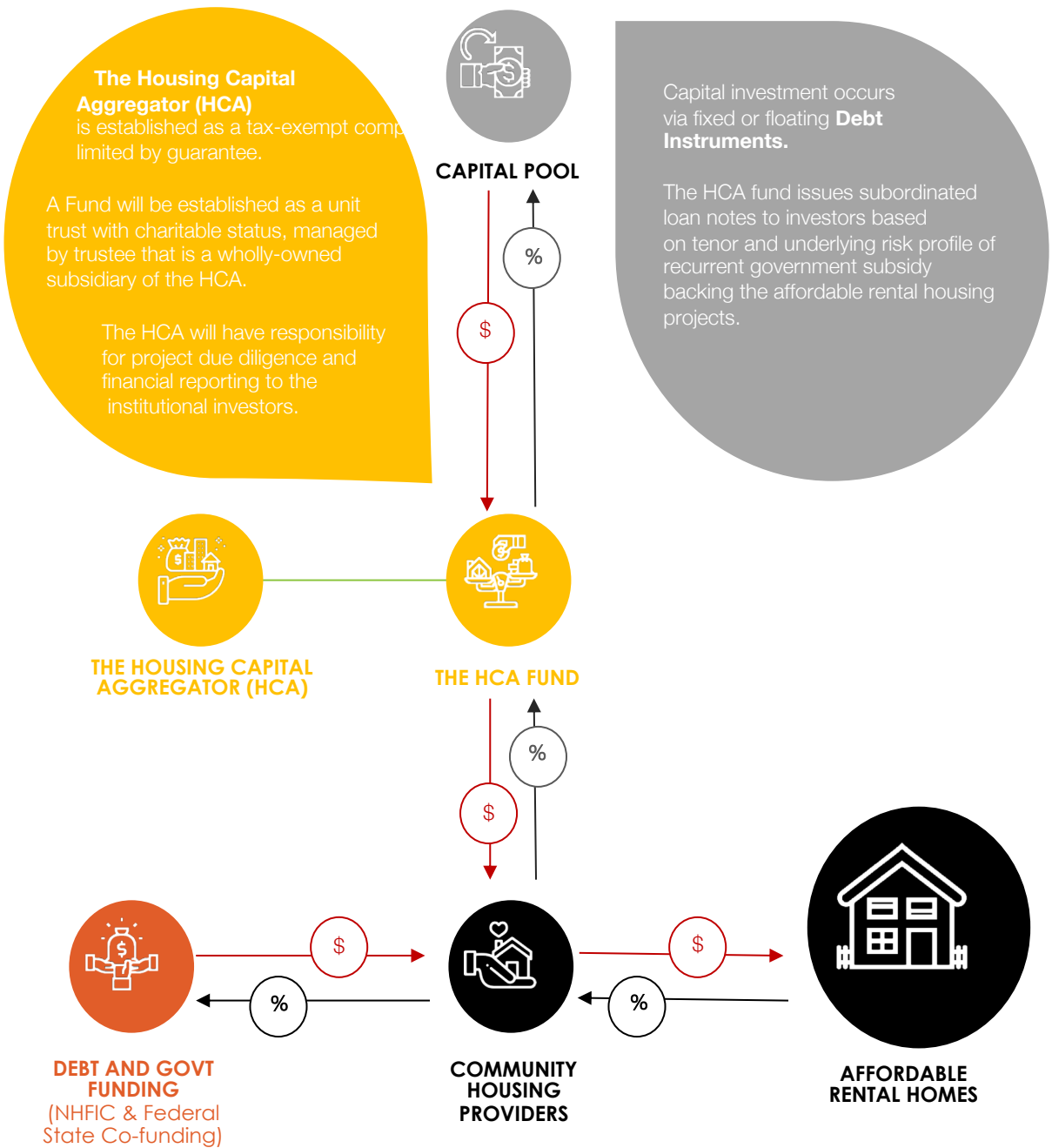
The National Housing Finance and Investment Corporation is a Commonwealth statutory authority dedicated to improving housing outcomes. The NHFIC offers loans and grants to encourage investment in housing, with a particular focus on housing that is affordable to people on very low to moderate incomes.

### NRSCH

The National Regulatory System for Community Housing aims to ensure a well governed, well managed and viable community housing sector that meets the housing needs of tenants and provides assurance for government and investors.

# HOW IT WORKS

The Housing Capital Aggregator is a means for passive institutional investors to access large, diversified portfolios of affordable rental dwellings that are developed and/or managed by non-profit CHPs based on the other existing and potential feasibility layers of land contributions, government income supports, cross-subsidy with market dwellings, tax exemptions, mandatory inclusionary zoning, and NHFIC debt.



**Affordable Rental developments** can still access established debt funding from the NHFIC based on existing CRA and rental cash flows.

A new government subsidy paid over time will form the debt repayments to investors in the HCA Fund and thereby unlock up-front private investment into affordable rental housing.

Capital investment occurs via fixed or floating **Debt Instruments**.

The HCA fund issues subordinated loan notes to investors based on tenor and underlying risk profile of recurrent government subsidy backing the affordable rental housing projects.

**Affordable Rental Homes** would be recognised as a new asset class, with appealing counter-cyclical cash flows or a neutral correlation with economic growth.

Affordable rental homes would be categorised as Social Infrastructure a growing asset class in the global investment landscape.

# Social lab team 2

## Mandatory Inclusionary Zoning

### **PARTICIPANTS: LAB CYCLE 1**

#### **Lab team members**

Aman Gadgil, PwC  
Annabelle Gall, PwC  
Daniel Richards, PwC  
Richard McLachlan  
Valerie Misa, PwC

#### **Network Champions**

Adrian Pisarski, National Shelter  
Ed Holmes, Unison Housing  
Isabelle Zeuklich, PwC  
Lena Etuk, Centre for Social Impact  
Liz Yeo, Newtown Neighbourhood Centre  
Samantha Harpley, PwC

### **PARTICIPANTS: LAB CYCLE: 2**

#### **Lab team members**

Richard McLachlan  
Iyari Cevallos, PwC  
Kyle Wiebe, Mission Australia  
Courtney Pratt, PwC  
Emma Greenhalgh, Q Shelter  
Sarah Nelson  
Stafford Sanders, Uniting  
Michael Katz, Centre for Social Impact  
Joselyn Lakin, MinterEllison

#### **Network Champions**

Alex Kennedy, Make Ventures  
Aman Gadgil, PwC  
Kate Breen, Affordable Development Outcomes  
David Barrow, Sydney Alliance

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More Homes Cycle

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## MANDATORY INCLUSIONARY ZONING

Australia urgently needs social and affordable housing for people on very low to moderate incomes.

A strategy that can help is mandatory inclusionary zoning.

# MANDATORY INCLUSIONARY ZONING

We must urgently create more social and affordable housing. One strategy that can help is Mandatory Inclusionary Zoning (MIZ)

## What is Mandatory Inclusionary Zoning?

Mandatory inclusionary zoning (“MIZ”) occurs when a specified affordable housing contribution is required from a private developer as a condition for development consent on a market housing (or other) project.

This can be done either by a developer creating units of affordable housing within their project or elsewhere, or by paying an equivalent amount towards such housing. The affordable housing and monetary contributions delivered through MIZ should be owned and/or managed by a registered community housing provider.

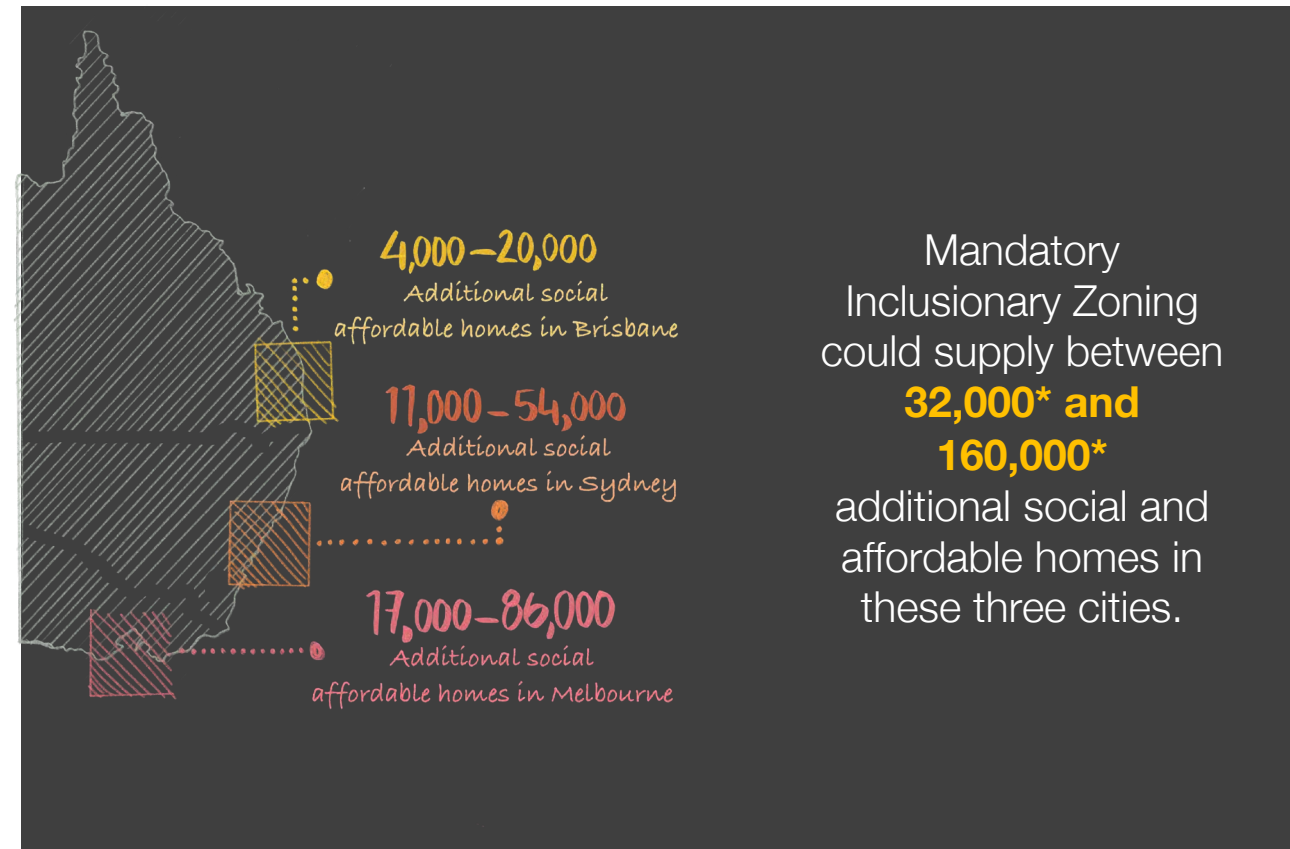
The MIZ proportion required in a development may vary according to local circumstances – but it should be a significant, not token, proportion.

Some cities worldwide have required up to 50% MIZ, although such percentage figures need to be interpreted taking account of the defined form of ‘affordable housing’ to be provided (e.g. for low cost rent or sale), the specified duration of affordability (possibly in perpetuity, but sometimes only for 10 years) and the ultimate ownership of the dwellings involved.

In London, for example, MIZ quotas of over 30% sometimes apply, but often include discounted homes for sale and/or for rent at prices only modestly below market rates.

In Sydney, the Greater Sydney Commission has proposed that market housing developments should generate an affordable rental housing contribution equivalent to 5-10% of the additional floor space resulting from up-zoning .

Preferably, the MIZ proportion should be calculated on the whole development, though some versions have applied it only to the post-rezoning “uplift” – this would of course reduce the total number of affordable homes created.



## What difference can mandatory inclusionary zoning make?

Modelling of affordable housing outcomes for the period up to 2036 compiled by The Constellation Project shows;

Creating these extra homes can greatly reduce homelessness, shorten social housing waiting lists. It can also help create a healthier housing economy for all.

There is increasing recognition that MIZ could be one of a number of tools that governments could use to help address housing stress and homelessness in Australia.

Many tenant and community organisations, planning academics, community housing providers, local councils and politicians have expressed strong support for some form of inclusionary zoning.





## Where has mandatory inclusionary zoning been done and what has resulted?

In the United States, MIZ has become an increasingly important means of generating affordable housing. Initially taken up in suburban communities in New Jersey, California and Massachusetts, it has been latterly adopted by many large cities including Baltimore, Chicago, Denver, New York, Philadelphia, Sacramento and Santa Fe . Under these schemes, developers must designate a given fraction of their housing output for low- or moderate-income households, usually in the range 5-25% .

In the United Kingdom, local authorities have been empowered to mandate affordable housing contributions within private development projects since the early 1990s. The value of the developer obligations applied in 2016-17 in England (and channelled into affordable housing) equated to £4.1 billion (\$7.5 billion AUD). The resulting homes may be for discounted home ownership, for sub-market rental (e.g. at 80% of market rates) or social rental (usually around 40-50% of market rates). Sometimes other subsidy is also involved but in 2017/18 some 25,000 affordable dwellings (including 3,000 social housing units) were generated with nil grant .

In Australia NSW a form of MIZ has existed in designated zones in the City of Sydney for more than 20 years. In the Pyrmont Ultimo and Green Square renewal projects modest developer contributions have been channelled to affordable housing projects built and managed by [CityWest Housing](#). However, because of their very limited application, these schemes have yielded only 750 affordable rental homes over more than two decades. So-called MIZ programs in other states have been weak in form – e.g. where developers can fulfil obligations by including in their scheme a proportion of for-sale units priced at relatively low levels only by virtue of their small size.

## How will Mandatory Inclusionary Zoning affect property developers?

All property developers prepare a financial budget or ‘feasibility’ prior to commencing a project.

A feasibility estimates the project cost, the sales revenue, the developer profit, and – factoring in all of these elements – the resulting value of the land. MIZ obligations will affect the value of the land. In other words, the associated cost will be reflected by a lower land valuation.

However, it should be noted that in Sydney, as an example, that average annual increase in the value of land over the last 30 years have been significantly above CPI increases. It is economically rational and reasonable that property developers, who take risks, make a profit. MIZ should not put a rational property developer’s profit at risk.

## What should be done?

The Constellation Project is working toward a reality whereby;

- ▶ State governments legislate to establish a consistent and reliable approach of at least 10% MIZ as a State requirement for all new housing developments
- ▶ Local councils ensure a requirement of at least 10% MIZ as a condition for approval of all new developments
- ▶ The Australian Government will play its part by helping to establish national consistency in MIZ implementation, possibly through a COAG agreement
- ▶ Developers embrace MIZ policies as a necessary condition for diverse, healthy communities and the long-term interests of the housing sector and the Australian economy and society

<sup>2</sup> Schwartz, A. (2015) Housing Policy in the United States. 3rd ed. New York: Routledge

<sup>3</sup> Metcalf, G. (2018) Sand Castles Before the Tide? Affordable housing in expensive cities; Journal of Economic Perspectives, 32 (1), pp.59-80

<sup>4</sup> MHCLG (2019) Live tables on affordable housing supply: Table 1000, UK Ministry of Housing, Communities and Local Government

# Social lab team 3

## First Nations

### **PARTICIPANTS: LAB CYCLE 1**

#### **Lab team members**

Erin Woolford, PwC  
Greg Kitson, Griffith University  
Jenny Brown, Australian Red Cross  
Lee Prouse, Australian Red Cross  
Mary Doctor, Umpi Korumba  
Shane Hamilton, PwC Indigenous Consulting  
Sorrell Ashby, PwC

#### **Network Champions**

Colin Winch, Australian Red Cross  
Deb Sinclair, Spotless  
Ebony Gaylor, Australian Red Cross  
Ivan Simon  
Jenny Samms, Council to Homeless Persons  
Kim Ross, PwC  
Richard Benedict, Benedict Consulting  
Yvette Carolin, Noongar Mia Mia

### **PARTICIPANTS: LAB CYCLE: 2**

#### **Lab team members**

Anna Tuck, PwC  
Erin Woolford, PwC  
Frankie Mason, Housing Connexion  
Shane Hamilton, PwC Indigenous Consulting  
Tyrone Kelly, MinterEllison  
Yvette Carolin, Noongar Mia Mia

#### **Network Champions**

Barb Shaw, National Aboriginal and Torres Strait Islander Housing Authority  
Deb Moyle, Australian Red Cross  
Ivan Simon, National Aboriginal and Torres Strait Islander Housing Authority  
Jenny Brown, Australian Red Cross  
Jenny Samms, Council to Homeless Persons  
Mary Doctor, Umpi Korumba  
Shona Reid, Reconciliation SA  
Theresa Roe, Aboriginal Medical Services Alliance Northern Territory

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MORE HOMES CYCLE

2

# FIRST NATIONS AGED CARE VILLAGE

The First Nations Leadership Team intends to develop a co-designed, fit for purpose, Aged Care or Retirement Facility on country for Aboriginal and Torres Strait Islander peoples who do not have access to safe and secure housing

# ENSURING A FIRST NATIONS VOICE INFORMS THE CONSTELLATION PROJECT

Aboriginal and Torres Strait Islander peoples are overrepresented amongst Australia's homeless population. In fact, Aboriginal and Torres Strait Islander Australians are 15 times more likely to be staying in improvised dwellings, tents or sleeping rough than any other Australian.

The concept of home for Aboriginal and Torres Strait Islanders can be different – in addition to physical homelessness, spiritual homelessness (separation from country, customary law and/or kin/skin groups) can be a significant issue for First Nations in Australia. There is currently a shortage of more than 20,000 properties across Australia that are affordable and appropriate for Aboriginal and Torres Strait Islander peoples.

The shortage of larger culturally appropriate houses that can accommodate kin and increasingly children in kinship care arrangements means that high numbers of Aboriginal people are in severely overcrowded households. Due to the remote locations of many Aboriginal and Torres Strait Islander people there is often a lack of specialist homelessness services, less workers and substandard housing, which all contribute to severe overcrowding and other forms of homelessness in remote communities.

Many people do not consider themselves homeless because they are staying on country and this may result in an undercount on Census night. Some Aboriginal and Torres Strait Islander people experience discrimination in the housing market making it difficult to access private rental and even public housing.

In the design phase of The Constellation Project we considered how the entire portfolio of work would be inclusive of Aboriginal and Torres Strait Islander peoples perspectives. This is to ensure the work is culturally appropriate and includes local context. Ultimately, our intention is to reverse the trajectory regarding the disproportionate volume of Aboriginal and Torres Strait Islander people currently experiencing – or at risk of, homelessness.

To facilitate this, TCP Governance Group includes the Co-Chair of the National Aboriginal and Torres Strait Islander Housing Authority. In addition, there is a First Nations Leadership Team that has oversight of ensuring TCP is informed by and inclusive of, Aboriginal and Torres Strait Islander perspectives, including:

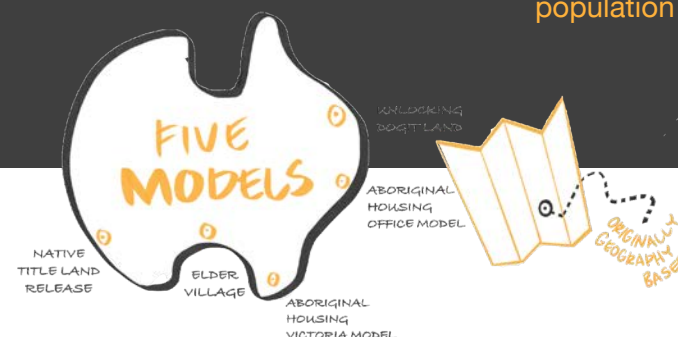
- ▶ To mandate across TCP a percentage allocation of all investment, to ensure we increase the supply of affordable housing choices for Aboriginal and Torres Strait Islander peoples; and
- ▶ Linking TCP workstreams to deliver in real time a pilot for redressing gross overrepresentation of Aboriginal and Torres Strait Islander peoples.

## Principles of our work

In May 2019, the First Nations Leadership Team met to workshop various concepts and Aboriginal and Torres Strait housing models.

There were a number of potential concepts discussed, which looked at models across diverse geographical contexts. All concepts also aligned to the following principles:

- ▶ Demand driven
- ▶ Aboriginal and Torres Strait Islander authority for land access and use
- ▶ Ability to unlock community based relationships and networks to ensure effective and timely co-design
- ▶ Readiness of community for a pilot - that the community has strong governance and provides free, prior and informed consent to engage in a pilot; timing considerations for responsiveness and that the community has the capacity and structures to support a pilot.
- ▶ That we do not duplicate existing work and that this responds to a qualified need amongst the homeless population





# AGED CARE VILLAGE

One of the concepts explored the opportunity to build a co-designed Elder (Aged Care) Village with local traditional owners / elders, communities and governance authorities - and relevant health, housing and aged care providers - which is premised on observing and respecting local engagement and cultural protocols.

It proposed that this be achieved through leveraging The Constellation Project work streams to access private capital and state / federal government investment in a remote or regional setting.

The intended outcomes are:

- To develop a co-designed, fit for purpose, aged care village on country which frees up existing remote housing for larger families to occupy (thus reducing overcrowding and homelessness);
- Leverage Super fund private capital investment which in part redresses inequitable access to superannuation attributed to gaps in life expectancy for Aboriginal and Torres Strait Islander peoples borne through the absence of systemic reforms to mitigate this;
- Economic development outcomes for local communities in design, build and maintenance of housing (and associated earthworks and landscaping); and
- Linking TCP workstreams to deliver in real time a pilot for redressing gross overrepresentation of Aboriginal and Torres Strait Islander peoples in the homeless population

The team are currently undertaking baseline research and data analysis on this concept paper, to test our assumptions and viability of this concept.

<sup>1</sup> ABS 2012, Census of Population and Housing, Estimating Homelessness 2011, Catalogue 2049.0, p.11.

<sup>2</sup> [https://www.homelessnessaustralia.org.au/sites/homelessnessaus/files/2017-07/Homelessness\\_and\\_ATSlv3.pdf](https://www.homelessnessaustralia.org.au/sites/homelessnessaus/files/2017-07/Homelessness_and_ATSlv3.pdf)

<sup>3</sup> Long, Stephen; Memmott, Paul; Seelig, Tim 2007; An audit and review of Indigenous housing research, Australian Housing and Urban Research Institute, p.20.

# Social lab team 4

## Fed/State co-funding

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## THE CONSTELLATION PROJECT

The Constellation Project is driving action through collaboration. We share a vision to end homelessness in a generation.



MORE HOMES CYCLE

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# FEDERAL & STATE CO-FUNDING

This lab team has completed an enormous amount of technical work and is currently engaged on a live prototype.

As a result, we unfortunately cannot share any details aside from the synopsis below.

The Federal and State co-funding team will continue to test and advance their Economic and Financial Feasibility tool created in the first lab cycle (Feb-June 2019).

The tool is designed to inform the funding flow and financial arrangements between various levels of government to create the most homes for people on very low to moderate incomes.