

2020 YEAR IN REVIEW



THE CONSTELLATION PROJECT

TOWARDS ENDING HOMELESSNESS IN A GENERATION

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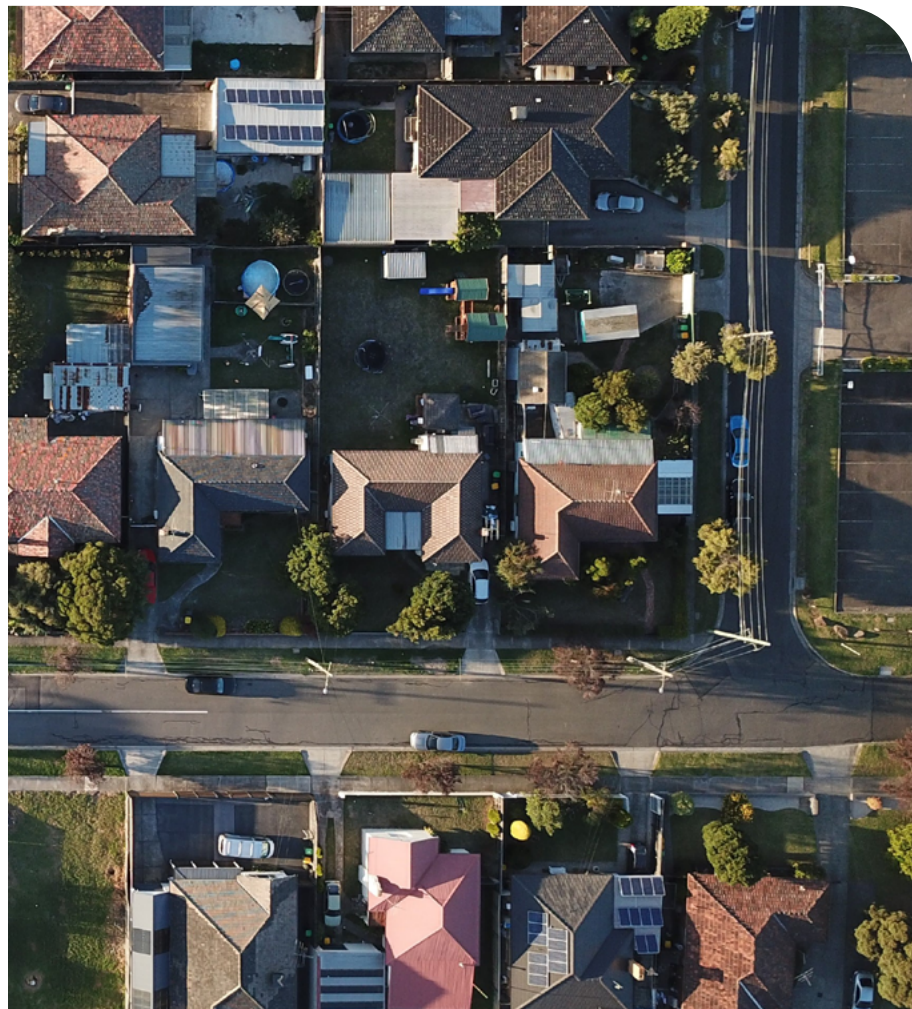
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2020 YEAR IN REVIEW

The Constellation Project's vision is to end homelessness in a generation, and our second full year of operation has been an impressive one.

HIGHLIGHTS OF 2020

- **Co-designed Economic Feasibility Tool with the Tasmanian government**
- **Extended our reach, commencing new work based in QLD and SA**
- **Secured philanthropic funding to further embed Lived Experience**
- **Partnered with CHIA to deliver key stakeholder workshops that developed a framework for mandatory inclusionary zoning**
- **Convened an advisory group, commenced research and journey mapping for young people exiting justice and out of home care**

Our approach of creating systems change through cross-sector collaboration was both tested and strengthened by the economic and social impacts of COVID-19

Overnight our team shifted to a virtual operation and throughout the year the Constellation Project (**Constellation**) completed co-design work with Housing Tasmania, launched a new team based in Queensland, and commenced work on Better Journeys, with a focus on young people exiting justice and out of home care.

Amid the dual crisis – the bushfires and the COVID-19 pandemic – we reviewed our 2022 strategy and doubled down on our focus to increase the supply of housing for people on very low to moderate incomes.

The impacts of COVID-19 exposed the fragility of our housing system as well as the connection between health and housing

In response to the unprecedented situation, Australian governments and financial institutions introduced a series of measures to keep people experiencing housing stress in their homes. Temporary accommodation was provided for 8,000 rough sleepers and some state governments increased their spend on social housing. Victoria's \$5.3bn announcement of 12,000 new homes in four years is the largest investment ever in social housing by a state government.*

NSW introduced plans for an “opt in” for new home buyers who will have the option of paying annual land tax instead of hefty upfront stamp duties that prevent many from entering the housing market.



JACQUI JONES
EXECUTIVE DIRECTOR

*Of the new units, 1,000 will be for Indigenous Australians, 1,000 for victims of domestic violence and 2,000 for people with a mental illness



All this is welcome news for the supply of social and affordable housing in the next few years, but will not be sufficient to address the gap between demand and supply of housing that is affordable for people on very low to moderate incomes

The importance of housing as a contributor to other crucial social issues was reinforced this year by:

- The National Agreement on Closing the Gap includes housing among its 16 key national socio-economic targets for the first time.
- The Productivity Commission's mental health report made a recommendation on the provision of housing and stated that 'Housing, employment services and services that help a person engage with and integrate back into the community, can be as, or more, important than healthcare in supporting a person's recovery.'

As we look towards 2021, Constellation will continue to focus on its three strategic pillars:

MORE HOMES

BETTER JOURNEYS

LEADING TOGETHER

We would like to thank the governance group, executive team, First Nations leadership team, our supporters and funders, the volunteers who participate in social labs and make this project possible, and most importantly, those with lived experience of homelessness.

2020 CHALLENGES

- **Pipeline of corporate funding diverted to bushfire crisis**
- **COVID uncertainty impacted resourcing for the project**
- **Overnight pivot to full virtual delivery**
- **Keeping backbone going with less volunteer support due to COVID (down 66% across NFPs)**

OUR VISION IS TO END HOMELESSNESS IN A GENERATION

MISSION

Change the system so that people at risk of/experiencing homelessness in Australia get into the right homes, with the right support, at the right time, in the right place

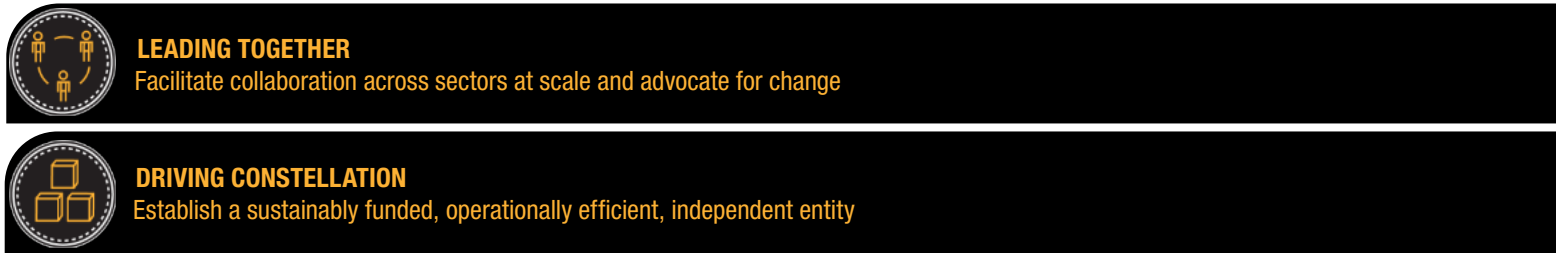
STRATEGY



Strategic Pillars



Enabling Pillars



FOUNDING MEMBERS



OUR NETWORK

There is an impressive breadth of expertise in our network. It includes representatives from government, academia, not for profit, private contractors, small and large corporates, as well as housing and homelessness service providers.

“**NAB** is delighted to join the Constellation Project and its extensive cross-sector network. As an Alliance Member, we are pleased to provide financial support and extensive housing market expertise to the Project, starting with the ‘More Homes’ pillar (page 17 to 28).

The skills and resources of our national team will contribute to discussions on policy issues and provide support through skilled volunteering, which is very important to colleagues across NAB.

By joining the Constellation Project formally and building on our existing \$2bn commitment to affordable housing, we look forward to openly collaborating and learning together as we design and deliver the practical solutions needed to end homelessness in Australia.”



DAVID GALL
GROUP EXECUTIVE,
CORPORATE &
INSTITUTIONAL
BANKING
MEMBER OF THE
NAB EXECUTIVE
LEADERSHIP TEAM

OUR NETWORK

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. Here are just a few of the key contributors for 2020.



Wendy Hayhurst from the **Community Housing Industry Association (CHIA)** has been instrumental in driving two of the solutions in the More Homes pillar – the Housing Capital Aggregator (page 22) and Mandatory Inclusionary Zoning (page 25).



Equity Trustees provided a \$99,000 grant through their **Sector Capacity Building Fund*** to help embed more insights of people's lived experiences of homelessness (page 13), which will ultimately inform human centred, practical solutions. The grant has enabled the employment of a Lived Experience Coordinator, funded research into the experiences of young people exiting youth detention in South Australia, and contributed to paid participation so people are remunerated for sharing their expertise.



Kieran Wong and Heather MacRae from **The Fulcrum Agency** provided their expertise in leveraging community and social outcomes, and experience delivering housing in regional and remote indigenous communities. They have assisted with benchmarking, scenario testing and project cost estimates to support the feasibility tool in the First Nations Elder Village concept (page 20).



MinterEllison staff, under the leadership of Keith Rovers, have provided pro bono legal advice to support Constellation's operations and contributed significantly to the work of several of the social lab teams.

**Richard McLachlan,
Bill Randolph,
Hal Pawson and
Ryan van den Nouwelant**

Richard (independent), Bill and Hal from **City Futures at the University of New South Wales**, and Ryan from the **University of Western Sydney**, have contributed their time, knowledge and networks to Constellation's positioning on MIZ (page 25). This is a key step toward creating an implementable framework so that it can be achieved at scale in Australia.

*The J E & N Ganderton Endowment, the Cedric Ivor Morrison Perpetual Trust and the Harold Moreland Oldham Perpetual Trust

HOW WE WORK ACCELERATING SOLUTIONS TO ADOPTION

The **solutions to adoption framework** has been developed to provide guidance to social lab teams and participants, and provide a structure for the Constellation Project governance group and executive team to assess the progress of the work.

Once a solution has been adopted, that lab team finishes work unless a new application of the solution or a new discovery and development cycle is identified.



LEADING
TOGETHER

First Nations Mandate



MORE
HOMES

First Nations Elder Village

Supply for Queensland Survivors of
Intimate Partner Violence (SQ4S)

Mandatory Inclusionary
Zoning (MIZ)

Housing Capital Aggregator
(Unlocking Private Capital)

Federal/State Co-Funding
(Project Aurora)



BETTER
JOURNEYS

Research




User Journeys

Advisory Group

HOW WE MEASURE OUR IMPACT MOMENTS OF INFLUENCE

Constellation has developed a **demonstrable moments of influence framework** to measure our impact.

The first iteration of this framework measures success by identifying where Constellation plans to contribute to ending homelessness, and the specific areas we are working on that are essential to achieving this. The moments of influence are early steps that we are taking now in order to achieve the larger goal of ending homelessness. Within each team and project, there are identifiable moments of influence. We will report on these when each project achieves key milestones.

| | | | | | | |
|--------------------------------|---|---|---|---|---|---|
| MISSION |  LEADING TOGETHER Facilitate collaboration across sectors at scale and advocate for change | |  MORE HOMES Increase the supply of safe, affordable, accessible, appropriate, and secure homes for people in Australia on very low to moderate incomes | | |  BETTER JOURNEYS Design pathways so people can avoid experiencing homelessness or be supported to rapidly exit |
| AREA OF INFLUENCE | Lived Experience | First Nations | Mandatory Inclusionary Zoning | Federal/State Co-Funding | Housing Capital Aggregator | Cross-sector stakeholders |
| GOAL | Ensure lived experience (LE) insights inform day to day work | Ensure First Nations housing work is led by First Nations peoples | Defined framework with local government support | Help Housing Tasmania make good decisions on housing | Engage super funds to advocate for subsidy | Test our definition of the problem with cross-sector advisory group |
| WHERE WE HAVE INFLUENCE | <ul style="list-style-type: none"> • Paid LE participation and LE participation at every event • Securing funding for and engagement of LE Coordinator | <ul style="list-style-type: none"> • 100% First Nations leadership team • Constellation recognised by Reconciliation Australia • National Aboriginal and Torres Strait Islander Housing Authority co-chair on governance group | <ul style="list-style-type: none"> • Series of national workshops in collaboration with CHIA to draft framework • Mentioned in Hansard and Fed Inquiry Submission | <ul style="list-style-type: none"> • Co-design team with government • Presentation to Minister • Announcement of 1,220 new homes | <ul style="list-style-type: none"> • Industry super funds call for affordable housing subsidy • Media coverage in the Sydney Morning Herald | <ul style="list-style-type: none"> • Advisory group including First Nations, Government, NGOs and private sector convened |

FINANCIALS & GOVERNANCE STRUCTURE

Constellation is a project driven by the commitments of its Founding Members who are bound by a Memorandum of Understanding.

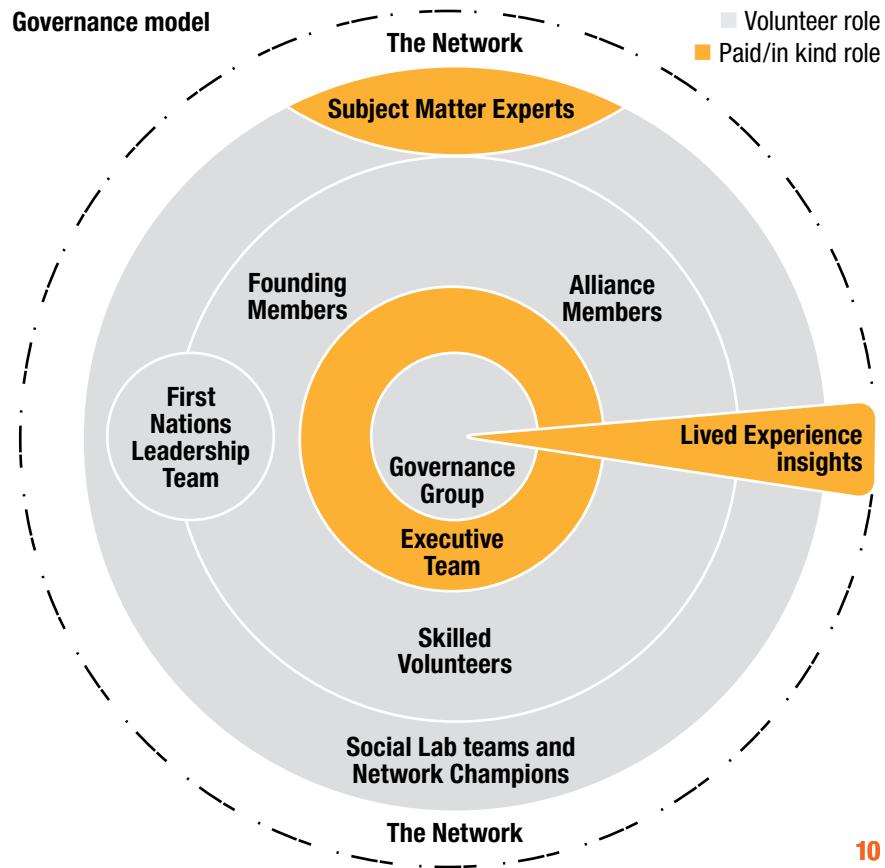
At the time of writing we are in late stage negotiations to merge our operations and establish an independent entity (registered charity) with the Business Alliance to End Homelessness which will enable us to operate more efficiently.

In the calendar year to date, we received:

- Cash contributions of \$286,000 from Equity Trustees, NAB, PwC Australia and Westpac.
- In-kind contributions of \$885,000 towards project operations from the Australian Red Cross, the Centre for Social Impact, MinterEllison, Mission Australia, NAB and PwC Australia.

| | |
|---|--------------|
| 1 January – 30 November 2020 | '000 |
| Contributions – cash ¹ | 286 |
| Contributions – in kind | 885 |
| Total contributions | 1,171 |
| Salaries, Secondments & Pro bono ² | 885 |
| Other operating expenses ³ | 197 |
| Total expenses | 1,082 |
| Net operating surplus (deficit) | 89 |
| Cash at bank ¹ | 89 |
| Net assets | 89 |

1. Cash is received and administered by Red Cross and Mission Australia.
2. Salaries include dedicated resources and secondments and are contributed in-kind by founding members and supporters.
3. IT systems, website, Lived Experience and First Nations participation and travel.





LEADING TOGETHER

I WOULDN'T be I AM WHERE WITHOUT my COMMUNITY
is my backbone

A GOOD COMMUNITY GIVES you ROLE MODELS WHEN you've NEVER HAD ANY

SARAH

HOMELESS as a TEENAGER GOT OUT OF THE CYCLE at 22

MOVED into a AFFLUENT NEIGHBOURHOOD through unrelated job

RISKED LOSING IT BECAUSE of DOMESTIC VIOLENCE

I WAS an OLDER WOMAN STRUGGLING to MAKE ENDS MEET. I DON'T KNOW WHERE I'D be WITHOUT AFFORDABLE HOUSING

CHRISTINE

NO ONE SEES the SCARS of VERBAL ABUSE

GROWING UP COMFORTABLE

TRAVELLED IN MY YOUTH

MY HUSBAND was a BINGE DRINKER who was VERBALLY ABUSIVE

COMING out of that MARRIAGE I FELT LIKE an ANT

my CHILDREN MADE ME STRONG

WAS SITTING in a CAFE and HEARD ABOUT AFFORDABLE HOUSING

VICTOR

AFFORDABLE HOUSING CHANGES PEOPLES LIVES

NOW NO RENT ANXIETY SHORT WORK COMMUTE GOOD COMMUNITY & AMENITIES

TO YEARS AGO I WAS PAYING COMMERCIAL RENT RATES CONSUMED 50% of my INCOME LANDLORD HAD a BAD ATTITUDE BAD AMMENITIES LONG COMMUTE

PERSPECTIVES from THOSE with LIVED EXPERIENCE

Our mission in the **Leading Together** pillar is to facilitate collaboration across sectors at scale and advocate for change.

We are continuing to build a network of people and organisations who are committed to working collaboratively to end homelessness. We have dedicated resources to ensure that the insights of people with lived experience of homelessness and First Nations voices drive our work.

LEADING TOGETHER VOLUNTEER CONTRIBUTIONS

Over 6,000 volunteer hours were contributed to the Constellation Project in 2020.

76 hours on Better Journeys

720 hours of strategic oversight from our Governance Group

653 hours from our Founding Member organisations and supporters, enabling the operations of the Project

4,613 hours in our **More Homes** social lab teams, working on prototypes to increase the supply of housing in Australia

LEADING TOGETHER LIVED EXPERIENCE INSIGHTS

Lived Experience is the knowledge and understanding you get when you have lived through something, not because of your job. Constellation believes that homelessness cannot be properly understood or addressed without the contribution of people with lived experience, and is committed to embedding these insights. We have recently appointed a paid Lived Experience Coordinator in an identified and specifically created role.

Kaitlyne Bowden has made a career in utilising her own lived experiences to inform policy, design and deliver on national projects as well as advocating for positive systems change. She has a background in youth work and has worked and volunteered for a number of peak bodies and not for profits including Berry Street in Victoria.



Do you remember the moment you realised for the first time you were homeless?

"For me, the first moment was when I applied for emergency housing at Melbourne City Mission. But it wasn't until recently, when working on a youth homelessness awareness project, that I understood that my experiences of couch surfing throughout high school were classified as homelessness."

What could you see that others who weren't experiencing homelessness could not?

"That it is extremely difficult to establish ourselves, while looking for housing. This is especially the case if you're experiencing mental illness or have unhealthy/unstable relationships, while trying to hold down a job or taking care of children."

How did you feel when you would hear politicians or leaders speak about your experience? Do you remember a particular time?

"I would feel extremely unworthy or isolated, especially because the language that is often used to describe homeless people is inherently negative or aims to place blame, without even taking into account their life experiences. But I am starting to see a more positive shift in the way we work with and acknowledge the homeless community."

LEADING TOGETHER FIRST NATIONS VOICES

Constellation has established a First Nations Leadership Team (**FNLT**) to provide oversight of our work and ensure the project is informed by, and inclusive of, Aboriginal and Torres Strait Islander perspectives. The FNLT is comprised of Aboriginal and Torres Strait Islander housing specialists from across Australia who have guided our approach.

The Constellation Project is a core part of the delivery of PwC Australia's Elevate Reconciliation Action Plan (**RAP**).

“We recognised The Constellation Project as an example of good practice in the Elevate RAP cohort because it clearly demonstrates an organisation utilising their national leadership to create systemic change.

It is driven by a strong long term vision to end Aboriginal and Torres Strait Islander homelessness, but utilises practical approaches to achieve this vision. There is a clear understanding that such a large project requires cross-sector collaboration to be successful and the Constellation Project ensures Aboriginal and Torres Strait Islander voices are leading this work, which is critical to its ongoing success.”

KAREN MUNDINE CEO, RECONCILIATION AUSTRALIA



LEADING TOGETHER FIRST NATIONS VOICES

FIRST NATIONS HOUSING – WHAT WE KNOW

Aboriginal and Torres Strait Islander peoples are overrepresented amongst Australia's homeless population. One in 28 First Nations people, or 23,000 individuals, were homeless on Census night in 2016.

Traditionally, First Nations peoples have not had equal access to, or choice in housing, when compared to non-Indigenous populations within Australia. In many circumstances government policy dictated where First Nations peoples were allowed to live.

Housing solutions within the marketplace are not necessarily suitable or specific to the size and configuration of First Nations families, which can be different to other Australian families.

Without the means to choose the types of housing suited to their needs, Aboriginal and Torres Strait Islander people are housed inadequately. The lack of availability of appropriately configured homes, suitable for extended families, means that high numbers of Aboriginal people live in severely overcrowded households: a key determinant in health and educational outcomes.

The FNLT is crucial in enabling Constellation to uphold the concept of self-determination. We are guided in this by the work of the National Aboriginal and Torres Strait Islander Housing Authority (NATSIHA), as well as the principles behind the Coalition of the Peaks, which is made up of over 50 Aboriginal and Torres Strait Islander community-controlled peak and member organisations across Australia.



“We share a belief that Aboriginal and Torres Strait Islander people should have a meaningful say on policies and programs that impact on us through formal partnerships with Australian governments at all levels.”

COALITION OF THE PEAKS

LEADING TOGETHER FIRST NATIONS VOICES

Constellation has two main areas of focus as determined by the First Nations Leadership Team

WHAT WE ADVOCATE FOR

Progressing the right solutions to better meet the needs of Aboriginal and Torres Strait Islander people who are homeless or in unsuitable housing

This is crucial to challenge the status quo, where social housing has previously dictated life trajectories and opportunities for First Nations people.

Our First Nations Elder Village concept is an example of a more culturally appropriate and self-determined housing typology that is being designed and tested directly with community. If successful, this will help address the current mismatch between supply and demand in social housing and could also assist in reducing overcrowding. Overcrowding and homelessness can occur when people are forced to take properties that do not meet their needs.

Advocating that any increase to housing supply is proportionate to the problem

Aboriginal and Torres Strait Islander Australians should be considered in the development of any solutions to address the shortfall in housing supply in Australia. In advocating to decision makers including governments, access to housing should be at a volume that is commensurate with the over-representation in homelessness and housing stress statistics. If First Nations people represent 14% of the homelessness statistics, then 14% of new housing opportunities must be allocated to First Nations families. We call this work our First Nations Mandate.





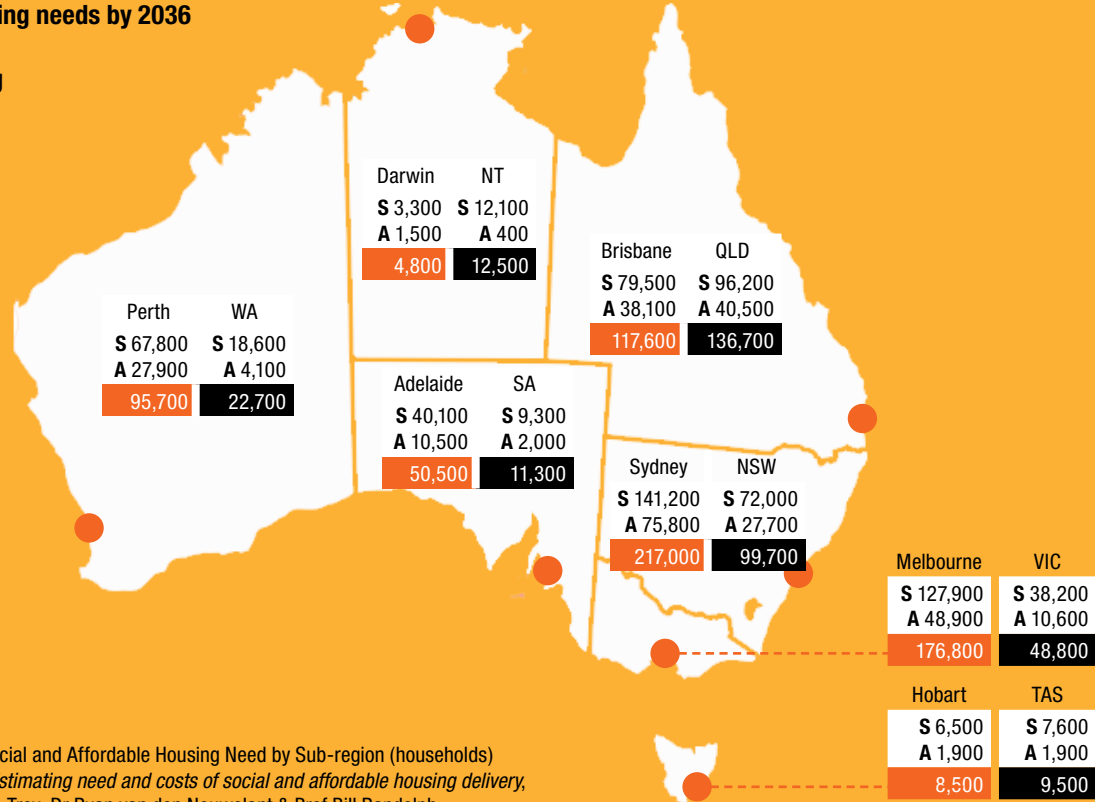
MORE HOMES

The problem: housing needs by 2036

S Social housing

A Affordable housing

■ Total housing



*Summary of National Social and Affordable Housing Need by Sub-region (households)
 Source: *Filling the Gap: Estimating need and costs of social and affordable housing delivery*,
 March 2019, Dr Laurence Troy, Dr Ryan van den Nouweland & Prof Bill Randolph

By 2036 we will need **over one million new homes** to meet the growing demand from people on very low to moderate incomes.*

Our mission in the **More Homes** pillar is to increase the supply of safe, affordable, accessible, appropriate, and secure homes for people in Australia on very low to moderate incomes.

The current system only produces 3,000 to 4,000 new social and affordable homes each year. To enable our five teams to think about changing this we set the following challenge question: 'By 2022, how might we create a pipeline of 100,000 homes that are affordable for people on very low to moderate incomes?'

In this section, our teams describe how they are working to address the challenge in 2020 and beyond. **17**

MORE HOMES FEDERAL/STATE CO-FUNDING MODEL

Local and state governments need assistance in evaluating current and forecast demand for social and affordable housing so that scarce resources are allocated efficiently and effectively.

The Federal/State Co-Funding team was one of the original social lab teams incubated by the Constellation Project. Since the beginning of 2019 we have been developing efficient funding solutions to enhance and significantly increase social and affordable housing supply.

This year, our multi-disciplinary team finalised a prototype economic feasibility tool to assist governments in addressing homelessness. The tool is based on local demographic and housing user profiles, land and construction costs, financing terms and projected economic benefits. It automatically calculates the total cost of creating new housing, including the debt repayment profile and any equity funding gaps to be met by private sector investment. Decision makers and analysts have access to a dashboard showing the total unmet housing demand and construction need; 10 year projections of

cash flow; debt repayment profiles; total sources/uses of funds; and economic costs, benefits and savings.

PROGRESS

During 2019, we identified and began to engage with jurisdictions at a state level where we could see that a potential model would be valued and have impact. In 2020 we finalised our collaboration with the Department of Communities of Tasmania (**Housing Tasmania**) on our Economic Feasibility Tool to ensure it met their local needs and mission to allocate and develop more social and affordable homes.

The collaboration was undertaken via three workshops onsite in Tasmania and utilising digital virtual platforms, by a lab team comprised of members of Housing Tasmania and the Constellation Project. Housing Tasmania provided operational

data and relevant inputs to inform the model. This assisted us in tailoring the prototype co-funding model developed in Cycle 1 to the Tasmanian context.

The Tasmania Economic Feasibility Tool is flexible and adaptable with the ability to calculate housing needs for a local government area, region and state. For each area, it outlines investment options based on the level of housing demand while also assisting with Strategic Asset Management planning and proactive procurement.

The outcome gives Housing Tasmania a better understanding of housing demand, where they are able to determine what types of housing are most required based on existing and future construction. This informs their strategic planning and modelling of costs.

“It has been a different way of working for us, in an agile methodology and I suppose it just shows if you have a common objective you can come together and get things done and I’d certainly recommend that approach and say from us, it was a very worthwhile exercise.”



PETER WHITE
DIRECTOR – DEPARTMENT OF HEALTH AND HUMAN SERVICES TASMANIA

We also benefited from collaborating with external research partners and the Housing Capital Aggregator team, who enhanced the capability of the tools developed in previous cycles to calculate subsidy and funding requirements for a state-wide portfolio of social and affordable housing developments.

LEARNING

Collaboratively, we continue to learn about the unmet demand for social and affordable housing in Tasmania, the appropriate housing profile that needs to be developed in response, how this housing can be financed and delivered efficiently and effectively, and the social and economic benefits from doing so.

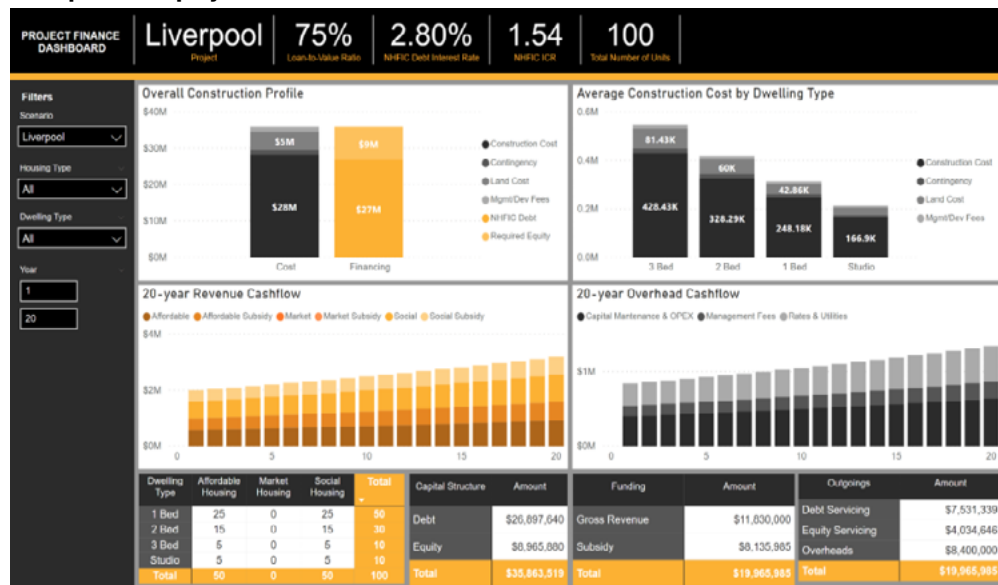
2021 AMBITIONS

In 2021 we plan to engage with other state jurisdictions to offer the benefits of our Economic Feasibility Tool to support better decision making around the delivery of social and affordable housing.

HIGHLIGHTS

- Effectively demonstrated co-design with government and presented to the Tasmanian Housing Minister.
- Housing Tasmania can model financing and funding requirements at both a local government and state-wide level.
- Tasmania announced 1,220 new social and affordable homes in June 2020.
- Agile modelling approaches have enabled an open source tool which can be readily adapted for use by other jurisdictions.

Example of our project finance dashboard



MORE HOMES FIRST NATIONS ELDER VILLAGE

The 2016 Census states, “a majority of the increase in homelessness between 2011 and 2016 was a result of more Australians living in severely crowded dwellings. Severe overcrowding is particularly prevalent among Aboriginal and Torres Strait Islander people, with 70 per cent of homeless Indigenous Australians in this position” Freeing up existing remote housing for larger families to occupy plays a part in reducing overcrowding and homelessness.

One of the underpinning principles in the National Aboriginal and Torres Strait Islander Housing Authority’s (**NATSIHA**) submission on the Closing the Gap Refresh Targeting Housing and Homelessness in 2018 was, “Striving for an integrated housing system in recognition that safe, secure and culturally appropriate housing is critical to social, economic and cultural infrastructure” as well as, “Investing and exploring innovative and proven housing models which are tailored to meet the needs of Aboriginal people in the environment they’re living in, and not settling for a ‘one size fits all’ approach”.

For Indigenous Australians there are many challenges in relation to current aged care services including ensuring access to culturally appropriate housing. In more regional and remote communities health systems are failing to adequately care for our Elders and many are medically evacuated to cities away from their homes and families. The Royal Commission into Aged Care Quality and Safety Interim report released 31 October 2019 advises, “Aboriginal and Torres Strait Islander people told us that they want to receive aged care services from people and organisations they know and trust, and, where possible, that are Aboriginal and Torres Strait Islander controlled and staffed.”



Walumba Elders Centre in Warnum, WA by IPH Architects. Image: Peter Bennetts

The First Nations lab team explored the opportunity to co-design a fit for purpose Elder Village on country in consultation with local Traditional Owners/Elders and communities. To understand the demand for aged care services we developed a data analytics tool to identify housing needs of Aboriginal and Torres Strait Islander peoples. The information found and tabled was a mixture of a range of data sources across different levels of geographic composition in Australia (e.g.

Local Government Area or Statistical Area Level 3). This tool included income bands and Native Title land.

A financial feasibility tool was then considered to identify funding gaps (if any) and to determine project viabilities for any identified location(s), as inputs will vary by site. The next phase was to consider build types to model finances against, with considerations including capital costs to build the village, ongoing operating

costs, potential investment sources, and which typology is most appropriate for Elders living in that particular community.

LEARNING

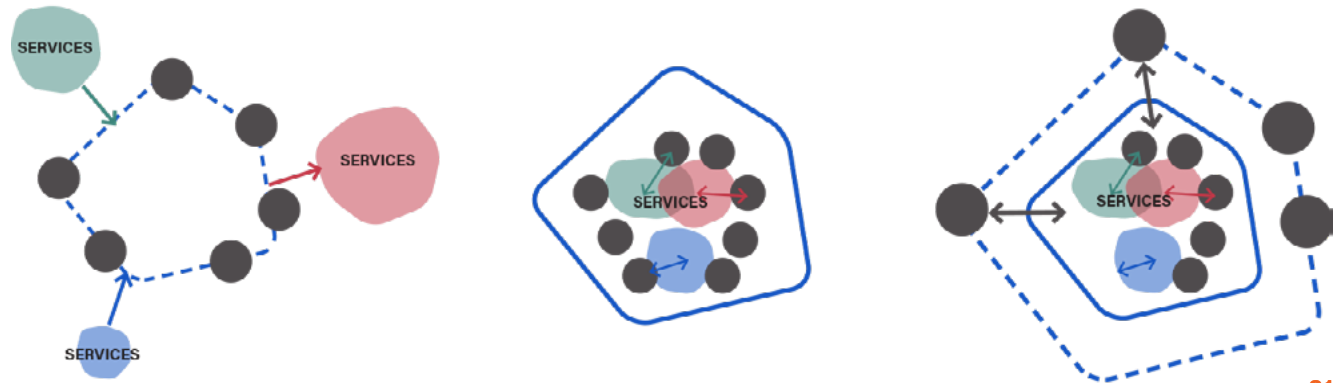
Many Aboriginal and Torres Strait Islander people already experience structural health disadvantages, have limited access to health care and often live in overcrowded, precarious or unsuitable housing, so are particularly vulnerable to the impacts of COVID-19. As a result of the impact of the pandemic, the First Nations lab team received approval from the First Nations Leadership Team to amend their approach to temporarily halt engagement with community stakeholders or Traditional Owners based in the areas they had previously identified.

2021 AMBITIONS

Success for the First Nations lab team would be providing the feasibility tool to an identified community that will benefit from its use. Site selection must of course be influenced by readiness and willingness of the local community. The ability to secure potential investment sources for construction and link this to the community would also greatly benefit the viability of project execution.

HIGHLIGHTS

- Producing an Indigenous Population Exploration Package to allow a further data deep dive to assist with narrowing down potential locations for the Elder Village concept.
- Creating a financial feasibility tool which includes specifications of construction, operation costs and subsidies that can be altered. It also highlights key assumptions and limitations of the model.
- Partnering with The Fulcrum Agency who are subject matter experts and have assisted with construction cost calculations for the feasibility tool.
- Continued stakeholder engagement with potential sites/communities that may benefit from the tools we have created in order to further develop an Elder Village concept.



MORE HOMES HOUSING CAPITAL AGGREGATOR

The housing system in Australia has generated wealth for some, but has also failed some segments of the market, leading to an undersupply of affordable rental housing, a key driver of homelessness.

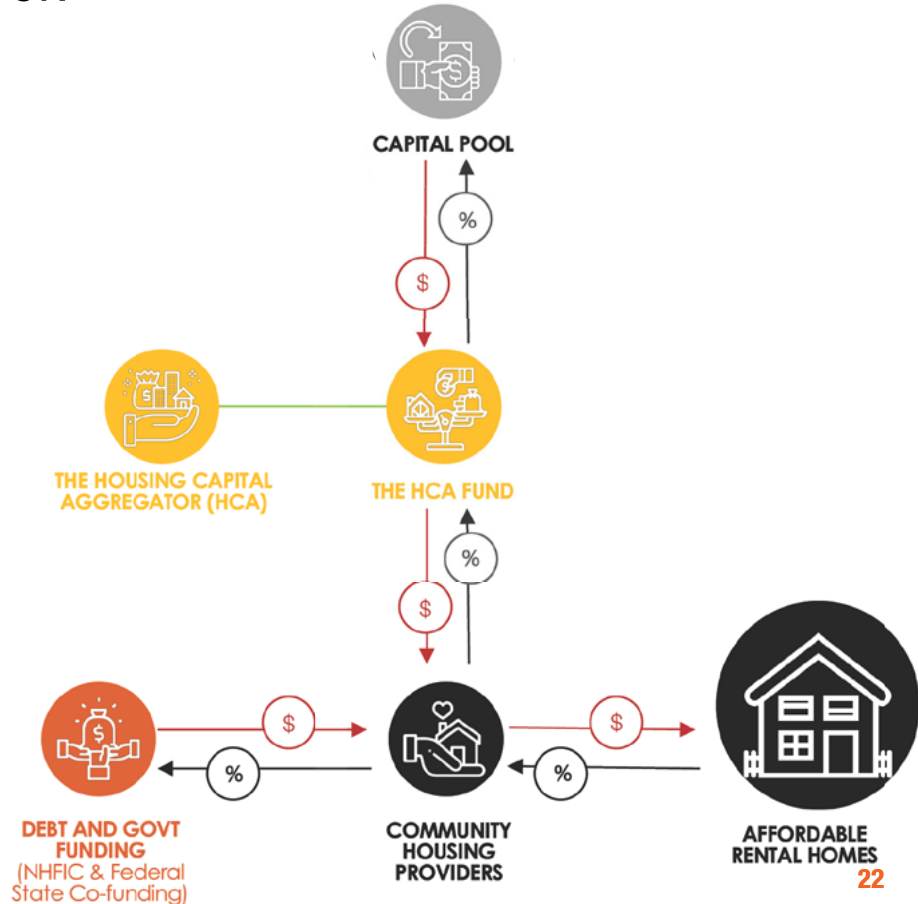
Some institutional investors such as superannuation funds are looking for opportunities to create a meaningful social impact through their investments, but investing in affordable rental housing is still perceived to be high risk and speculative. This is due to a range of factors including funding gaps, an inconsistent pipeline of new construction and dispersed portfolio of assets. Private capital can only be unlocked if a sizeable development pipeline of affordable rental housing is built, backed by government funding, which to date has been sporadic.

The Unlocking Private Capital team created a Housing Capital Aggregator to help address the unmet demand for affordable housing. It works by pooling private institutional investment to fill the funding gap in the construction of more social infrastructure, underpinned by ongoing government investment and existing funding sources. The dwellings themselves would be developed and/or managed by non-profit community housing providers (CHPs).

Social infrastructure like this can be beneficial for institutional investors due

to its counter-cyclical cash flow in times of lower economic growth. It effectively provides diversification in a mixed asset portfolio. For patient investors it achieves sound risk-related returns given the enormous unmet demand for affordable housing. Aggregating capital enables superannuation funds to achieve scale and meaningful social impact.

Aggregating capital is one piece of the puzzle to unlock institutional investment in affordable housing. Governments also play a critical role in creating confidence for investors, particularly in the beginning.



“The Housing Capital Aggregator is an innovative solution

enabling governments and institutional investors to treat investments in affordable housing much like any other investments they make in key infrastructure, while delivering fair returns for risk.”

WENDY HAYHURST
CEO – COMMUNITY HOUSING
INDUSTRY ASSOCIATION



A new, ongoing government subsidy program is essential to achieve financial feasibility for a pipeline of affordable rental housing that is large enough to start to address need and unlock private capital over the longer term.

PROGRESS

In 2020, the role of government and super funds in bringing the Housing Capital Aggregator to life has been explored, costed and assessed for risk and return. We have based our solutions on successful overseas examples where affordable housing is normalised and private capital has been unlocked.

LEARNING

Unlocking private capital investment for affordable housing will require significant federal government co-investment. The Housing Capital Aggregator will work most effectively when governments create an ongoing subsidy that provides funding certainty for institutional investors to get on board. The subsidy

would need to be paid recurrently by the Commonwealth to CHP developers/managers for 15 years depending on specific project funding gaps. Super funds would then be invited to invest for a corresponding period. For the institutional investor, counterparty risk will be linked to the government rather than the CHP, reducing the perceived risk.

2021 AMBITIONS

In 2021, there is a need for the Housing Capital Aggregator to be combined with the subsidy stream as a complete solution for unlocking capital. Advocating for the combined model with government will be the focus of the work. Delivering co-investment subsidies that unlock private capital will in turn enable governments to demonstrate better social and economic outcomes.

We are working with a larger coalition to secure funding to prepare a policy blueprint that would bring together the Housing Capital Aggregator with a subsidy model. The project is essentially a

stakeholder engagement exercise to build cross-sector support for our work and maximise the opportunity for government take up.

HIGHLIGHTS

- Development of a HCA engagement tool that enabled extensive engagement.
- The work undertaken through the social lab process was cited by mainstream media in the article [Super funds to press for affordable housing subsidy](#).

MORE HOMES UPDATE

WITH GARRETT SMITH
AKA G-DOG LEGEND

ENABLING COLLABORATION



THROUGH THE SOCIAL LABS PROCESS

SOLUTIONS THROUGH ADOPTION

NUMBERS ARE IN FILLING THE GAP REPORT

OBJECTIVE
FOR LOW to MODERATE INCOMES

THAT'S 1 MILLION MORE

MORE HOMES... 2036



FIRST NATIONS ELDEKS VILLAGE

WILL DEEP DIVE IN NEXT SESSION

WENDY HAYHURST + CHIA

PRIVATE INVESTMENT AT SCALABLE LEVEL

SUPPORT SOCIAL HOUSING

PROVIDE A RETURN

HOUSING CAPITAL AGGREGATOR "FED STATE CO-FUNDING"

PLUS A HIB



INVESTABLE HOUSING

LOOK AT 3 TODAY

MOST MATURE
MOVING INTO CO-DESIGNED APPROACH TO ENABLE PROGRESS!

PROJECT AURORA

"FED STATE CO-FUNDING"

FEASIBILITY TOOL

INFORMED DECISION MAKING

LOOKING TO ENGAGE OTHER JURISDICTIONS.



TARGETING ENERGIES of the CROSS SECTION



IT'S EXCITING! WE HAVE ACHIEVED THIS THROUGH People DONATING THEIR TIME

LEANING IN WITH ONE VOICE



IS BEING ADOPTED and IS CHANGING THE NARRATIVE

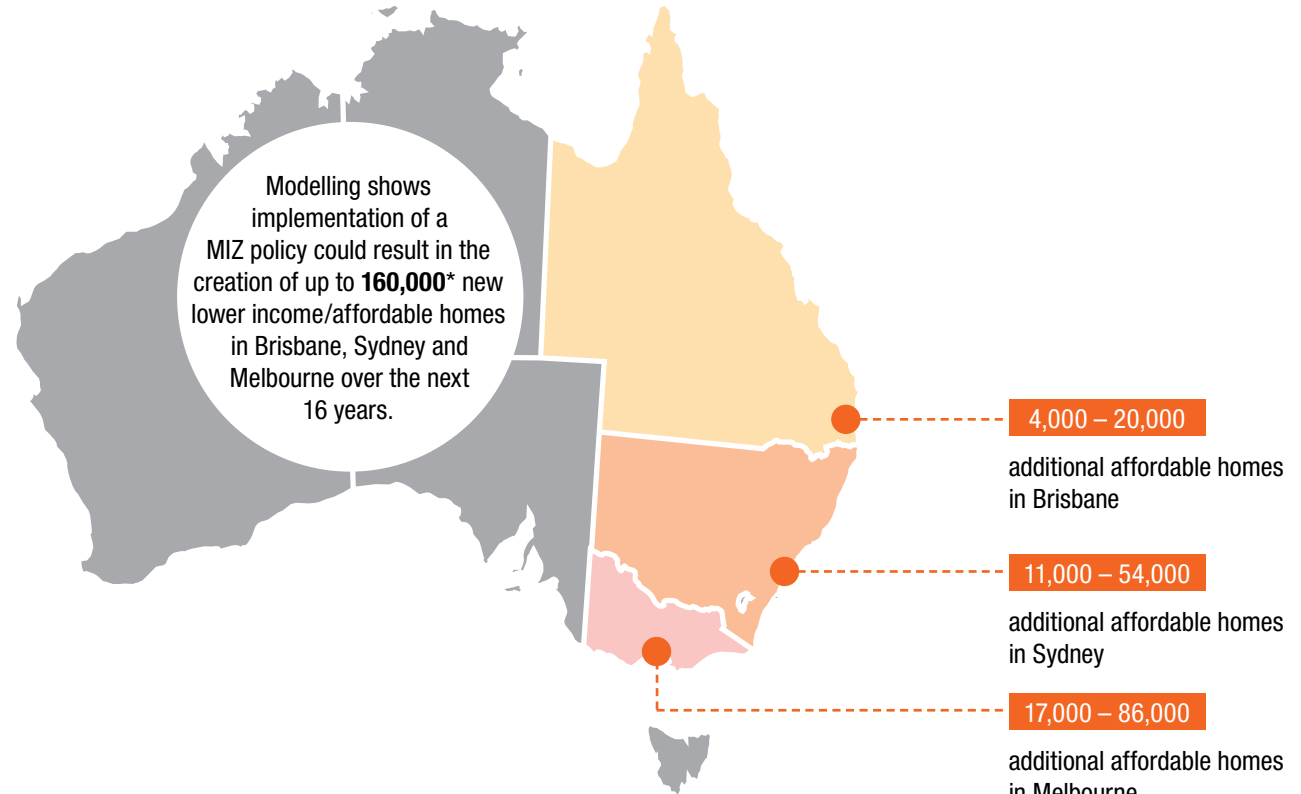
MORE HOMES MANDATORY INCLUSIONARY ZONING

Australia's state/territory governments and local councils apply individual approaches to social and affordable housing. In all cases, social housing provision has failed to keep pace with need.

Access to secure and affordable rental properties is getting tougher, especially for people on low incomes in our capital cities.

Long term underinvestment in social housing has left Australia with 433,000 households in housing need, which the Australian Housing and Urban Research Institute (**AHURI**) projects will expand to 727,000 households by 2036.

Mandatory Inclusionary Zoning (**MIZ**) is a tool that governments can use to help address housing affordability stress and homelessness.



*All calculations based on 2036 development figures. Calculation based on a range of 2-10% percent of all new dwellings developed will be allocated as non-private.

MIZ refers to a process wherein developers are required to set aside an agreed percentage of developments as affordable and social housing, transferred at no cost to CHPs in perpetuity.

Initially, our team undertook extensive research on MIZ best practice and global examples of where MIZ is already in effect. MIZ is prominent in parts of the United States, the United Kingdom, France and the Netherlands.

Following stakeholder engagement across the housing sector in collaboration with City Futures Research Centre, we developed a set of principles for how MIZ should be applied in the Australian context.

In the second half of 2020, we collaborated with the Community Housing Industry Association (**CHIA**) to engage a broad group of key stakeholders, seeking their input to build on the principles and develop a National Framework for MIZ.

PROGRESS

The lab team did an amazing amount of work across 2020. We were able to clearly define what MIZ is and how it should be applied in the Australian context, along with developing a National Framework.

One of our key achievements is the breadth of stakeholder involvement across industry, governments, academia and not for profits. It truly was a collaborative effort driving the work, and this will improve the likelihood of implementation as all parties are involved from the beginning.

LEARNING

In response to the pandemic, we delivered our workshops virtually, which enabled us to continue the momentum we had established as well as engage stakeholders all around Australia. The use of virtual technology meant that we were able to have a far greater reach to provide insight and perspective on the work.

2021 AMBITIONS

Our work in 2021 will be focused on continuing to build support for the MIZ Principles and the National Framework. Our aim is to identify key ‘champions’ from across the housing sector to advocate and influence in an aligned way.

We will also continue to test and seek feedback on our work to build additional depth and buy-in for the approach.

HIGHLIGHTS

- Principles for application of MIZ in Australia developed in collaboration with CityFutures Research Centre.
- We have liaised with Australian Local Government Association (**ALGA**) and Council of Capital City Lord Mayors (**CCLM**).
- We have briefed the Federal Minister for Population Cities and Urban Infrastructure.
- We have briefed councils including the Northern Beaches in Sydney.
- The Planning Institute of Australia (**PIA**) have endorsed our view of how MIZ should be applied in Australia.
- Collaborated with CHIA to co-create a draft National Framework for MIZ with input from key players from across the national housing system.

MORE HOMES SUPPLY FOR QUEENSLAND SURVIVORS OF INTIMATE PARTNER VIOLENCE

In Queensland, nine intimate partner homicides occurred in 2018-2019 and 28,185 Domestic Violence Orders (**DVO**) were made in the following year. These statistics are worsening and gaining increased attention with more and more calls for action. Many will remember the murder of Hannah Clarke and her children in February 2020 – this shocking and tragic event has informed our work.

Many survivors of domestic and family violence (**DFV**) also experience or are at risk of homelessness as they seek safety. Waitlists for safe, affordable, accessible, appropriate and secure housing that offers long-term stability are long and growing. Funding for services and housing supporting survivors of DFV is often limited to crisis accommodation and there are gaps in medium to long-term housing provision for women experiencing intimate partner violence.

Our Queensland social lab team (**SQ4S**) formed in February 2020 with a focus on providing a range of long-term, private housing options for women and their families experiencing intimate partner violence in South East Queensland, that currently do not exist.

The team researched different approaches to filling this housing need, before deciding on the utilisation of rental properties. This is an alternate option to building new housing stock, but still a 'housing first' solution. There is an abundance of private rental and the team has confirmed through consultations there are some stakeholders willing to support people who need help by providing access

to these properties, including property owners. This is an option supported by the people with lived experience we have worked with to date.

After initial research, we focused on the community with the highest need. Ipswich Local Government Area (**LGA**) has the highest concentration of intimate partner DVOs across the state (over 1,000 in 2018/19), as opposed to pockets of incidences across Queensland more broadly.

RESEARCH AND EVIDENCE

During 2020, the team was able to gather appropriate data and perform a needs-

based assessment based on geographical hotspots in Queensland. Through this process, they identified geographic areas of elevated risk on which to focus current and future projects and settled on Ipswich as the starting area to help women in need.

The team have looked at existing services and programs with a focus on DFV and housing in the region, as well as key stakeholders and housing availability. Although the area in which housing could be provided would expand beyond the Ipswich corridor, based on research and feedback around low vacancy rates in the corridor, a deep-dive analysis was completed for Ipswich with valuable insights gained.



The concept: Org X

Org X is an entity which employs Partnership Brokers and Housing Navigators to assist women and their children to find accommodation from the private rental market more easily, enabling them to have more choice, control and confidence in their community.

The team began consultations with various groups of stakeholders to gather feedback. Positive feedback has been received generally, with different audiences providing valuable guidance.

HIGHLIGHTS

- The Real Estate Institution of Queensland (**REIQ**) is generally supportive of the Org X concept as a proposed solution and keen to continue unpacking how they, possibly Q Shelter, and other corporations could work in partnership with Org X.
- Learning that the Australian Tax Office has made a class ruling that allows landlords who list their property with one organisation (HomeGround Real Estate) at a discounted rental rate to claim the gap as a tax deduction at the end of financial year. The team is investigating this to assess how this ruling could be sought for Org X.
- The team workshoped how Org X may operate by completing a Business Model Canvas and in doing so, considered possible opportunities to generate revenue as distinct from raising philanthropic funding.

Org X would focus on:

- Creating and maintaining a register of private rental properties to be made available at affordable rates for a minimum of two years.
- Brokering partnerships between property owners, real estate agencies, community services, contractors and other stakeholders for the provision of housing, funding, goods and services, and for managing the distribution of funds to support transition into housing.
- Advocating for and implementing strict procedures to protect the privacy of women and family members.
- Ensuring rental properties have suitable levels of security.

Org X would assist in the maintenance of a private rental register and be effective because partnerships will be brokered when homes become available and when there is need.

LEARNING

The team discovered that there is a reducing rental pool in the Ipswich area, as many people have started to move out of Brisbane and migrate from interstate as a result of COVID. Low vacancy rates are also common outside of the Ipswich corridor. The team is considering this and what it means for the area Org X could operate in – the area will be broader than the Ipswich corridor and likely encompass South East Queensland.

2021 AMBITIONS

During the team's third cycle, stakeholder engagement will continue, with a focus on creating more detail about how Org X may operate. Operation could be piloted from within an existing entity, although this entity would ideally need to be a state-based or national charity.

The team will continue to test their assumptions with those who have expertise within and lived experience of the DFV and homelessness systems in Queensland.

There will be a focus on establishing and deepening relationships with potential funders (philanthropic and corporate).

“We are excited to continue our focus on Org X and the help it will provide to impacted women in Queensland in obtaining long-term, private housing. Our engagement with stakeholders has been positive so far, and we will continue to engage next year as we start to explore operational aspects and opportunities for Org X.”

SOCIAL LAB TEAM MEMBER



BETTER JOURNEYS

HOME WITHIN ONESELF

BEING ABLE to ACCESS SERVICES and RESOURCES for HEALTH and WELLBEING, FACILITATING LIFESTYLE, RESPECTING DIVERSITY of LIFESTYLE, CONNECTION and FRIENDSHIP

AT HOME in the COMMUNITY

WHO is the POPULATION we are WORKING for and HOW do we FACILITATE INCLUSION in the COMMUNITY? the NEED to BUILD COMMUNITY when DIFFERENCES are EVIDENT

the PHYSICAL HOME

ENSURING the BUILDING MEETS the NEEDS of the POPULATION GROUP who WILL TENANT the BUILDING

An EMPHASIS on SAFETY, WELCOMING and SHARED SPACES



Our mission in the **Better Journeys** pillar is to prevent entries into, and accelerate journeys out of homelessness.

Our first phase of work will focus on people who experience homelessness after exiting out-of-home care and/or youth justice. Recent research showed one-third of young people leaving Victoria's out-of-home care experience homelessness within three years of exiting that system¹ and nationally, three-quarters (75%) of young people accessed specialist homelessness services after experiencing youth justice².

The work is in the discovery phase and currently based in South Australia – a social lab will commence in 2021.

1 Keep Caring, Systemic inquiry into services for young people transitioning from out-of-home care, Commission for Children and Young People 2020

2 Australian Institute of Health and Welfare 2016. [Vulnerable young people: interactions across homelessness, youth justice and child protection—1 July 2011 to 30 June 2015](#). Cat. no. HOU 279. Canberra: AIHW.

BETTER JOURNEYS

We are guided by the **Amplify Insights report** (Centre for Social Impact) which identifies four separate drivers for why people end up homeless or at risk of homelessness and seeking specialist support services.

As these are very broad, we have refined our focus to one of these drivers – leaving institutions/care of the state – as this is where Constellation can potentially add value. We do this by exploring gaps in the system as well as prototyping and accelerating potential solutions through a social lab.

Our initial focus will be on exits from the Justice system/care of the state into homelessness, and the correlation with those young people seeking independent housing. Whilst Constellation's focus is national, the justice system works at a state level. We will commence work in SA to learn more about what systemic

solutions might be applied in a smaller jurisdiction before scaling up in larger states.



ADVISORY GROUP



Convening an advisory group of 28 subject matter experts from across sectors including representation from Child Protection, NGO service providers, First Nations, Education, Youth Justice, SA peak bodies and Academia.

RESEARCH



Engaged researchers from the Centre for Social Impact (CSI UNSW) for a 'lived experience research project'. This includes a literature review of current best practice interventions to prevent homelessness post-release from youth justice detention and a workshop with people who have had this life experience. This will enable the young people's accounts to intentionally begin to fill in gaps in the existing literature and progress understanding of how best to prevent homelessness for people leaving youth justice settings in South Australia and beyond.

USER JOURNEYS



User journey mapping of pathways from out of home care to experiencing homelessness.

WE BELIEVE THAT HOMELESSNESS IS SOLVABLE

The Constellation Project exists to bring together corporates, governments, academia, philanthropists and not-for-profits to collaborate across sectors. If you'd like to join us, please get in touch.

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Governance Group

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Poppy Brown (Australian Red Cross)
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