



Final Report

Scoping the capacity of Indigenous Community Housing Organisations

authored by

**K. Eringa, F. Spring, M. Anda, P. Memmott, S.
Long, M. West**

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ACRONYMS

ABS	Australian Bureau of Statistics
ACDP	Aboriginal Communities Development Program
ACHP	Aboriginal Community Housing Provider (NSW term for ICHO)
APY	Anangu Pitjantjatjara Yankunytjatjara
AHA	Aboriginal Housing Authority
AHBV	Aboriginal Housing Board of Victoria
AHIC	Aboriginal Housing and Infrastructure Council
AHID	Aboriginal Housing and Infrastructure Directorate
AHO	Aboriginal Housing Office, New South Wales
AHURI	Australian Housing and Urban Research Institute
AIATSIS	Australian Institute of Aboriginal & Torres Strait Islander Studies
ALT	Aboriginal Lands Trust, Western Australia
ARIA	Accessibility/Remoteness Index of Australia
ATSIC	Aboriginal and Torres Strait Islander Commission
ARHP	Aboriginal Rental Housing Program
ASGC	Australian Standard Geographical Classification
BBF	Building a Better Future: Indigenous housing to 2010
BRACS	Broadcasting for Remote Aboriginal Communities Scheme
CASA	Civil Aviation Safety Authority
CDEP	Community Development Employment Program
CDU	Charles Darwin University
CHINS	Community Housing and Infrastructure Needs Survey
CHIP	Community Housing and Infrastructure Program
CRA	Commonwealth Rent Assistance
CSHA	Commonwealth State Housing Agreement
DBS	Discrete bounded settlements
DCD	Department of Community Development, Western Australia
DEWR	Department of Employment and Workplace Relations
DHW	Department of Housing & Works, Western Australia
DOGIT	Deed of Grant in Trust (Queensland)
DUH	Disbursed urban housing
FaCS	Family and Community Services
FaCSIA	Family and Community Services and Indigenous Affairs
FESA	Fire and Emergency Services Australia
FHBH	Fixing Houses for Better Health Program

HIHI	Healthy Indigenous Housing Initiative
HMAC	Housing Ministers' Advisory Committee
IBA	Indigenous Business Australia
ICH	Indigenous Community Housing [Program]
ICHO	Indigenous Community Housing Organisation
IHANT	Indigenous Housing Authority of the Northern Territory
IHMIS	Indigenous Housing Management Improvement System
ICC	Indigenous Coordination Centre
ILC	Indigenous Land Council
LALC	Local Aboriginal Land Council, NSW
MSO	Municipal Services Officer
NAHS	National Aboriginal Health Strategy
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NRF	National Reporting Framework for Indigenous Housing Partnership Against Homelessness
NTIHP	Northern Territory Indigenous Housing Program
OAH	Office of Aboriginal Housing, South Australia
OATSIH	Office of Aboriginal and Torres Strait Islander Health
OoH	Office of Housing, Victoria
ORAC	Office of the Registrar of Aboriginal Corporations
RAIA	Royal Australian Institute of Architects
SCIH	Standing Committee on Indigenous Housing
SOMIH	State Owned and Managed Indigenous Housing Program
SRS	Sector Reform Strategy, NSW

EXECUTIVE SUMMARY

Broad project aims

This project set out to provide a detailed, contemporary, empirical understanding of Indigenous Community Housing Organisations (ICHOs) by addressing two interrelated sets of research questions. The first set of research questions concerned the nature of the ICHO sector, while the second set concerned the identification of factors that affect the organisational capacity of ICHOs as well as measures aimed at enhancing the capacity of the sector.

The Hall and Berry (2006) AHURI research project examined the long-term recurrent and capital costs for the ICHO sector. The findings of this research, with a focus on financial matters, complement and inform the present project. The present project has identified a range of factors that affect organisational capacity, with financial matters being among these, and their relative importance is examined. However, no financial analysis has been conducted.

The temporal reference of the 'state of knowledge' in the current report should be taken as early 2007 which is when the empirical field findings and contemporary housing policies at that time were synthesised in the analysis.

The general nature of the ICHO sector

According to the Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities Australia Community Housing and Infrastructure Needs Survey (CHINS) conducted in 2006, there were 496 ICHOs in Australia, managing 21,758 permanent dwellings. There was a direct relationship between the degree of remoteness and the number of dwellings managed. The average number of dwellings managed was 21.0 for ICHOs located in major cities, increasing with remoteness to 59.3 for ICHOs located in very remote areas. More than half (53%) of ICHOs managing more than two-thirds (68%) of dwellings were located in remote and very remote areas.

The CHINS survey also revealed that there were some major differences between the various jurisdictions in terms of the location of ICHOs. New South Wales and Victoria were home to a large number of ICHOs in major cities or regional areas. Western Australia and the Northern Territory had a similar number of ICHOs, but these tended to be located in very remote areas. South Australia and Queensland ICHOs were more evenly distributed between remote areas, rural towns and large cities.

The CHINS survey showed that the Australian ICHO sector is dominated by small and very small ICHOs. Across Australia, 74% of ICHOs managed fewer than 50 dwellings and 40% managed fewer than 20 dwellings; only 10% managed more than 100 dwellings. The small number of dwellings managed by ICHOs is of major concern in terms of their financial viability and broader organisational capacity. Previous research indicates that the financial break-even point for community housing providers in Perth is likely to be at least 50 dwellings (Eringa 2000). This implies that the 74% of ICHOs that manage fewer than 50 dwellings may well be too small to be able to operate without some form of subsidy.

This was confirmed by the 2006 Hall and Berry study for AHURI (Indigenous Housing: Assessing the Long Term Costs and the Optimal Balance Between Recurrent and Capital Expenditure), which found that 20% of Indigenous housing stock in remote and very remote areas requires a significant upgrade and 18% full replacement, with an estimated total cost of \$705m, or \$141m pa for five years. The operating deficit

'gap' for remote/very remote ICHOs was \$2,400/\$3,800 per dwelling or nationally \$52.6m pa. (Hall & Berry 2006.)

A key finding of the current study regarding the nature of the ICHO sector, was that the sector is exceedingly complex, due to the fact that ICHOs differ considerably across the entire range of dimensions studied. For instance:

- the legal framework in which ICHOs operated and their organisational forms varied extensively not only across jurisdictions, but also according to funding sources and whether an ICHO was a housing specialist or a multiple service provider;
- the range of housing and other activities undertaken by ICHOs varied considerably according to the degree of accessibility of the ICHO, the availability of qualified personnel for various tasks and the extent to which ICHOs perceived and were able to access opportunities for contracting out their expertise;
- housing management practices and policies varied extensively depending on the number of dwellings managed, whether or not they had access to various services, and the degree of support from government officials;
- the nature and extent of community participation with ICHOs varied extensively according to factors such as the size of the ICHO relative to the size of the host community, and the number and nature of staff and governing committee members; and
- the nature of local business arrangements with ICHOs varied extensively according to the availability of qualified personnel in key positions in the organisation, and the existence or otherwise of training opportunities.

This high degree of diversity in the ICHO sector appears to be a direct consequence of the way in which local Aboriginal people construct their organisations. The way in which each ICHO does business reflects the particular pressures and opportunities derived from the particular set of circumstances, such as its location, the size of the host community, whether the ICHO delivers non-housing services, the particular legislative arrangements in their jurisdiction, their unique history and so on.

The degree of diversity between ICHOs was such that it was felt that any attempt to depict the nature of the sector in a descriptive manner would either be exhaustive but excessively longwinded, or else become a collection of meaningless generalisations. Rather than attempting either of these unsatisfactory courses of action, the project is recommending that comprehensive mapping of the sector be undertaken as a future research project, in order to capture the complexity of the sector in a more rigorous manner.

Recommendation

That a comprehensive and adequately-resourced study be commissioned in order to conduct comprehensive mapping of the ICHO sector.

Organisational Capacity

The remainder of the project therefore focused on the second set of research questions, i.e. those concerning the organisational capacity of ICHOs. In the current study, the term 'organisational capacity' refers to the ability of an organisation, in this case an ICHO, to meet its objectives, both at the present moment and into the future. More specifically, the term organisational capacity refers to an organisation's ability to transform the input resources required to deliver the required outputs, i.e. attain its

short-term and long-term goals. These resources include, but are not limited to, financial resources, human resources, and less tangible resources such as community support. A number of previous studies into this issue have equated organisational capacity safely with financial viability, i.e. the ability of an ICHO to meet the costs associated with meeting its objectives from its income streams, both now and into the future.

One of the key findings of this study is that financial viability is a necessary but not a sufficient determinant of the organisational capacity of an ICHO. Put differently, an ICHO needs to be financially healthy in order to be able to meet its objectives, but at the same time, just because the books balance does not necessarily mean that an ICHO has spent its money in a way that best serves its long-term organisational objectives. Strong governance and capable people at all levels of the organisation are required to ensure that money is spent productively. As one participant in the study put it: 'there is no point in throwing good money at bad organisations'.

Instead of solely focusing on financial issues, the key policy implication of this study is therefore that improving the organisational capacity of ICHOs requires policy-makers to focus on addressing financial issues alongside other viability factors. ICHOs need to get their governance right in order to be able to make sound financial decisions; they also require people qualified to take on key roles in management, staff and the governing committee. Many of these issues affecting organisational capacity need to be considered in the context of the location of each ICHO. Location can impact indirectly in multiple ways, including on particular cost structures, rent levels, access to human resources and access to training.

Findings on the significance of viability factors

This project has identified four viability factors underlying the organisational capacity of ICHOs:

1. **location:** refers to the jurisdiction, degree of remoteness and type of settlement;
2. **governance:** includes both internal (organisational management and the range of services provided by the organisation) and external factors (government policy and links to other organisations);
3. **human resource management:** refers to both paid and unpaid functions, including skills development, linked training, and recruitment and retention of staff, enterprise and employment development, and community participation; and
4. **housing management:** refers to dwelling numbers and condition, tenancy management, rent setting and collection, and external grant funding. It also includes financial viability.

In order to assess their relative importance with respect to organisational capacity, each of the four viability factors was divided into three to five indicators, with a total of 16 indicators. For each of these indicators, between one and six measurements were devised; and each of these were subsequently tested in a series of telephone and face-to-face surveys. The four viability factors and 16 indicators are listed in Table 1 below.

Table 1: Viability factors and indicators

<i>Viability factor</i>	<i>Indicator</i>
1. Location	i. Jurisdiction ii. Degree of Remoteness (ARIA) iii. Settlement Type (Memmott & Moran)
2. Governance	i. Organisational Management ii. Range of Services iii. Government Policy iv. Links to other Organisations
3. Human resource management	i. Recruitment and retention of staff ii. Skill Development Strategy iii. Linked Training iv. Enterprise and Employment Development v. Community Participation
4. Housing management	i. Housing Stock ii. Management Systems iii. Rent Setting and Collection iv. External funding

This study assessed each of these indicators through a number of measurements. These measurements were obtained using a combination of a desk-based study and telephone survey with as many ICHOs as possible from the 69 nominated for case study by the project User Group. The principal data collection was by in-depth, face-to-face interviews conducted with 22 ICHOs.

The findings have largely been derived from these 22 detailed case studies. As a selection made by each of the User Group members, from a potential 496 ICHOs (CHINS 2006), the 22 cases are a sample of the diversity of ICHOS, rather than a representative sample.

Table 2 and Figure 1 below indicate that these ICHOs presented a cross section of organisations of different sizes, degrees of remoteness and geographical areas. However, with regard to jurisdictional coverage it should be noted that, for reasons of funding, the sample was skewed towards South Australia and New South Wales.

Table 2: Comparative profile of the 22 face-to-face case study ICHOs by jurisdiction

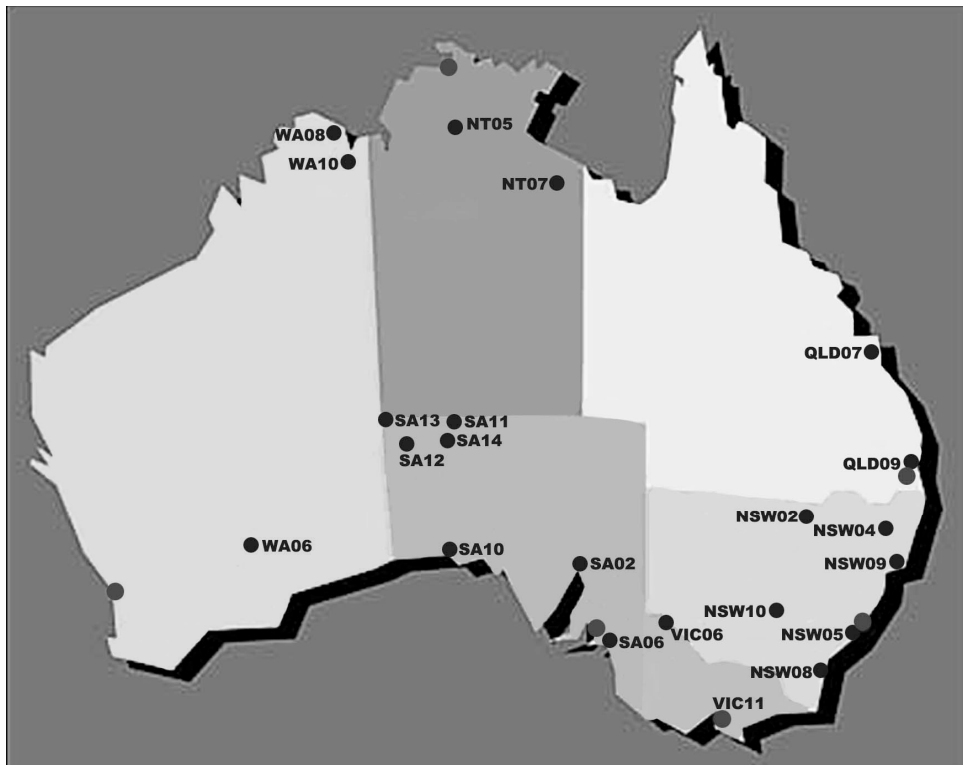
<i>Jurisdiction</i>	<i># Case studies</i>	<i>% Remote</i>	<i>Median size (dwellings)</i>	<i>Smallest (dwellings)</i>	<i>Largest (dwellings)</i>
New South Wales	6	17%	59	15	131
Northern Territory	2	100%	166	55	277
Queensland	2	0%	54	37	71
South Australia	7	71%	42	15	397
Victoria	2	0%	686	56	1315

<i>Jurisdiction</i>	<i># Case studies</i>	<i>% Remote</i>	<i>Median size (dwellings)</i>	<i>Smallest (dwellings)</i>	<i>Largest (dwellings)</i>
Western Australia	3	67%	105	54	145
Total	22	45%	56	15	1315

It should be noted that this project's AHURI User Group (made up of largely government housing representatives) were of the view that the categorisation of remoteness developed by the Australian Standard Geographical Classification (ASGC) was inadequate to represent the variation of service delivery in remote parts of the continent. For this project, the User Group agreed to add further categories to the ASGC in order to better differentiate between ICHOs' degrees of remoteness. This resulted in a seven-tier scale as follows:

1. HA (Highly Accessible: eg, capital city, major regional centre);
2. A (Accessible: inner regional, major regional centre, rural centre);
3. MA (Moderately Accessible: outer regional, rural centre);
4. R (Remote: removed from rural and regional centres, with all-weather road link);
5. VR (Very Remote: removed from rural and regional centres, with road link of varying reliability);
6. VVR (Very Very Remote: annually inaccessible by road during the wet season); and
7. VVVR (Very Very Very Remote: inaccessible by road all year round).

Figure 1: Location of case studies



The findings have largely been derived from the 22 detailed case studies. As a sample from a potential 496 ICHOs, it is not statistically representative and does not allow for quantitative analysis. However, the qualitative case analysis techniques used enable useful generalisations to be made for policy development.

Analysis of case data for this study was conducted using the following three techniques:

- i. intra-case analysis;
- ii. cross-case analysis with generalisations derived; and
- iii. cross-case analysis with issue counting.

Four global findings from the triangulation of methods were as follows:-

1. ICHOs managing more dwellings tend to perform better than those managing fewer dwellings;
2. ICHOs in the extreme remote locations tend to perform worse than average, and those in urban areas or large regional centres tend to perform better than average;
3. ICHOs managing housing in more than one settlement type tend to perform better than those managing housing in only one settlement type, regardless of location; and
4. ICHOs that specialise in housing management tend to perform better than those that deliver multiple services.

In terms of the viability factors (location, governance, human resource management, housing management), the data analysis indicated that all four were at least moderately important determinants of the organisational capacity of ICHOs. However, it was found that there was no one single factor or simple combination of factors that is both a necessary and sufficient determinant of the organisational capacity of ICHOs.

To illustrate this, the report contains profiles of four case studies of practice sampled from extremely remote (N.T.), outer regional (S.A.), inner regional (NSW) and metropolitan (Vic) locations. These profiles reveal the unique ways in which these ICHOs achieve relatively high viability assessments for their respective organisational capacities.

Nevertheless, the study did prioritise the various factors that underlie the organisational capacity of ICHOs. In particular, it has identified three issues that are of critical importance, comprising two Viability Factors and one Indicator:

1. Viability factor No.1: Location

The study identified location as the single most important issue underlying the organisational capacity of ICHOs. The reason for this is that location has a significant impact on a wide range of issues underlying organisational capacity, including maintenance costs, construction costs, training opportunities and the availability of capable personnel for staffing and governing committee positions.

However, the conclusion regarding the importance of location to organisational capacity needs to be tempered in that it relies strongly on qualitative evidence from the intra case analyses.

2. Viability factor No.2: Governance

Appropriate governance structures and capable personnel in key decision-making positions in the organisation were also found to be of crucial importance. However,

the study also highlighted that different aspects of governance are important to different organisations, and may also change for the same organisation at different points in time. Government support and governance training for Governing Committee members were found to be the most important issues in this area.

3. Indicator No.4.: Housing Stock

The number of dwellings managed by many ICHOs is too small to allow for the housing management function to be self-sustaining without implicit or explicit external funding or cross-subsidisation from other functions of the organisation. This feeds through to broader organisational capacity, because such ICHOs constantly need to spend precious staff and governing committee time on making sure that their books balance.

As indicated above, while the three issues described above were found to be the most important, this is not to say that other aspects of organisational capacity can safely be ignored. In fact, all four of the Viability Factors analysed by the study team were found to be of at least moderate importance to the organisational capacity of ICHOs. For instance:

- Aside from dwelling numbers, Viability Factor 4, Housing Management, was found to be of moderate importance to organisational capacity. However, a number of Indicators associated with this factor, including in particular housing design, waiting list management and planned maintenance, were found to be important for organisational capacity.
- Viability Factor 3, Human Resource Management, was assessed as the least important of the four Viability Factors. However, one Indicator of this factor, skills development for Governing Committee members, was found to be very important to organisational capacity.

The relation between ICHO size, development stage and organisational capacity

In addition, the study found that different organisational capacity issues are relevant to ICHOs of different sizes and at different stages of development. In particular:

- Respondents from smaller ICHOs tended to emphasise the significance of external issues beyond their control, such as accessibility to services, whereas those from larger ICHOs tended to emphasise the importance of internal issues that were potentially within their control but were becoming increasingly complex, such as housing management.
- Medium-size ICHOs tended to emphasise the importance of high-level (governing committee) governance issues, while large ICHOs emphasised the importance of staff capacity issues. By contrast, very small ICHOs did not regard any staffing or governing committee issues as being of major importance to their organisational capacity.

These findings are illustrated schematically by Figure 2 below. The vertical axis of this diagram depicts the importance of different elements of governance. Moving upwards along this axis indicates greater importance to high level governance issues, such as organisational policies and leadership, which are typically the responsibility of the governing committee of an ICHO. Moving downwards along the vertical axis indicates a greater focus on lower level governance issues, such as staff capacity, which are usually viewed as human resource issues.

The horizontal axis of the diagram depicts the importance of external factors versus internal factors. External factors are beyond the control of the ICHO, and include

factors such as location, accessibility and changing government policies. Internal factors on the other hand are within the control of the ICHO and include issues such as housing management and staffing.

The diagram indicates the relative positions of the ICHOs according to these two dimensions after grouping them into four quartiles according to the number of dwellings managed. Q1 contains very small ICHOs that manage fewer than 25 dwellings, Q2 contains small-medium ICHOs that manage between 25 and 49 dwellings, Q3 contains medium-large ICHOs that manage from 50 to 79 dwellings and Q4 contains large ICHOs that manage 80 or more dwellings.

Figure 2: Size of ICHOs' housing stock and relative importance of viability factors to organisational capacity

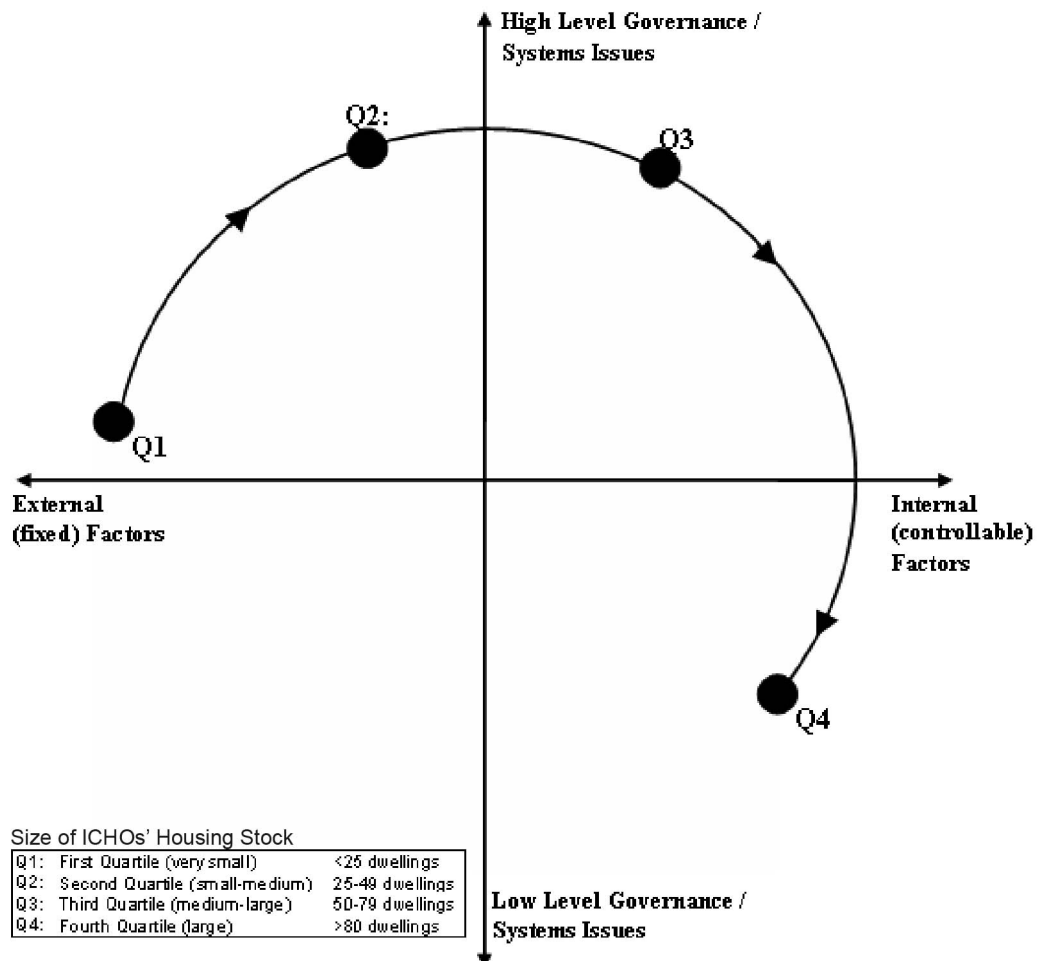


Figure 2 shows that the organisational capacity of very small (Q1) ICHOs is dominated by external factors, in particular their location, links to other organisations and external funding. These very small ICHOs attach little importance to governance issues at either the governing committee or the staffing level.

External factors such as location become gradually less important to the organisational capacity of medium-sized ICHOs (Q2 and Q3). Instead, these organisations focus on building robust governance systems at the Governing Committee level. Lower level governance indicators such as human resources and housing management are perceived as being less important issues affecting the organisational capacity of medium-sized ICHOs. Finally, for the largest (Q4) ICHOs,

the focus of organisational capacity issues is on low-level systems issues that are within their control, such as human resources and housing management systems.

Policy implications

The primary finding of the report is that building the capacity of ICHOs will require a focus beyond the financial. In particular, strong governance structures need to be created either before or, ideally, simultaneously with measures to improve financial capacity. Conversely, it would be a mistake to assume that a once-off or ongoing injection of funds could resolve the capacity issues of an ICHO that has unresolved governance or human resource issues.

A second, equally important, element of capacity building is to improve the quality of the decision-making process of ICHOs through training aimed at both improving the skills of existing and potential governing committee members as well as expanding the pool of qualified candidates for governing committee positions from the host community. Attraction, retention and skill development of staff should be an additional, albeit relatively somewhat less critical, element of capacity building.

More particularly, this study has identified six major policy implications of the findings:

Policy implication 1

Strategies aimed at building the organisational capacity of ICHOs must address governance, human resources and financial issues simultaneously.

Policy implication 2

All elements of the government policy framework that affect ICHOs should differentiate between remote, very remote, very very remote and very very very remote locations in their funding and cost formulae as well as their performance indicators.

Policy implication 3

Organisational capacity building should include governance training for members of the governing committee as well as members of the wider community.

Policy implication 4

Organisational capacity building strategies should take explicit account of the particular needs of each ICHO.

Policy implication 5

Increased resources should be made available to increase access to governance training for members of Indigenous communities in general and for members of ICHO governing committees in particular.

Policy implication 6

Further consolidation of the housing stock managed by the ICHO sector is required, but depending on location and circumstances, the most appropriate way in which this can be undertaken is either through amalgamation of ICHOs (in urban/regional contexts) or centralisation of services for smaller ICHOs (in remote contexts).

Finally, this report highlighted a number of further policy recommendations in the areas of human resources and housing management. These are:

Human resources

- i. training for staff development in asset management plans, business plans, housing management standards, policies and systems;
- ii. strengthen accounting practices and compliance standards (separate accounts for member organisations to assist in financial tracking; financial controls adherence and accurate reporting);
- iii. improve human resource management (all staff sign contracts; complete police checks on staff);
- iv. ensure accounting responsibilities are up-to-date and Management Reports are being regularly provided;
- v. develop regional housing-related employment strategies to support the growth of skilled staff and management practice; and
- vi. provide career pathways for Aboriginal housing officers.

Housing management

Develop minor repairs and maintenance capacity, particularly for very remote ICHOs;

improve housing stock management operations (residential tenancy agreements in place for all tenants; maintain a master property register for member organisations; conduct valuations of each property; uniform rent levels for all tenants; IT training for staff; capacity to edit maintenance request and job order issue and certification of work completed; establish panel of zone or regional contractors; enforce provision of waitlist compliance);

- strengthen tenancy management (tenancy agreements, rent arrears and tenant liability, regular property inspections);
- workshops with tenants and other householders (tenant awareness and education, budgeting, life skills, community well-being and livelihood development); and
- improve asset management planning ability.

1 INTRODUCTION

1.1 The project

1.1.1 Aims

The aim of AHURI Project 316, *Scoping the Capacity of Indigenous Community Housing Organisations*, is to provide a detailed, contemporary, empirical understanding of Indigenous Community Housing Organisations (ICHOs). The project also aims to identify short and longer-term options, to enhance the capacity of the ICHO sector. The project has addressed these aims across two areas:

- questions concerning the nature of the ICHO sector; and
- factors that affect the viability of ICHOs.

1.1.2 Research questions

The AHURI brief listed the following research questions concerning the nature of the ICHO sector:

1. What are the different types of organisational forms and structures prevalent in the ICHO sector, and how does this vary between urban, rural and remote areas?
2. What is the range of housing and other activities undertaken by ICHOs, and how does this vary between urban, rural and remote areas?
3. What is the nature and extent of links between the ICHO sector and other providers of support and community services?
4. What is the nature and extent of community participation with ICHOs?
5. What is the nature of local business arrangements with ICHOs, such as the provision of building and maintenance services?

The brief listed the following research questions concerning the capacity of the ICHO sector:

6. What are the main factors that affect the viability of ICHOs?
7. What measures are required to address the viability of ICHOs, with a particular emphasis on governance arrangements, community participation, long term housing upgrades and maintenance programs, and opportunities for economies-of-scale (such as 'back office' and administrative arrangements)?

And finally:

8. What are the implications for policy development of the empirical findings on these questions?

1.1.3 Structure of the report

After the introduction, Section 2 of this report gives a brief overview of the policy context in which ICHOs operate. Section 3 outlines the research process and discusses the methodology, while Section 4 provides a general overview of the ICHO sector. Section 5 contains a detailed analysis of the case study data, and Section 6 distils this analysis into a number of findings and conclusions. Attachment 1 to the report contains the survey instrument (61 questions). Attachment 2 contains a

summary of findings on the two ICHOs used for the project pilot study. And, finally, Attachment 3 contains a complete description of the 22 case studies, arranged in order from the most remote (very very very remote ICHOS) to the least remote (located in city and metro settings).

1.1.4 Time context of this study

The temporal reference for the 'state of knowledge' in the current report should be taken as early 2007 which is when the empirical field findings and contemporary housing policies at that time were synthesised in the analysis. However, it has taken a year for the report to reach final publication and during that period the state of events in Indigenous housing policy and delivery have gone through an accelerated process of acute change with the pre-election Indigenous sector reforms of the Howard Liberal Government and the advent of the Rudd Labor Government. The exact future significance and relevance of the current report will not become fully apparent until the latter government finalises its policy and delivery agenda for Indigenous housing, including the role of ICHOs within such a framework. Nevertheless, it is anticipated by the authors that the contents of this report will remain useful, whatever the new policy context may be.

1.1.5 Limitations

Further limitations of this study include the following:

- only limited data was provided by the respective jurisdictions (state and territory governments) for the key issues of interest to this study;
- the quality and reliability of the data collected in the various jurisdictions and in face-to-face survey and focus group discussions were variable and difficult to verify. Where possible data collected was cross-referenced with other documentation;
- the scope of this study, its methodology and the data made available did not allow for financial analysis – this was the focus of a previous AHURI project, Hall and Berry (2006);
- a case study method was proposed in the application and accepted by AHURI and its User Group. The budget available to the research team for this method dictated the sample size to be visited and this was too small for a quantitative, statistical analysis.

1.2 Background

1.2.1 Defining Indigenous Community Housing Organisations (ICHOs)

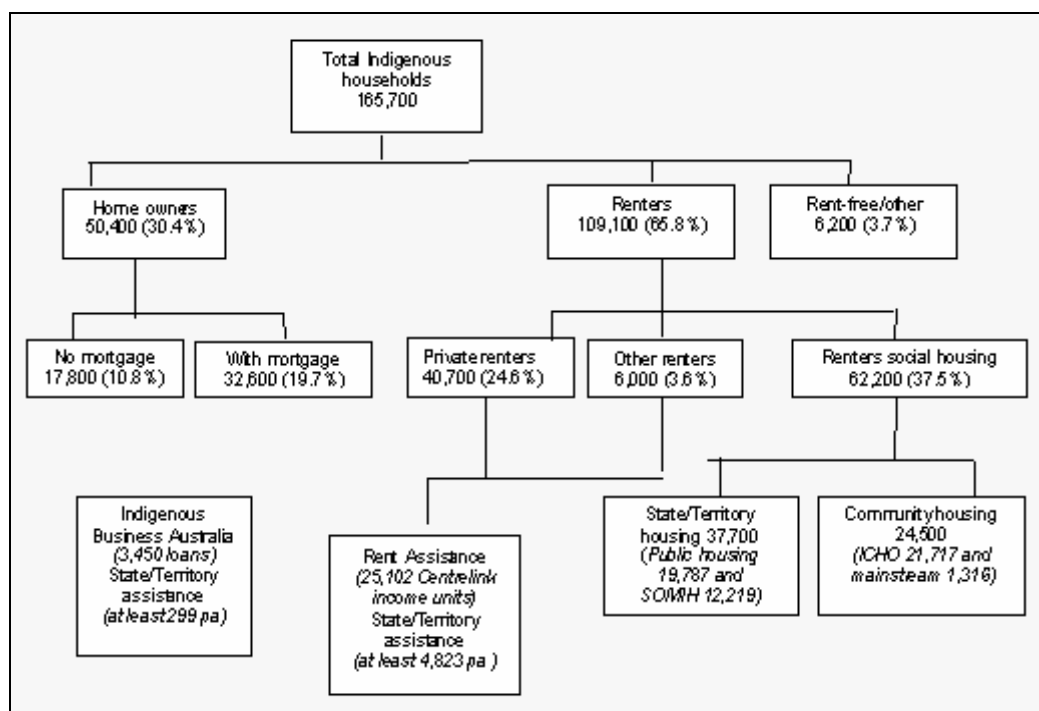
'Community housing' is not-for-profit rental housing provision and housing stock management that is delivered by non-government organisations. As at 30 June 2004, there were 34,442 dwellings provided through the Indigenous specific housing programs which were split between two Indigenous-specific housing programs: the Stated Owned and Managed Indigenous Housing (SOMIH) program and Indigenous Community Housing (ICH) program.

The term SOMIH refers to 'State Owned and Managed Indigenous Housing' organisations. As with public housing, SOMIH is the responsibility of the state

governments and is funded through the Commonwealth State Housing Agreement. As at 30 June 2004, there were 12,725 SOMIH dwellings in Australia.¹

The term ICH refers to 'Indigenous Community Housing'. These are dwellings managed by Indigenous Community Housing Organisations (ICHOs) and in New South Wales by Aboriginal Community Housing Providers (ACHPs); funding can be provided by a state government, the Australian Government, or by both. The administrative arrangements for ICH are more complex than those for SOMIH, and vary across the jurisdictions. According to the 2006 CHINS, there are 21,758 ICH dwellings in Australia.² How these are situated among all Indigenous housing in Australia is shown in Figure 3 below.

Figure 3: Distribution of Indigenous housing across sectors



Sources: ABS 2002b NATSISS; AIHW CSHA data collection; AIHW NRF data collection, jurisdictional data returns for HMC resolution 3, 2005.

1.2.2 Typology of ICHOs

One of the key findings of this study is that ICHOs vary widely across the entire range of dimensions studied. For instance:

- The legal frameworks in which ICHOs operated and their organisational forms, both varied extensively not only across jurisdictions, but also according to funding sources and whether an ICHO was a housing specialist or a multiple service provider.
- The range of housing and other activities undertaken by ICHOs varied considerably according to the degree of accessibility of the ICHO, the availability of qualified personnel for various tasks and the extent to which ICHOs were able and willing to access opportunities for contracting out their expertise.

¹ Australian Institute of Health and Welfare, *Indigenous Housing Indicators 2003-04*, AIHW Cat. No. HOU 127. Canberra: Australian Institute of Health and Welfare, June 2005, p.xii.

² Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities – Australia (CHINS)*, Commonwealth of Australia, 2007.

- Housing management practices and policies varied extensively depending on the number of dwellings managed, whether or not they had access to various services, and the degree of support from government officials.
- The nature and extent of community participation within ICHOs varied extensively according to factors such as the size of the ICHO relative to the size of the host community, and the number and attitude of staff and governing committee members.
- The nature of local business arrangements enacted by ICHOs varied considerably according to the extent of qualified personnel in key positions in the organisation, and the existence or otherwise of training opportunities.

A further level of complication arises because of differences in the way in which ICHOs have been created and administered in the various jurisdictions. This is illustrated using the examples of New South Wales and South Australia.

New South Wales

Indigenous Community Housing Organisation (ICHO) is a generic term used in most jurisdictions across Australia; however, in New South Wales the preferred term is Aboriginal Community Housing Provider (ACHP). New South Wales ACHPs have been created under five different types of legislation as listed in table 3.

Table 3: Types of legislation

<i>ACHP Type</i>	<i>Legislation</i>
Local Aboriginal Land Council Association	NSW Aboriginal Land Rights Act 1983
Co-operative	NSW Associations Incorporation Act 1984
Company	NSW Co-operatives Act 1992
Aboriginal Corporation	Australian Public Company, Limited by Guarantee
	Australian Aboriginal Councils and Associations Act 1976

In addition, the New South Wales Aboriginal Housing Office (AHO) has also created the 'Management Model'. There were four such ACHPs at the time of the present study and these were either a New South Wales Co-operative or an Australian Company Ltd. The Aboriginal Housing Office (AHO) indicated in 2006 the following statistics about the ACHP sector:

- 268 registered organisations;
- 174 registered active organisations; and
- 64 meeting key performance indicators.

In 2006-7 the AHO estimated that there were 247 operating organisations in New South Wales, and 4,457 properties in the sector. This number did not include 129 properties that had been sold or 216 properties that belonged to organisations that were no longer operating. There were 190 ACHPs that agreed to participate in a Condition Assessment Survey, comprising 4336 properties. There were 57 ACHPs, comprising 121 properties, that declined to participate or could not be contacted.

South Australia

According to the South Australian Office of Aboriginal Housing (OAH) there are 54 Indigenous Community Housing Providers in South Australia. They have been created under two different types of legislation, as listed in table 4.

Table 4: Different types of legislation

<i>ICHO type</i>	<i>Legislation</i>	<i>Number</i>
Association	<i>SA Associations Incorporation Act 1985</i>	41
Aboriginal Corporation	<i>Australian Aboriginal Councils and Associations Act 1976</i>	13
Total		54

In addition, Anangu Pitjantjatjara Yankunytjatjara (APY) is the administrative body for the 15 AP indigenous community housing organisations. APY is a body corporate pursuant to amendments made by the South Australian Parliament in October 2005 to the *Pitjantjatjara Land Rights Act 1981*.

1.2.3 Defining organisational capacity

The terms 'viability' and 'organisational capacity' can be used in a number of different ways. Viability comprises the range of things that need to be in place to allow a settlement or organisation to function well at a particular point in time.

In the context of the current project, the term 'organisational capacity' refers to an organisation's ability to transform the input resources required to deliver the required outputs, ie, attain its goals. These resources include, but are not limited to, financial resources, human resources and less tangible resources, such as community support.

Capacity and viability therefore also refer to the systems internal to the organisation that enable this transformation to occur.

1.2.4 The financial viability of Indigenous housing in 2006

In the context of this study, the term 'organisational capacity' is taken to refer to the ability of an organisation, in this case an ICHO, to meet its objectives both at the present moment and into the future. Financial issues, including recurrent income and capital funding, affect the organisational capacity of ICHOs.

In fact, previous studies into this issue have tended to more or less equate organisational capacity with financial viability, ie, the ability of an ICHO to meet the costs associated with meeting its objectives from its income streams, both now and into the future. Of particular interest in this regard is another AHURI study by Jon Hall and Mike Berry, which was commissioned by AHURI as a sister project to the current study.

This study, titled *Indigenous Housing: Assessing the Long Term Costs and the Optimal Balance Between Recurrent and Capital Expenditure* (Hall & Berry, May 2006) found that ICHOs manage 21,717 dwellings or 63 per cent of Indigenous Housing across Australia. More than half of all ICHOs are in remote or very remote locations (42% very remote and 12% remote), 40 per cent are located in regional areas, and the remaining 7 per cent in major cities.

One particularly worrying aspect of the sector is that 20 per cent of stock in remote/very remote areas require a significant upgrade and 18% full replacement, at an estimated total cost of \$705m or \$141m pa for five years. Hall & Berry also identify

an average operating deficit for remote/very remote ICHOs of \$2,400/\$3,800 per dwelling at a total of \$52.6m per annum.

Hall & Berry describe the situation as 'a ruinous cycle: insufficient revenue ensures inadequate maintenance and housing management, which ensures poorer quality stock, lower proportions of potential rents (on current charging practices), which ensures further deterioration of the stock, and lower housing management expenditures which ensures even lower revenues, and so on'.³

The small scale nature of the sector (nearly 95 per cent of all Indigenous organisations managing 70 per cent of the stock have less than 100 dwellings) means that most providers do not have sufficient resources and expertise to efficiently and effectively maintain the stock, and even less to grow it. Existing revenue streams are too small to support either the costs of, or the training and ongoing staff costs associated with continuous professional housing management. Serious gaps have emerged in the quality of the financial information on sector performance that would allow policy-makers to better gauge the resource needs and performance of ICHOs. Currently, ICHOs managing almost 50 per cent of this sector's stock do not report to government on their incomes and expenditure.

On the basis of the limited data available, the annual total revenue shortfall for ICHOs in remote and very remote areas is estimated to be \$52.6 million. Further detailed data is required in order to be more precise about the full scale of the problem. At this stage it is not possible to make any estimates about ICHO financial sustainability in areas within or near urban centres. It was further estimated that 20 per cent of remote area ICHOs' housing stock require significant upgrade and a further 18 per cent complete replacement. At conservative valuations, this would require a commitment of \$705 million or \$141 million annually for five years.

The lack of both professional housing management and appropriate management information is due to the absence of a national prudential regime which has detailed reporting requirements irrespective of the source and/or provision or absence of funding support. A further factor is a paucity of funds for the development and maintenance of appropriate management techniques. A paucity of funds is primarily a function of inadequate revenue arising from a combination of current rent charging policies, the diseconomies of scale, and a lack of clear, consistent, and longstanding management funding support aimed also at developing scale in ICHO housing management.

Other factors that appear to affect the ICHOs sector include the inheritance of existing Indigenous housing management models and funding regimes that have contributed to under-staffing, low wages, high staff turnover and stress and chronic revenue short-falls. This makes ICHOs more at risk of requiring government 'bail-outs'.

Under-maintenance and overcrowding of dwellings is a prevalent though variable issue. The prevalence of transient but often long-term visitors is pervasive and can contribute to problems of overcrowding and also to dwelling damage, and increasing repair and maintenance costs. Also, community expectations about housing tenure, rent levels and support services, limits revenues to and imposes costs on Indigenous housing providers.

The increasing number of Indigenous people over 60 years of age is placing further housing and other service demands on ICHOs. There are also costs associated with

³ Jon Hall & Mike Berry, *Indigenous Housing: Assessing the Long Term Costs and the Optimal Balance Between Recurrent and Capital Expenditure*, Australian Housing and Urban Research Institute, October 2005, p.92.

compliance with government rules on quality assurance, accountability and transparency.

While it is not possible to be definitive about backlog requirements, doubt must be raised about previous estimates and there needs to be a proper quantity surveyed assessment of current ICHO stock condition, including: dwellings requiring major upgrade; the anticipated average cost per dwelling; dwellings requiring replacement and the anticipated average cost per dwelling; and whether or not any funding program should provide weightings on capital support per dwelling for upgrading and replacement, by geography, and the extent of such weightings.

The key Policy Implications of interest that derived from the Hall and Berry study were as follows:

The small scale nature of the ICHO sector (95 per cent of all ICHOs managing 70 per cent of the total stock have less than 100 dwellings), results in small revenue streams and insufficient resources to build up management capacity. One option is to introduce financial incentives to Indigenous communities to move towards financially sustainable scales of operation. This need not imply any diminution in the autonomy of particular communities to control their own settlements.

The move towards more financially sustainable scales of operation would benefit from steps to increase rent revenues for ICHOs. One option is for the recurrent funding formulae to include clear criteria accounting for revenue and cost differences due to geography and other factors as might be revealed by a subsequent, more geographically comprehensive analysis. The Australian Government, in consultation with the jurisdictions, could lead this national approach of consistent rent setting principles based on income rather than a flat amount.

An increase in maintenance expenditure and the targeting of such assistance would help address the current under maintenance of dwellings. One option is for the Australian Government to consider introducing separate capital funding for dwelling upgrading and replacement, with clear incentives that recognise Indigenous communities' efforts to manage and maintain the existing stock.

The research finds gaps in the quality of financial information on the performance of ICHOs. The quality of financial information and management skills overall could be enhanced by the provision of training and support, including database and records keeping management. One option is to adopt a national approach through the establishment of a National Indigenous Housing Training and Development Centre.

As with SOMIHs, weighting of the funding provided by governments for ICHOs could recognise the higher recurrent cost in remote and very remote areas. One option is for the recurrent funding formulae to include clear criteria accounting for cost differences due to remoteness and other factors as determined by further analysis of the ICHOs.

2 NATIONAL POLICY CONTEXT

2.1 Initiatives by housing ministers 2001-2007

This section summarises the national policy context in which ICHOs operate as of the middle of 2007. From 3 December 2004, the Commonwealth, state and territory Housing Minister's resolutions on Indigenous housing committed jurisdictions to:

- reviewing the potential for further contributions to address Indigenous housing need from mainstream housing and related programs (Resolution 1);
- strengthening the sustainability of Indigenous housing management (through both Indigenous Community Housing Organisations (ICHOs) and State Owned and Managed Indigenous Housing (SOMIH) (Resolution 2); and
- developing options for increased investment in Indigenous housing taking account of the work on resolution 1 and 2 and negotiating jurisdictional funding arrangements (Resolution 3).

For Resolution 2, the Housing Ministers Advisory Committee (HMAC) in October 2005 sought to address the capacity building challenges in the Indigenous housing sector through the following actions:

- prioritisation of organisational capacity building over the next five years of the 'Building a Better Future' (BBF) strategy implementation given that capacity building is a long-term developmental process and crucial to the effectiveness and efficiency of housing service provision in the ICHO sector;
- development of ICHO housing management capacity within agreed governance and accountability frameworks and long-term Indigenous employment outcomes through the development and delivery of targeted training, education and employment programs;
- continuation of support for ICHOs to develop and implement best practice tenancy and asset management plans;
- provision of support for the establishment of regional, state/territory and national networks for Indigenous community housing stakeholders to engage and represent their interests;
- further assessment in the BBF mid-term review of progress in capacity building and the adequacy of current resourcing for the task; and
- implementing the findings of the review of the National Framework for Design, Construction and Maintenance of Indigenous Housing and ensure improved quality assurance of new construction.

The Australian Government has been developing the Indigenous Housing Management Improvement System (IHMIS) and provided a paper on the IHMIS to HMAC out-of session on 22 December 2006. By 16 February 2007, New South Wales, the Australian Capital Territory, Queensland, Northern Territory and South Australia had responded to the paper supporting IHMIS in principle. The aim of the IHMIS is to improve housing outcomes for Indigenous people and foster long-term continuous improvement of Indigenous housing service delivery. The IHMIS is part of the governance and service delivery reform objectives occurring across jurisdictions in the Indigenous housing sector. It seeks to apply an agreed and common set of standards for governance and service delivery in each jurisdiction. Under the IHMIS, providers of Indigenous housing services are required to meet and maintain standards in order to receive government funding to deliver those services. In those circumstances where an organisation is unable to meet IHMIS standards, the IHMIS

provides agreed principles for a transfer of service delivery. The following seven key components of the IHMIS underpin its implementation.

1. Indigenous housing standards for governance and service delivery

The Standards are consistent with the approach of comparable standards such as the National Community Housing Standards, while aiming to account for the specific circumstances of Indigenous clients. All organisations providing Indigenous-specific housing services are to be certified as compliant with IHMIS Standards for governance and service delivery in order to receive funding to deliver those services.

2. Capability auditing

Capability audits will be undertaken to determine if each organisation meets the Standards for Governance and Service Delivery and will commence from 1 January 2007. Audits will review the management information provided, assessing information against performance indicators for each of the Standards. Jurisdictions have the flexibility to use existing audit processes, where appropriate.

3. Management information framework

The Management Information Framework will include the set of data to be collected and maintained by all organisations funded to provide Indigenous-specific housing services and made available to auditors and funding bodies on request. The Australian Government will require states/territories to report annually against a high-level core data set through existing reporting mechanisms. The Framework will be reviewed in 2008. The review will focus on how effectively the information collected describes organisational performance against the Standards.

4. Performance benchmarking and risk rating

Audits of organisations will be used to benchmark each organisation by ranking their performance against indicators for each of the standards and, where appropriate, weighting particular indicators according to their significance with respect to governance and service delivery. Benchmarking will be used to assign a risk rating, with all organisations which have been audited, to be risk rated from 1 July 2007. The three risk categories and their associated management actions are:

- low risk: green – ongoing funding provided, jurisdictional certification that the organisation fully meets the standards;
- medium risk: amber – interim funding provided, a performance improvement plan to achieve compliance with the Standards developed and implemented within an agreed timeframe; and
- high risk: red – no further funding provided, application of Sector Adjustment (Service Transfer) Policy.

5. Quality assurance

The process will be quality assured either through certification by the jurisdictional Auditor General that audits have been conducted in line with the IHMIS Standards or through a ten per cent quality assurance check by an independent audit firm.

6. Performance improvement, monitoring and reporting

Performance improvement, monitoring and reporting will enable organisations and jurisdictions to establish long-term continuous improvement and to ensure that standards are maintained. Those organisations which fully meet the Standards in the initial audit will be monitored by funding bodies and re-audited periodically, but at intervals of no greater than three years. If an organisation does not fully comply with the Standards and is assessed as medium risk, a performance improvement plan will

be required. The improvement plan will detail priorities, agreed timeframes, milestones, and where appropriate, strategies to address specific difficulties in meeting the Standards. The organisation will then be reassessed within the timeframes given for implementation of the performance improvement plan. Jurisdictions will be responsible for ensuring audits occur, considering audit reports and monitoring their own sector organisations.

7. *Sector adjustment and service transfer principles.*

Current Indigenous housing program and policy reforms, at state and territory and national levels, will result in sector adjustment and seek effective and sustainable service delivery of housing services to Indigenous people. Operationally, IHMIS will contribute to sector adjustment through:

- actions to support transfer of service delivery when organisations are ranked as high risk (red);
- in those circumstances where an organisation is ranked as high risk, but there is no alternative service provider available, organisational restructuring with government oversight;
- performance improvement and monitoring when organisations are ranked as medium risk (orange); and
- providing the tools for organisations to engage in continuous improvement.

Transfer of services will be underpinned by Service Transfer Principles. The Principles will apply to organisations rated as high risk and, in some jurisdictions, may also set a minimum size under which housing organisations are deemed unviable. Decisions will take account of the organisation's operating conditions (such as size, remoteness and jurisdiction) and current funding arrangements. Prior to withdrawal of funding, a transfer plan will be developed to ensure the continuation of high quality service to Indigenous clients. In the process of applying benchmarking or withdrawal of funding, jurisdictions will need to ensure that the principles of natural justice are upheld and that appropriate review or appeal processes for such decisions are in place.

In developing IHMIS elements since 29 September 2006, the Australian Government has held bilateral discussions with all jurisdictions, except the ACT, and multilateral discussions through face-to-face meetings and teleconferences of the Standing Committee on Indigenous Housing (SCIH).

2.2 Current status of sector reform and IHMIS

The Australian Government has sought full implementation of the IHMIS from 1 August 2007. Since 29 September 2006, the Australian Government has worked bilaterally and multilaterally with jurisdictions to refine the Standards and Management Information Framework and develop the implementation package further. The primary focus has been on essential elements for the commencement of capability auditing, including:

- the Standards against which organisations are to be audited; and
- the Management Information Framework describing information which organisations are required to keep and make available for auditors and/or funding bodies on request.

In addition, work commenced on Service Transfer (Sector Adjustment) principles, which sets out the basis on which any transfer of services would occur in relation to those organisations rated as high risk.

Issues raised in consultations between jurisdictions include:

- the pace of reforms and timelines for implementation, with some jurisdictions wanting to delay commencement of reforms until all IHMIS elements are finalised;
- the need for communication principles – the Australian Government has drafted Communication Principles, which incorporate input from jurisdictions, particularly South Australia, and are to be the subject of further attention by the SCIH working group;
- the provision of review/appeals mechanisms for organisations rated as medium-high risk – the Australian Government has provided for review mechanisms in the IHMIS Overview and the discussion draft of the Approach to Risk Rating;
- the relationship of IHMIS to future program directions arising from the Australian Government’s review of the Community Housing and Infrastructure Program;
- what Indigenous housing organisations are ‘within scope’ for IHMIS reforms;
- new investment to meet Indigenous housing need.

2.3 Recent state and territory government Initiatives

The evenness, the currency and the detail of reporting in this section is variable dependent upon the information that the jurisdictions made available to the research team.

2.3.1 Queensland

Background

Queensland is the state/territory with the second highest Indigenous population, with 3.1 per cent of its population (112,772 people) identifying as Indigenous, compared with 2.2 per cent nationally. Since 1991, the Indigenous population of Queensland has increased by 60.9 per cent (an increase of 42,670 people) (ABS 2002a).

Approximately 57 per cent of Queensland’s Indigenous population live in outer regional, remote and very remote Queensland, with the remainder living in inner regional Queensland and major cities. This compares to the non-Indigenous population of which approximately 80 per cent lives in inner regional Queensland and major cities (ABS 2003).

The 2006 Community Housing and Infrastructure Needs Survey (CHINS) found that Queensland had 91 ICHOs, managing 6197 dwellings. This is the third highest number of ICHOs across the nation after New South Wales (169) and Western Australia (92). Forty of these ICHOs are in urban areas and 51 are in remote or very remote areas.² Some 34 ICHOs are Community Councils on Deed of Grant in Trust communities (DOGITs), ie, discrete remote settlements (ABS 2002b:5, 6).

Programs

In early 2007, there were two housing programs funded by the Queensland Government, the ‘Community Program’ that funded housing on ‘Deed of Grant in Trust’ Communities (DOGITs) and an Aboriginal and Torres Strait Islander urban rental program. The urban program has now been ‘mainstreamed’ under Queensland’s ‘one social housing’ policy so that there is no longer separate programs for Aboriginal and Torres Strait Islander housing and public housing. Since 1992 the

² Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities – Australia (CHINS)*, Commonwealth of Australia, 2007.

Department of Housing has provided grant funding to the 34 DOGIT communities for upgrades, replacements and construction of rental properties (Queensland Department of Housing 2006a:2).

Sector reform - the 'One Social Housing' policy

In 2006, the Queensland Department of Housing commenced the implementation of its 'one social housing strategy'. As part of this strategy, the wait lists of the Aboriginal and Torres Strait Islander Housing program and the public housing program were combined. This change introduced a common application form and common waitlist criteria. The department found that a benefit of this strategy was that some Indigenous applicants were housed sooner. These changes were also to be introduced to all community and local government managed housing. Despite these changes the Aboriginal and Torres Strait Islander housing stock within the public housing system was still to be identified for Aboriginal and Torres Strait Islander people. (Queensland Department of Housing 2006a:1).

Sector reform – housing improvement program

The Queensland Department of Housing had also introduced a Housing Improvement Program with a focus on the housing providers in the 34 DOGIT communities. This program was a response to increased funding carryover, falling capital outcomes, falling maintenance, short property life, and poor tenancy management (Queensland Department of Housing 2006b). 'The new housing service delivery model has been developed to support councils in providing better housing services, including asset management (maintenance, upgrades and construction) and tenancy management functions' (Queensland Department of Housing 2006b:34). The funding priorities of this program were (1) responsive maintenance, (2) planned maintenance, (3) upgrades and replacements, and (4) new construction.

The first part of this strategy was to improve the standard and life of existing housing through a new arrangement for repairs and maintenance. Previously Community Councils used rent income for repairs and maintenance and the Queensland Government provided capital grants for new houses and cyclic repairs. This has been replaced by a new program with the following key elements:

- all repairs and maintenance to be coordinated through the Queensland Government's construction arm, QBuild;
- tenants to phone a call centre to register repairs and maintenance requirements;
- QBuild to coordinate the maintenance work. In the first instance QBuild offers Community Councils the work and the opportunity to use their tradespeople. If they do not have the capacity to take on the work, QBuild coordinates contract tradespeople.

This process was to relieve Councils from requests for maintenance and it was geared at assisting Councils to become aware of their capacity to undertake repairs and maintenance. Rent income was no longer to be used to fund maintenance; instead each community was to receive an allocated budget for repairs and maintenance: (i) tenant-driven repairs, (ii) cyclical/planned maintenance, and (iii) vacancy-maintenance expenditure.

A further strategy was to reduce the number of demolitions and replacements. This was a relatively new policy. The policy was to stop the loss of houses and to get houses back on line, rather than replace them. It was formerly the case that if the upgrade cost was \$130,000 or greater, then the house would be demolished and replaced. The new policy preference is to sustain the stock with upgrades (except if it

is structurally unsound). A priority was the maintenance and upgrades of vacant houses.

A funding incentive had been introduced to improve tenancy management (particularly rent collection) on DOGITs in order to improve long-term housing sustainability and as a short-term incentive for new housing. This involved the Department of Housing matching rental income dollar for dollar with capital funding and providing a 15 per cent incentive bonus on top of such rental income that was put towards upgrades or replacements.

A significant limitation of the Capital Works Program was the availability of contractors in remote northern Queensland. Queensland Housing had commenced a three-year indicative capital allocation so that Councils could plan short and long-term asset management. Housing funding to DOGITs was to be subject to performance against capital and service delivery standards. The Department of Housing would intervene where Councils failed to perform and did not meet tenancy management standards.

The Queensland Government had offered to take over the housing management of the 34 DOGIT communities, but only four communities had taken up the offer. The communities were to still own the housing but the Department was to manage it in a similar way that it managed public rental housing. The Department of Housing recognised that housing management was a skilled area and that there was a need to increase the numbers of people who had housing management skills within communities so that the housing management did not falter when a housing officer resigned. Consequently, the Department was advising Councils to consider the alternative of communities buying the skills that they required, by engaging project managers.

Commonwealth/State arrangements and the handover of ICHOs

From 1 July 2008 the states' community housing had to come under one banner. This was to be the transfer date, when the Commonwealth handed over responsibility for the ICHO sector to the states. ICHOs could opt in or opt out. If they opted out they would not be funded. A governance and property audit of Queensland ICHOs was underway at the time of the research. It remained unclear what exactly the state would inherit in such a transfer/handover. It was unclear if the state would inherit the funding, the tenants or the assets or a combination of such. There may be a need to effect improvements for houses before such a transfer can take place.

FaCSIA's focus on rural/remote housing

The distinction that was being made by FaCSIA (Cth) between urban and rural/remote, and FaCSIA's focus on rural/remote would have implications for the Queensland Department of Housing. These impacts were yet to play out at the time of writing.

2.3.2 New South Wales

The following section is summarised from the AHO 2005/06 Annual Report, Strategic Plan and other policy documents made available to the research team.

Sixty-five per cent (or 87,500) of the Indigenous population of New South Wales were living in metropolitan and inner regional areas and 35 per cent (or 47,400) were living in outer regional, remote and very remote areas.

Funding sources

The sources of funds for the 2005/06 Aboriginal Housing Program were (i) the Commonwealth State Housing Agreement (CSHA) state matching base (metro), AHO Upgrade, Department of Aboriginal Affairs Aboriginal Communities Development Program (ACDP) from the New South Wales Government (\$26,218,000); (ii) the ARHP, Community Housing and Infrastructure Program (CHIP), Healthy Indigenous Housing Initiative (HIHI) and National Aboriginal Health Strategy (NAHS) from the Australian Government (\$41,124,000); and (iii) further funds from other sources such as rental income (net), interest income, proceeds from asset sales (\$7,378,000).

New housing

In 2005/06 new housing totalled 45, distributed between urban (19), rural (22) and remote (4) regions.

Factors affecting home ownership

The AHO was investigating ways to increase Aboriginal people's access to home ownership options and products. A research working group was established and was looking at the factors affecting the level of ownership by Aboriginal households in New South Wales.

Housing and infrastructure review

The Indigenous Housing and Infrastructure Agreement (2005/06–2007/08) specified a review that was to seek ways to improve integration and coordination in New South Wales. The review had been conducted and it had been proposed that findings of the review would be implemented over the last two years of the Agreement.

Improving the standard of housing for Aboriginal people

Healthy Indigenous Housing Initiative (HIHI) funding, amounting to \$9.6m over a four-year period, had been negotiated as part of the Indigenous Housing and Infrastructure Agreement. These funds were prioritised for reform of the Aboriginal housing sector in New South Wales. A review of the Regional Planning Cycle was completed by others and recommended that the AHO:

- improve communications from the AHO to stakeholders;
- streamline various processes including reporting (an Information Management, Communication and Technology Plan was to be developed in 2006-7); and
- upgrade the AHO website.

AHO Aboriginal housing standards

The AHO had achieved the development of housing management standards specifically designed for the Aboriginal housing sector. A trial of the standards was completed in late 2005-6 and the AHO had approved the final standards and accreditation system for implementation in 2006-7. The development of management standards had been supported by the development of a service improvement cycle that aims to build capacity of housing providers and equip providers to gain accreditation. Accreditation provided assurances to key stakeholders that effective management practices and improved housing outcomes were in place.

The AHO Service Agreement (Partnership Charter and MOU) with the New South Wales Department of Housing was regularly reviewed and regular meetings with senior DOH staff supported the ongoing development of rent management systems. This was particularly relevant as from 2008 the AHO would require ACHPs to meet a

mandatory standard of a minimum level of performance in setting rent levels and collecting rent before they could be considered eligible for funding.

Approaches to improved asset management

The delivery of the Repairs and Maintenance Community Assets Program had been improved and a Condition Assessment Survey had been conducted on Aboriginal housing assets in New South Wales. The dwelling level data improvements were to assist the AHO to provide more accurate assessments of Indigenous housing need, priorities and funding requirements. A review of the AHO property database had tracked and documented an accurate list of AHO properties.

The AHO upgrade program

Milestones for 2005-6 were as follows:

- 182 dwellings upgraded;
- 107 dwellings completed by Aboriginal builders;
- 93 per cent of dwellings had work completed on them;
- \$5.2m for upgrading of dwellings;
- upgrade program nearing completion;
- 660 houses repaired under Repairs and Maintenance Program;
- \$10.4m granted under Repairs and Maintenance Community Assets Program.

Rollout of the Regional Aboriginal Housing Management Service in the Aboriginal community housing sector, New South Wales

The AHO Sector Reform Strategy (SRS) was examining ways to eliminate inefficiencies, cost duplication, and redirecting limited resources to service gaps and enhance direct service delivery by:

- centralising services by ACHPs (Pilot Management Model and proposed Regional Aboriginal Housing Management Services) to reduce the number of ACHPs and enable efficiencies and economies of scale;
- facilitating the growth of financially viable and self-sustaining organisations;
- growing the number of skilled staff and improving management and governance practices;
- delivering culturally appropriate services tailored to meet the unique needs of tenants; and
- developing effective remedial strategies to protect and secure housing assets.

Stage 1 of the Sector Reform Strategy for Aboriginal community housing in New South Wales

SRS stage 1 had largely been funded through the HIHI for projects that improved the governance and management of New South Wales Aboriginal community housing. As at 2006, a comprehensive Project Plan had been developed, which included the following projects:

- scoping the capacity of ACHPs (nearing completion);
- researching lessons learnt from current Management Model pilots (current);

- surveying the condition of approximately 4600 community-managed properties (completed);
- reviewing the current system of dwelling level data collection and reporting for better social planning and resource allocation (current);
- identifying and developing necessary support services for ACHPs at risk of administration (current); and
- planning a training needs analysis of the ACHP sector (current).

2.3.3 Victoria

Background

According to the Australian Bureau of Statistics (ABS), Victoria is the state/territory having the lowest Indigenous population, with only 0.5 per cent of its population (25,078 people) identifying as Indigenous, compared with 2.2 per cent nationally.³ Since 1991, the Indigenous population of Victoria has increased by 49.9 per cent (ie, from 16,729 people), slightly below the 54.5 per cent increase throughout Australia.⁴

More than half (13,063 people or 52.1%) of Indigenous Victorians live in rural areas (ie, outside the Melbourne metropolitan area), compared to 72.5 per cent of the general population.

The 2006 CHINS found that Victoria had 22 Indigenous Housing Organisations (IHOs) managing 469 dwellings. All of these IHOs were located in non-remote areas. Two were discrete communities, and the remainder were dispersed urban housing. Twelve of Victoria's IHOs managed less than 20 dwellings, two managed 50-99 dwellings, and none managed more than 100 dwellings. Some 29 per cent of dwellings managed by these IHOs needed major repairs or replacement.⁵

However, at the time of writing, a major policy change was about to transform the landscape with regard to Indigenous housing in Victoria. Over the last few years, the Office of Housing:

has been working with the AHBV [Aboriginal Housing Board of Victoria] to transform it into an independent community-housing organisation, with responsibility for the management and development of the Aboriginal Rental Housing Program. This transition to independence will see the transfer of approximately 1,300 public housing tenancies and the utilisation of rental revenue under the Housing Provider Framework to expand and maintain housing stock for Indigenous tenants.⁶

When implemented, this initiative will effectively more than quadruple the number of dwellings managed by ICHOs in Victoria, with more than three-quarters of dwellings owned and managed by the AHBV.

³ 2006 CHINS Survey (ABS 2007).

⁴ Australian Bureau of Statistics, *A Snapshot of Victoria*, updated 3 February 2006 and Australian Bureau of Statistics, *A Snapshot of Australia*, updated 3 February 2006

⁵ Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities – Australia (CHINS)*, Commonwealth of Australia, 2007.

⁶ Office of Housing, *Victorian Homelessness Strategy Indigenous Service Mapping Project, Housing & Community Building (H&CB) Division, Response to Report Recommendations*, undated, [http://hnb.dhs.vic.gov.au/OOH/ne5ninte.nsf/9e58661e880ba9e44a256c640023eb2e/f52929542ad52dc6ca25727d0007f7c2/\\$FILE/final_report_indigenous_service_mapping_project.pdf](http://hnb.dhs.vic.gov.au/OOH/ne5ninte.nsf/9e58661e880ba9e44a256c640023eb2e/f52929542ad52dc6ca25727d0007f7c2/$FILE/final_report_indigenous_service_mapping_project.pdf), visited 14 March 2007.

Funding programs

The Housing and Community Building Division provides a range of housing assistance for low-income Victorians. The division works in partnership with local communities and the housing sector to address disadvantage and create vibrant communities in which people have access to secure, affordable and appropriate housing. The range of housing assistance includes long-term, public, community and Aboriginal housing, homelessness assistance, crisis and transitional housing, Neighbourhood Renewal, home ownership assistance, private rental assistance and related support services.⁷

In 2005–06, the department developed a package of construction and spot purchase projects in partnership with Victoria's five not-for-profit housing associations. The Government's contribution will be leveraged by all housing associations to purchase or develop new housing units for a range of client groups, including singles, older people, couples and families, and people with a disability. The homes will be spread across Victoria, providing much needed affordable housing in areas of high demand.

Two hundred and sixty units were added to the supply of social housing provided in partnership with not-for-profit agencies in 2005–06.⁸

The Support for High-Risk Tenancies project will provide an action plan to increase access to and support for those most in need in public housing. This work includes baseline profiling of the high-risk group and outlines mechanisms and tools at local and systemic levels to improve access to support. The project will continue to inform central and regional activities over the next twelve months of implementation.⁹

Over the past three years, the department has piloted the Indigenous Tenancies at Risk project. Two Indigenous-specific agencies were funded to assist Indigenous tenants at risk of eviction arising from circumstances such as overcrowding, financial difficulty or poor health. In 2005–06, the department translated learnings from the Indigenous Tenancies at Risk pilot project into a new statewide program. In July 2006, the Housing Support for Indigenous Tenants program commenced in all areas of Victoria where high concentrations of Indigenous tenants have been identified.¹²

Sector reform – confusion over funding for Indigenous housing

In recent times, there has been a significant amount of change within Federal policy directions regarding funding for Indigenous housing. In particular, the Commonwealth Minister for Families, Community Services and Indigenous Affairs has made a number of statements announcing an intention to redirect Indigenous housing funds from major urban centres to remote communities, while at the same time drawing attention to the need for reform in this sector.

⁷ Department of Human Services, *Annual Report 2005-06*, State of Victoria, Melbourne, October 2006, p.48.

⁸ Department of Human Services, *Annual Report 2005-06*, State of Victoria, Melbourne, October 2006, p.19.

⁹ Department of Human Services, *Annual Report 2005-06*, State of Victoria, Melbourne, October 2006, p.20.

¹² Department of Human Services, *Annual Report 2005-06*, State of Victoria, Melbourne, October 2006, p.40.

These views were mirrored in the Review of the Community Housing and Infrastructure Program (CHIP), *Living in a Sunburnt Country*, released in March 2007. The CHIP Review recommended abolishing CHIP, and replacing it with a new program that is to focus 'on remote and very remote Indigenous communities where the housing need is greatest and making sure that people living in areas with mainstream alternatives have fair access to those alternatives'.

The primary concern for ICHOs is that the policy directions regarding funding for new and replacement housing in urban, regional and remote areas will remain unclear until the policy parameters for a new program are announced.

Transfer of ARHP dwellings from Office of Housing (OoH) to the Aboriginal Housing Board of Victoria (AHBV)

Aside from Commonwealth funding, the factor that dominates the policy landscape regarding Indigenous housing in Victoria is the transfer of all AHRP dwellings from the Office of Housing (OoH) to the Aboriginal Housing Board of Victoria (AHBV), and the related transformation of the AHBV from SOMIH to ICHO status. This change will affect some three-quarters of Aboriginal social housing stock in Victoria.

This policy was formalised in the context of the 2005-06 Housing Provider Framework which aimed at strengthening funding and accountability arrangements with mainstream community housing providers.

[The Framework] involves five-year leases for housing providers, is designed to focus on client outcomes, accountability and transparency, and streamline the diversity of legacy arrangements. Rental housing cooperatives and a number of larger community housing organisations are expected to be the first to sign new leases from July 2006. Other organisations will move to the Housing Provider Framework through a staged rollout to be completed by December 2008.¹³

Indigenous housing joint planning committee

The final area of sector reform in Indigenous Housing in Victoria is the establishment of an Indigenous Housing Joint Planning Committee in 2004. This Committee has operated as the peak body that provides input into all major Indigenous housing planning decisions, and has developed a three-year Indigenous Housing Plan for the period 2005-08.

The committee brings together representatives from State and Commonwealth governments, the Aboriginal Housing Board of Victoria and Indigenous Community Housing Organisations. In September 2005, community representatives were chosen through a formal election process.

In 2005-06, the Joint Planning Committee ... convened the first regional community forum to canvass the views of Indigenous Victorians and provide an opportunity to contribute to planning processes. The committee also endorsed the development and delivery of a Certificate 4 in Social Housing for the Victorian Indigenous housing sector under the Commonwealth-funded Healthy Indigenous Housing Initiative.¹⁴

¹³ Department of Human Services, *Annual Report 2005-06*, State of Victoria, Melbourne, October 2006, pp.11-12.

¹⁴ Department of Human Services, *Annual Report 2005-06*, State of Victoria, Melbourne, October 2006, p.39.

2.3.4 Northern Territory

Background

According to the Indigenous Housing Authority of the Northern Territory (IHANT), the Northern Territory is the state/territory with the highest Indigenous population (although this is only relatively speaking), with 25 per cent of its population identifying as Indigenous, compared with only 2.2 per cent nationally. The 2006 CHINS found that the reported population of discrete Indigenous communities in the Northern Territory totalled 41,681 – just under half of the nationally reported population (92,960).¹⁰

Using the Accessibility/Remoteness Index of Australia (ARIA), 96 per cent of these communities were classified as ‘very remote’ or ‘remote’. No communities were classed as ‘highly accessible’. The CHINS survey data conducted in 2001 estimated that \$850m was needed to remedy the backlog of housing demand in the Northern Territory which equates to approximately 5,000 houses that need to be constructed in Indigenous communities.¹¹

Public Housing, private rental housing and other mainstream forms of housing support are only available in the major centres and smaller townships, such as Adelaide River, Batchelor, Borroloola, Elliott, Pine Creek and Mataranka. Options for housing in most remote communities comprise:

- community housing (existing, IHANT-built or NAHS-built houses) for community residents;
- government employee housing provided by the Northern Territory Government to its employees living and working on Indigenous communities; and
- community council funded housing for council employees.

IHANT currently supports approximately 6,000 houses in more than 700 recognised rural and remote communities in the Northern Territory. These communities range in size from 2,550 persons to small homeland communities that may only have five to ten residents.¹² According to the 2002 NATSISS, the ICHO sector housed 48.4 per cent of Indigenous households in the Northern Territory, with a further 17.5 per cent in public housing. There are no SOMIH dwellings in the Northern Territory (nor in the Australian Capital Territory).¹³

Funding programs

According to its Annual Report, IHANT delivers four main funding programs:

1. Construction Program

This program directs funding for the construction of new housing and major upgrades and renovations of existing stock to ICHOs, which has totalled between

¹⁰ Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities – Australia (CHINS)*, Commonwealth of Australia, 2007.

¹¹ Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities – Australia (CHINS)*, Commonwealth of Australia, 2002b.

¹² Indigenous Housing Authority of the Northern Territory, *2004/05 Annual Report*, p.19.

¹³ Hall & Berry 2005, p.2.

120 and 240 units over the last five years. Generally this is informed by a 'Housing Needs Report' covering the area in question.¹⁴

2. Housing Management Program

This program funds ICHOs managing a minimum of 15 dwellings at \$500 per house to a maximum of \$40,000 to:

- employ a housing manager and/or at least one local (Indigenous) housing officer;
- achieve the minimum standards for housing management; and
- conduct regular housing surveys on all houses managed by the organisation.

3. Maintenance Program

This program provides for the allocation of maintenance funding of \$1,700 per house (dependent on condition and level of amenity) to an organisation that has sound housing management practices in place.

4. Land Servicing Program

This program provides serviced sites for community housing. This includes the provision of reticulated engineering services (water, sewerage and power) to lots identified through the community planning process. It uses community serviced land availability program maps, homelands community plans, Community Information Access System (CIAS) housing needs data and the Housing three-year rolling program to determine the requirements to service land.

Pooled funds

In December 2005, the Northern Territory and Australian Government signed an *Agreement for the Provision of Housing and Infrastructure for Indigenous People in the Northern Territory* for the remainder of the term of the Commonwealth State Housing Agreement, ie, the period December 2005-June 2008. Under the Agreement the two governments agreed to 'work towards greater integration of planning and provision of housing, related infrastructure, essential services, municipal infrastructure and municipal services for Indigenous people'.

Under the Agreement more than \$80m of annual funding from the following programs was pooled:

- Aboriginal Rental Housing Program (CSHA);
- components of the Community Housing and Infrastructure Program including:
 - National Aboriginal Health Strategy (NAHS) housing and housing related infrastructure; and
 - Healthy Indigenous Housing Initiative (HIHI), Indigenous Community Housing Organisation governance component.
- Indigenous Housing (Northern Territory Government).

Under these new pooled arrangements and through the NTIHP, the government aims to increase the access for Indigenous people to affordable and appropriate housing, improve management of housing in Indigenous

¹⁴ SGS Economics and Planning Pty Ltd, *Levers to Promote Affordable Housing in the Northern Territory*, NT Shelter, January 2007, p.39.

*communities and promote employment and training for Indigenous people in housing management and construction.*¹⁵

*Two positions have been created in northern and southern regions to assist ICHOs develop housing management plans and deliver programs aimed at increasing the capacity of organisations to implement such plans. The Indigenous Housing Authority of the Northern Territory (IHANT) conducted community workshops with ICHO-elected members and key staff on the development of housing management plans. More specifically, IHANT developed a housing management plan template that can be provided electronically to ICHOs to assist them implement the planning process.*¹⁶

Sector reform – the Local Government Act

In October 2006, the Minister for Local Government announced a far-reaching structural reform program for local government in rural and remote areas of the Northern Territory. The proposed reform would result in a new system of municipal shires and new regional shires to cover the whole of the Northern Territory by 1 July 2008.

A number of reforms are to be implemented, including: regional shire administrations, legislative and planning frameworks, local government boundaries, funding arrangements, and service delivery systems. In addition, a Local Government Advisory Board will provide advice directly to the Minister. The Board will include an independent chair and representatives from regional areas, the local government sector and industry stakeholders. Municipal and regional shires will be encouraged to work together and share resources through regional plans and agreements.¹⁷

This reform is likely to have significant impacts on ICHOs, in that it creates uncertainty regarding the responsibility for the delivery and funding of municipal infrastructure and services. In particular, this may affect the way in which the *Agreement for the Provision of Housing and Infrastructure for Indigenous People in the Northern Territory* operates.

2.3.5 South Australia

South Australia is fairly unique compared to the rest of Australia in its policy context for Aboriginal housing, including its:

- history of housing;
- demography of the Aboriginal population;
- housing needs;
- housing services; and
- limitations with housing on Aboriginal community lands.

Historically, Aboriginal Housing in South Australia has been community-led and driven with contributions from mainly religious organisations from the first colonial contact onwards. While public housing was available to Aboriginal South Australians, targeted

¹⁵ DLGHS - Housing for Indigenous People (<http://www.dcdsca.nt.gov.au/ih> - accessed 12/2/07).

¹⁶ Hall & Berry, p.11.

¹⁷ Elliott McAdam, *Statement from the Minister for Local Government: Local Government Reform in the Northern Territory*, Minister for Local Government, 11 October 2006

Aboriginal Public Housing within South Australia as we know it today was only established in the 1970s.

South Australia has a relatively small Aboriginal population in comparison to other jurisdictions within Australia. The population is approximately 7 per cent of the Indigenous Australian population and 2 per cent of the total population within the state.

South Australia also has one of the highest occurrences of Indigenous housing need relative to its population across the eight jurisdictions within Australia. This includes:

- overcrowding: South Australia rates the fourth highest in need in overcrowding;
- property condition: South Australia has the third highest percentage of poor property condition;
- homelessness: South Australia has the second highest percentage of homelessness relative to population in Australia;
- affordability stress: South Australia has the fifth highest percentage of affordability stress in Indigenous households across the jurisdictions; and
- connection to essential services: South Australia rates as the second highest in need with Western Australia.

In May 2006 significant reforms took place in the Housing portfolio within South Australia. In July 2007 Housing SA had commenced the delivery of housing services and products to replace the South Australian Housing Trust, the Aboriginal Housing Authority, and the South Australian Community Housing Association.

The changes were predominantly within the Aboriginal Housing Authority, whereby the Authority and the Board of Management dissolved, and administrative responsibilities were separated and included within different divisional areas within Housing S A. Replacing the Aboriginal Housing Authority was:

- the Office for Aboriginal Housing, Affordable Housing & Sector Development;
- Aboriginal Asset Services, Asset Services, Housing Services; and
- Aboriginal Housing Services, Housing SA South, Housing Services.

Service delivery staff were relocated to Housing SA Regional Offices to deliver housing services to Aboriginal tenants of the State Owned and Managed Indigenous Housing (SOMIH) program.

The Office for Aboriginal Housing had responsibility for the strategic management and coordination of Aboriginal Housing in South Australia. Some of the responsibilities included:

- development, implementation, management and monitoring of deliverables against South Australia's Aboriginal Housing policy frameworks;
- negotiation of funding of services and products with partners;
- delivery of specialised services targeted to Aboriginal people, for example, the Safe Tracks Strategy and the Community Housing Program; and
- research, evaluation, policy development, community development and service improvement.

Land tenure has limited the housing options available to Aboriginal South Australians living on Aboriginal lands. The Community Housing Program (CHP) was designed specifically with flexibility in order to be able to provide housing assistance to Aboriginal people on community lands. It has provided assistance to deal with the

multiple tenures held by those organisations participating in the program. Tenures include:

- leases held through the *Aboriginal Lands Trust Act 1966* (ALT), where the land is owned by the crown and held in trust through the Aboriginal Lands Trust, with the leases being provided by the ALT for management of the land;
- *Anangu Pitjantjatjara Yankunytjatjara Lands Right Act 1981*, where ownership resides with the community and is managed by the Anangu Pitjantjatjara Yankunytjatjara Executive Board;
- *Maralinga Tjarutja Lands Right Act 1984*; and
- freehold title, whereby land has been granted by the Indigenous Land Corporation to an Indigenous Community Housing Organisation.

The Community Housing Program is delivered in partnership with the Australian Government. Funding has remained relatively constant over the duration of housing agreements between the Australian Government and the Government of South Australia at around \$12.7m annually. The level of funding to the program has been too low to allow any further developments on how the program is delivered.

2.3.6 Western Australia

Background

Western Australia has the third highest Indigenous population, with 3.2 per cent of its population (58,496 people) identifying as Indigenous, compared with 2.2 per cent nationally. This represents an increase of 15.2 per cent (7,703 people) since 1996 and an increase of 40.0 per cent (16,727 people) since 1991. In June 2001, the majority of Indigenous people lived in major cities, with 12.2 per cent living in inner regional areas, 9.8 per cent in outer regional, 4.8 per cent in remote and 2.6 per cent in very remote.

The Community Housing and Infrastructure Needs Survey (CHINS) found that Western Australia had the largest number of remote and very remote IHOs. It has 34 providers servicing 121 communities with 2,261 houses.

Programs

The Aboriginal Housing and Infrastructure Directorate (AHID) within the Department of Housing and Works managed and administered the Housing Management and Support Policy which evolved following the abolition of ATSIC. It had been developed under the framework of the Agreement for the Provision of Housing and Infrastructure for Aboriginal and Torres Strait Islander people in Western Australia July 2002–June 2007. Under the Agreement:

- state and Commonwealth housing and infrastructure funds were to be placed into a common funding pool;
- the AHID was responsible for program management and administration of the common funding pool;
- through the planning process, projects were to be identified and assessed against regional priorities; and
- the Aboriginal Housing and Infrastructure Council (AHIC) was responsible for strategic planning and policy in relation to housing and infrastructure.

The AHID, through its Sustainability and Development section, provided operational funding support to Indigenous Housing Organisations (IHOs) and larger communities. The funding was determined through a funding formula based on the total number of houses managed and the responsibility of the IHOs and communities meeting minimum thresholds.

Sector reform

The goals of the Housing Management and Support Policy were to improve the capacity, governance, sustainability and management of Indigenous housing organisations and Aboriginal communities to maintain and improve living conditions throughout Western Australia. Four components of the program had been established to assist this process.

1. 'Operational Support' was to assist IHO/resource agencies to manage community housing effectively. Eligibility was to be determined by the IHO/resource agencies meeting certain criteria including having a proven record in providing a quality service to Aboriginal people.
2. The 'Repairs and Maintenance Subsidy' was to assist Indigenous communities and IHOs that managed remote community housing. It was provided on the basis that communities match the funding provided by AHID as well as having adequate rent collection levels.
3. 'Training and development' was to be offered through governance training, and Housing Officers were to undertake Certificate 1V in Community Social Housing.
4. The 'Indigenous Housing Management System' (IHMS) was a PC-based program that assisted IHOs manage their houses. It assisted in the management of applications, tenancies, properties, property maintenance and in the collection of data required to meet Commonwealth and state reporting requirements.

Commonwealth/state arrangements

With the abolition of ATSIC, the Australian Government and the state of Western Australia had agreed to establish interim arrangements for 2004/05 with a further agreement to be developed and commenced from 1 July 2005. Funds originally allocated to ATSIC were to be pooled for the Housing Management and Support Policy, managed and administered by the AHID.

3 RESEARCH PROCESS AND METHOD

3.1 Research process

Project plan

The research team was notified verbally in late 2005 that it would be awarded a contract for the project. A Project Plan was prepared based on the successful application.

User group

A User Group was established by AHURI with representation from each state/territory jurisdiction Indigenous housing agency. The Project Plan was circulated to this User Group for comment and a teleconference held with them on 28 November 2005 with representatives from the research team, AHURI-WA, AHURI, FaCS, QLD, WA, and SCIH. Feedback gained was used to modify the Project Plan accordingly. The contract was awarded to Murdoch University by AHURI via their Letter of Offer of 15 December 2005.

Discussion paper one

Discussion Paper 1 (DP1) was prepared in which a brief policy review was presented as well as a series of viability factors and methods. This was distributed to User Group members in March 2006 for comment.

Workshop one

Workshop 1 was held in Canberra on 4 April 2006 and all jurisdictions on the User Group were represented except Western Australia and Queensland. Final feedback on DP1 was received in May from User Group members.

Selection of cases

User Group members were asked to nominate ten ICHOs each in their respective jurisdictions which would form the basis of a case study approach. Only two from each jurisdiction would be visited for face-to-face surveys. Jurisdictional officers were asked to assess the organisational capacity (performance) of the 60 ICHOs across Australia on a three-point scale, with 1 representing 'concerns', 2 being 'sound/fair' and 3 being 'good'. QLD, New South Wales, Victoria, South Australia, Northern Territory and Western Australia each provided a list of ten ICHOs based on recommended selection criteria for initial desktop study.

New South Wales provided additional funding for an expanded survey and provided their list of ten ACHPs based on recommended selection criteria for initial desktop study. Six of these were subsequently selected for visitation and detailed profiling in order to highlight viability factors at work.

South Australia provided additional funding for an expanded survey and provided a list of thirteen ICHOs based on recommended selection criteria for initial desktop study. Eight of these were subsequently selected for visitation and detailed profiling in order to highlight viability factors at work. However, this included five case study groups that represented a single regional governance arrangement (APY Lands).

Discussion paper two

Discussion Paper 2 was distributed to User Group members in August 2006. This contained further development of the viability factors and the survey instrument for comment.

Workshop two

Workshop 2 was held in Adelaide on 10 August 2006 and all jurisdictions on the User Group were represented, except Western Australia and Queensland.

Indigenous research ethics protocols

The Murdoch University Human Research Ethics Committee approved the project on 25 July, 2006 making the point: 'The Committee commend the researcher for the careful attention to conveying the way the cultural sensitivities involved in this project will be addressed'. (Project Permit Number = 2006/215.)

Pilot cases with survey instruments

The survey instruments were finalised after being piloted with an ICHO in Queensland and another in Western Australia.

Telephone surveys

As part of the research methods, it was proposed to conduct telephone surveys of the 10 ICHOs selected by each jurisdiction minus those to be visited. Telephone surveys commenced with an abbreviated survey instrument, but could not be completed due to the widespread lack of response from the targeted ICHOs.

Fieldwork to visit case study sites

Fieldwork at all sites involved semi-structured interviews and focus groups based on the full survey instrument. These were completed in the second half of 2006.

Additional cases

New South Wales and South Australia funded the inclusion of four and seven additional case studies respectively, over and above the one or two selected for their jurisdiction from the ten, and these were also visited in the second half of 2006. An application was forwarded to AHURI for inclusion of Victoria as an additional field case and this was awarded in January 2007. The visits occurred later that month.

Case profiles

After each field visit, the field notes and survey instrument form were transferred to both an excel spreadsheet and a case profile. The case profiles were written up supported by triangulation with documentation and follow-up interviews. The case profiles were sent back to respondents for comment and changes made where required.

Case data analysis

Analysis of case data was conducted in three ways and is described in the following section.

Reporting

Progress reports were prepared for AHURI quarterly. Presentations on preliminary findings were made as follows:

- SCIH roundtable in Brisbane by Dr Martin Anda on 16 November 2006.
- New South Wales AHO in Parramatta by Dr Martin Anda and Frederick Spring on 27 February 2007.
- FaCSIA in Canberra by Dr Martin Anda and Frederick Spring on 1 March 2007.
- South Australia AHO in Adelaide by Frederick Spring on 2 April 2007.

- Australian Social Policy Conference, Sydney by Mr Karel Eringa on 11 July 2007.
- AHURI/DHW seminar in Perth by Mr Karel Eringa on 20 September 2007.
- RAI Indigenous Housing Conference by Dr Martin Anda on 26 October 2007.

Draft final report

A draft Final Report was prepared and distributed to User Group members in November 2007 for comment.

Workshop three

The third and final workshop was conducted on 12 February 2008 in Perth to discuss findings and policy implications. Feedback collected from the workshop and afterwards was used to amend the Final Report accordingly.

Final Report

A Final Report was prepared for publication by AHURI. It was presented to SCIH members for a 10-day comment period after which revisions were made before publication.

Research and Policy Bulletin

The Final Report has been summarised into a short Research and Policy Bulletin and this has been distributed widely to researchers, policy-makers, and other stakeholders.

3.2 Viability factors

Discussion Papers 1 and 2 identified through literature review the viability factors affecting the capacity of ICHOs, with particular reference to the National Community Housing Standards. The papers identified four main viability factors, being:

1. **location**: refers to the jurisdiction, degree of remoteness and type of settlement;
2. **governance**: includes both internal (organisational management and the range of services provided by the organisation) and external factors (government policy and links to other organisations);
3. **human resource management**: refers to both paid and unpaid functions, including skills development, linked training, and recruitment and retention of staff, enterprise and employment development, and community participation; and
4. **housing management**: refers to dwelling numbers and condition, tenancy management, rent setting and collection, and external grant funding.

Each of the four viability factors was then divided into three to five indicators, with a total of 16 indicators. For each of these indicators, between one and six measurements were subsequently devised, which were then tested in a series of telephone and face-to-face surveys. The relationships between the four viability factors and the 16 indicators are listed in Table 5 below.

Table 5: Viability factors and indicators

<i>Viability factor</i>	<i>Indicator</i>
1. Location	i. Jurisdiction ii. Degree of Remoteness (ARI i.

<i>Viability factor</i>	<i>Indicator</i>
2. Governance	iii. Settlement Type (Memmott & Moran) i. Organisational Management ii. Range of Services iii. Government Policy iv. Links to other Organisations
3. Human Resource Management	i. Recruitment and retention of staff ii. Skill Development Strategy iii. Linked Training iv. Enterprise and Employment Development v. Community Participation
4. Housing Management	i. Housing Stock ii. Management Systems iii. Rent Setting and Collection iv. External funding

3.2.1 *Viability and Location*

The geographical location of an ICHO affects its viability in a number of ways. Many studies regard location on a two-dimensional scale, most often as the degree of remoteness. However, project participants raised significant doubts about whether a simple scale can accurately reflect the impact that an ICHO's location may have on its organisational capacity. This is of concern, because location was identified by the Hall and Berry study as a key determinant of the financial viability of Indigenous Housing Organisations.

In order to capture the different ways in which an ICHO's location can affect its viability, this study looks at two aspects of location:

- degree of remoteness; and
- the settlement type.

Degree of Remoteness

The degree of remoteness of an ICHO has a direct impact on its viability. For instance, opportunities for professional development and sharing experiences and expertise ('best practices') with other organisations often decline as travel time increases with the degree of remoteness. Furthermore, ICHOs in 'discrete bounded settlements' and 'dispersed urban housing' areas may have better access to services such as power, water and sewerage, which will also have an impact on viability.

The 'Accessibility/Remoteness Index of Australia (ARIA) has been adopted by various Australian Government departments (eg, the Department of Health and Ageing) in a variety of forms for a variety of purposes. While ARIA provided a method to quantify remoteness, the index itself does not provide a geographical classification. When developing the ASGC (Australian Standard Geographical Classification) remoteness classification, the Australian Bureau of Statistics incorporated some fundamental adaptations to the original ARIA. The ASGC remoteness areas are shown in Figure 4 below.

In Workshop 1, the User Group agreed that the categorisation of remoteness extending to 'Very Remote' was not sufficient. For this project, the User Group agreed

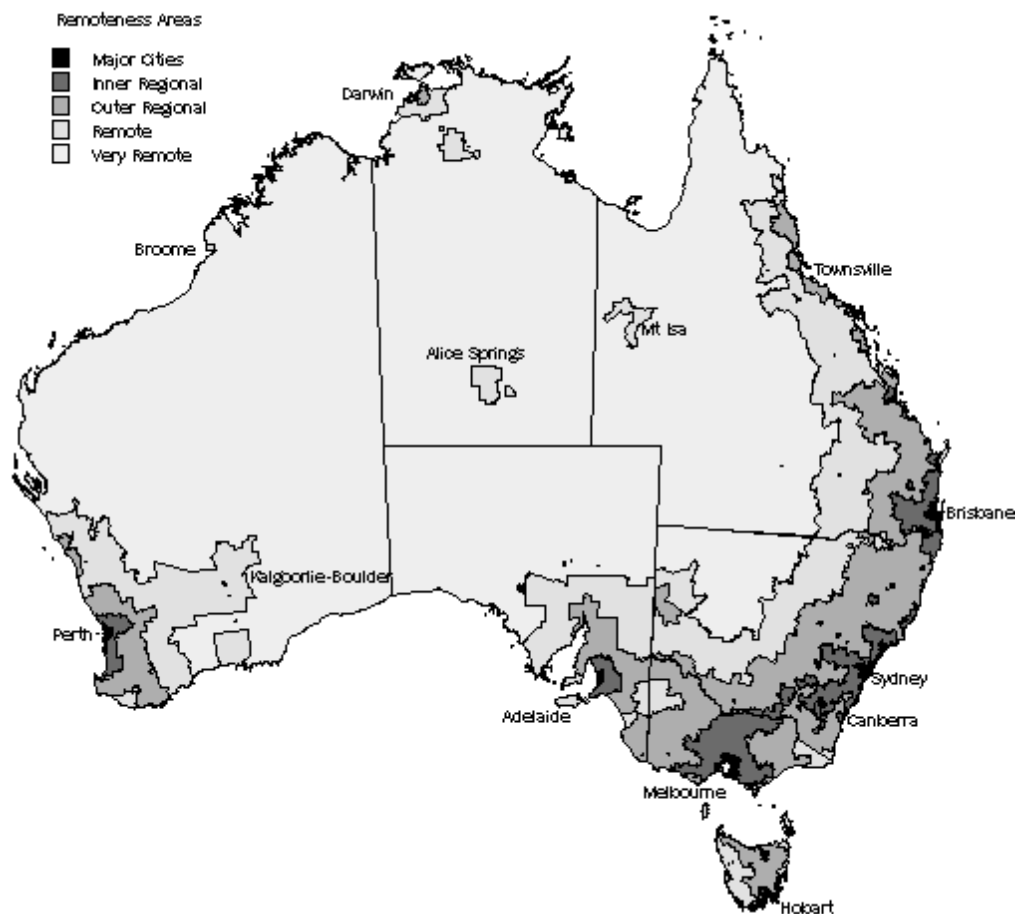
to add the following categories in order to better differentiate between ICHOs' degrees of remoteness:

- *Very very remote* = annually inaccessible by road during the wet season, eg, settlements in the far north of mainland Australia;
- *Very very very remote* = inaccessible by road all year round, eg, remote island settlements as well as a number of settlements in the far north of mainland Australia.

This resulted in a seven-tier scale indicating degree of remoteness:

1. HA (Highly Accessible: eg, capital city, major regional centre);
2. A (Accessible: inner regional, major regional centre, rural centre);
3. MA (Moderately Accessible: outer regional, rural centre);
4. R (Remote: removed from rural and regional centres, with all-weather road link);
5. VR (Very Remote: removed from rural and regional centres, with road link of varying reliability);
6. VVR (Very Very Remote: annually inaccessible by road during the wet season); and
7. VVVR (Very Very Very Remote: inaccessible by road all year round).

Figure 4: Map of the Australian Standard Geographical Classification (ASGC) remoteness areas



Settlement type

Memmott and Moran¹⁸ distinguished three types of discrete bounded settlements (DBS) as follows:

DBS1: Discrete settlements geographically separate from other centres;

DBS2: Discrete urban settlements and town camps within or on the outskirts of an urban or rural centre; and

DBS3: Outlying discrete settlements dependent on a larger centre for infrastructure or services, eg, outstations, homelands and pastoral settlements.

Memmott and Moran also distinguished two broad types of Indigenous dispersed settlement in urban townships (or dispersed urban housing (DUH)).

DUH1: Dispersed Indigenous housing and communal facilities in a capital city or major regional centre.

DUH2: Dispersed Indigenous housing and communal facilities in rural centres, including those with a majority Indigenous population.

The settlement type served by an ICHO is likely to have a profound effect on the ICHO organisational capacity. In part, this impact occurs because of the correlation between settlement type and geographical location, and the fact that the geographical location of the community directly influences its operating costs. However, governance, housing management systems, community participation and the extent of network of links with other organisations are all factors that are determined partly by settlement type rather than by geographical location.

3.2.2 Viability and governance

Governance is widely recognised as a key determinant of the viability of Indigenous Housing Organisations. In the context of the current project, governance can be viewed as the processes that allow an ICHO to deliver appropriate housing outcomes for the people that it serves. Put differently, an ICHO cannot deliver appropriate housing outcomes if it does not have effective and appropriate governance systems in place.

This project considers four aspects of governance: organisational management, the range of services, government policy, and links to other organisations. The sections below investigate each of these aspects in turn.

Organisational management

This indicator looks at the way formal structures within an ICHO (including its form of incorporation, bureaucratic processes, dispute resolution procedures, cultural protocols, strategic plan, business plan, risk management strategy, information technology systems and entrepreneurial processes), impact on the ability of an ICHO to deliver appropriate housing outcomes.

¹⁸ Paul Memmott and Mark Moran, *Indigenous Settlements of Australia*, Australia: State of the Environment Second Technical Paper Series (Human Settlements), Series 2, Department of the Environment and Heritage, 2001.

Range of services

This indicator looks at the number and type of services provided by each ICHO in addition to housing. As stated elsewhere in this paper, some ICHOs provide housing services only, while others provide a range of other services as well. There are a number of potential links between the range of services provided by an ICHO and its organisational capacity.

Government policy

This indicator recognises that a number of major policy changes (eg, the development of Building a Better Future (BBF), the abolition of ATSIC, the development of IHMIS, CDEP and CHIP reform) as well as many minor ones, have impacted on the ICHO sector over the last five years. In order to establish the importance of these factors and the causality, this indicator first looks at the number and extent of government policy changes that have impacted on an ICHO. It then tries to determine the extent to which each ICHO has been engaged by government officers and supported after the implementation of any significant reforms.

Links to other organisations

Hall and Berry (2005) presented evidence that ICHOs operating in very remote and remote areas tended to be less financially viable than those operating in regional and metropolitan areas. In addition, there is anecdotal evidence that suggests that this negative correlation with the degree of remoteness extends to broader organisational capacity; this link will be investigated through the degree of remoteness indicator (see Section 4.1.1). Cost factors aside, one reason why organisational capacity might be negatively affected by the degree of remoteness is that more remote organisations have fewer opportunities to establish links with other organisations.

3.2.3 Viability and human resource management

Hall and Berry (2005) identified human resource management as a key factor in the financial viability of Indigenous Housing Organisations. There is no doubt that human resource management is a key aspect of the broader organisational capacity of ICHOs as well. The project has identified five indicators of human resource management: skills development strategy, linked training, enterprise and employment development, community participation and recruitment and retention of staff.

Skills development strategy

ICHOs can build their capacity for improved viability through offering their employees ongoing professional development. The measure proposed for this indicator is whether or not the ICHO has a training plan in place for up-skilling its employees.

Linked training

Training of staff, management committee members and others in the community is an important element of human resource management. Training provides a means for each individual ICHO to ensure that its people attain and are able to update all of the skills required to perform the duties associated with their positions. From the perspective of the viability of the ICHO sector as a whole, it is important that training is linked and accredited in order to enable people to transfer their skills between positions and between organisations. This indicator will establish the way in which ICHOs conduct their training activities, the way in which ICHOs ensure that training is relevant to the position of the person being trained, and the extent to which training is linked and accredited in order to ensure transferability.

Enterprise and employment development

There are specific areas of enterprise and employment development that have enabled the viability of ICHOs to be improved. The measures for this indicator can be whether or not enterprise and employment development opportunities have been exploited for any of the following areas:

- housing construction;
- housing maintenance;
- tender preference system;
- Indigenous business network; and
- employment and training.

Community participation

ICHOs require active participation of the community in their operations if they are to be sustainable in the long term. In addition, Indigenous community participation in housing services is one way of enabling self-determination for Indigenous people and corresponds with Implementation Strategy 2.4 of *Building a Better Future*.

There are a number of ways in which this participation can occur: through an elected management committee with chair, informal and formal consultation processes with community members, and through employment of community members in management and operations. There can also be various lines of demarcation defined between decision-making and operations as well as checks and balances to avoid conflicts of interest.

This project considers the nature and extent of community involvement and participation in the control and management of ICHOs. It measures the types of community engagement processes as well as cultural protocols.

Recruitment and retention of staff

Workshop 1 identified recruitment and retention of staff as an important indicator under human resource management. However, while there is no shortage of anecdotal evidence to support the view that ICHOs nationally suffer from high staff turnover, there have been few studies that have attempted to quantify the problem. This indicator measures the degree to which various ICHOs suffer from staff turnover, as well as the effect staff turnover has on organisational capacity.

3.2.4 Viability and housing management

Housing management covers four indicators: housing stock, housing management systems, rent setting and collection, and external funding. In other words, this viability factor relates to financial issues and is very closely associated with the issue of financial viability.

Housing stock

This indicator includes both the quantity (number of dwellings) and the quality (maintenance, repair and size) of housing stock managed by ICHOs. As indicated by Hall and Berry (2005), the quantity and quality of ICHO housing stock are interrelated, as organisations with small dwelling numbers are unable to manage or maintain their dwellings to the appropriate level, let alone make adequate provisions to replace dwellings. The current project measures a number of aspects of housing stock, including the total number and type of dwellings under management (current and

historical), their design and condition, occupancy rates, maintenance funding and programs, and ability to increase stock.

Housing management systems

Building a Better Future (BBF) recognised the capacity of ICHOs to manage their housing stock as a key issue. It contained a strategy to support organisations to develop housing management plans. The current project aims to identify to what extent the ICHO sector has put housing management systems in place. This is further broken down into tenancy management (arrears, bad debts, tenancy agreements, allocation policies, dispute resolution), rent setting and collection systems, asset management (provisions for upgrades, replacement and expansion) and property management (day-to-day maintenance, planned maintenance, maintenance capacity).

Rent setting and collection

Hall and Berry (2005) identified low rental revenue as a key factor undermining the financial viability of ICHOs. This is partly due to rent setting policies, partly due to low or non-existent market rents in remote areas, and partly due to poor rent collection. Overall, however, Hall and Berry found that low rental revenues produced 'a ruinous cycle', whereby insufficient revenue ensures inadequate maintenance and housing management, which ensured poorer quality stock, lower proportions of potential rents (on current charging practices), which ensured further deterioration of the stock, and lower housing management expenditures which ensured even lower revenues and so on'.¹⁹

The current project investigates a number of aspects of rent setting and collection among ICHOs, including not only rent setting policies and the level of arrears, but also strategies for minimising arrears and bad debts, such as the facility for direct debit and the availability of financial counselling services.

External funding

External funding is of critical importance to ICHOs in terms of funding their existing backlog of maintenance. This project collected information on the extent to which ICHOs access external funding streams, for what purposes, and what the funding programs are that they use. In addition, the project asked respondents for their opinion on the adequacy of funding levels and how any deficiencies should be addressed.

3.3 Survey instrument

As indicated above, this study used four viability factors: location, governance, human resource management and housing management. In turn, each of the viability factors has between three and five indicators, with a total of 16 indicators.

This study measured the relative importance of each of these indicators and viability factors in two ways. A telephone survey was conducted with as many ICHOs as possible from those 69 ICHOs that were identified by the project User Group. Initially nine ICHOs were selected for further in depth face-to-face interviews; subsequently a further thirteen ICHOs from New South Wales and South Australia were added to this number.

¹⁹ Jon Hall and Mike Berry, *Indigenous Housing: Assessing the Long Term Costs and the Optimal Balance Between Recurrent and Capital Expenditure*, Australian Housing and Urban Research Institute, October 2005, p.92. This is not a novel finding however and is well embedded in the earlier Aboriginal housing literature (eg., see Memmott 1991:Ch.11).

The survey instrument for both telephone and field was developed and tested in pilot surveys, and is described in the following sections. Ethical clearance was obtained for this sample from the Murdoch University Human Research Ethics Committee.

The survey instrument, included as Attachment 1, had 61 simple (mainly yes/no and tick-box) questions, grouped under the four viability factors described above.

3.3.1 Telephone survey

The telephone interviews had two aims. The first was to establish effective lines of communication with each of the ICHOs, and introduce the project to the ICHOs involved. The second aim was to gather information that could be quantified relatively easily. The telephone survey was not completed as it was not possible to secure sufficient respondents.

3.3.2 Semi-structured interviews in the field

The original proposal for the project distributed a proposed nine ICHO cases across the jurisdictions as follows: two each in Queensland, Western Australia, the Northern Territory, and New South Wales/ACT, and one in either Victoria, Tasmania or South Australia. After Workshop 2, the cases were agreed to be distributed as follows: two each in Queensland, Western Australia, and the Northern Territory; six each in New South Wales and South Australia (these jurisdictions provided funding for the additional four in each – another ICHO was subsequently added in South Australia), and a further two in Victoria (with subsequent additional funding from AHURI). An additional Western Australia case came to be added.

The project team conducted visits to each of these 22 case study sites selected from the total list of 69. Semi-structured interviews in the field were used to elicit mainly qualitative information. The interviews provided respondents with an opportunity to provide in-depth comments.

3.3.3 Validation of survey instrument

Two pilot studies were conducted; one each in Western Australia (a Perth urban Indigenous housing provider) and Queensland (a Brisbane urban Indigenous housing provider). The primary purpose of the pilot studies was to test the appropriateness of the contents and design of the survey instrument for the fieldwork. A secondary purpose was to yield some initial insights into the extent to which the theoretical framework developed in Discussion Paper 1 could be applied in practice.

The pilot studies are discussed in detail in Attachment 2 to this report.

3.4 ICHO case selections and surveys

The project conducted a desktop review of 69 ICHOs across Australia and then conducted fieldwork with 22 of these. The information sheet, letter and survey instrument were sent by mail, email and fax and followed up by telephone calls. These are provided as Attachments 4, 5 and 6.

3.4.1 Desktop study

User Group members were asked to select ten ICHOs for each jurisdiction for inclusion in the desk-based study. Members were asked to select these case studies in order to ascertain diversity across the following selection criteria:

- location;
- settlement type;

- services provided; and
- number of dwellings managed.

This process resulted in 69 ICHOs being selected for desk analysis. The study team compiled information for these ICHOs along six dimensions, being:

1. **performance** refers to the long-term organisational capacity of the ICHO as rated on a three point scale (Concerns – Sound – Good). This dimension was initially rated by jurisdictional officers, and subsequently cross-checked by the study team with the respondents to the survey. In all but one or two cases the assessment of the jurisdictional officer matched the self-assessment of the ICHO respondents as well as the researchers' impressions.
2. **housing distribution**: refers to the type of housing managed by the ICHO and its location according to the settlement type, ie, either a discrete bounded settlement (DBS) or dispersed urban housing (DUH) – see section 3.2.1. In some cases an ICHO may have housing in several different locations of varying settlement type.
3. **location**: refers to the accessibility of the housing along a seven-point remoteness/accessibility scale.
4. **size**: the number of dwellings managed by the ICHO.
5. **range of services**: either multi service provider or housing specialist.
6. **governance type**: a brief indication of the legal framework in which the ICHO operates.

The intention was initially to conduct telephone interviews with all 69 ICHOs, but this was abandoned due to a very poor response rate from ICHOs. In addition, it quickly became obvious that telephone respondents were only able to provide meaningful responses to questions in their particular area of expertise.

In effect, the breadth of the survey required responses from several respondents from different areas of each ICHO. As it proved impossible to achieve this over the telephone, the phone interviews were abandoned, and the project team focused on face-to-face interviews.

3.4.2 *Field survey of 22 ICHOs*

The user group and research team then selected 22 case studies out of the initial selection of 69 ICHOs. The selection process occurred in three stages.

First, each jurisdictional officer nominated either six (New South Wales and South Australia)²⁰ or two (Western Australia, Northern Territory, Victoria and Queensland) case studies to the research team. Jurisdictional officers were asked to nominate a selection of ICHOs that they felt provided a representative sample of ICHOs in their jurisdiction in terms of the six dimensions indicated in the previous sub-section (ie, performance, location, settlement type, services provided, number of dwellings managed and type of governance/incorporation). This resulted in 20 ICHOs being nominated for field studies.

Next, the research team analysed the nominations along the six dimensions on a national level. In order to ensure representativeness, an additional two case studies (one each in Western Australia and South Australia) were added, resulting in a total sample of 22.

²⁰ NSW, SA and Victoria provided funding to the project for additional case studies in their jurisdictions..

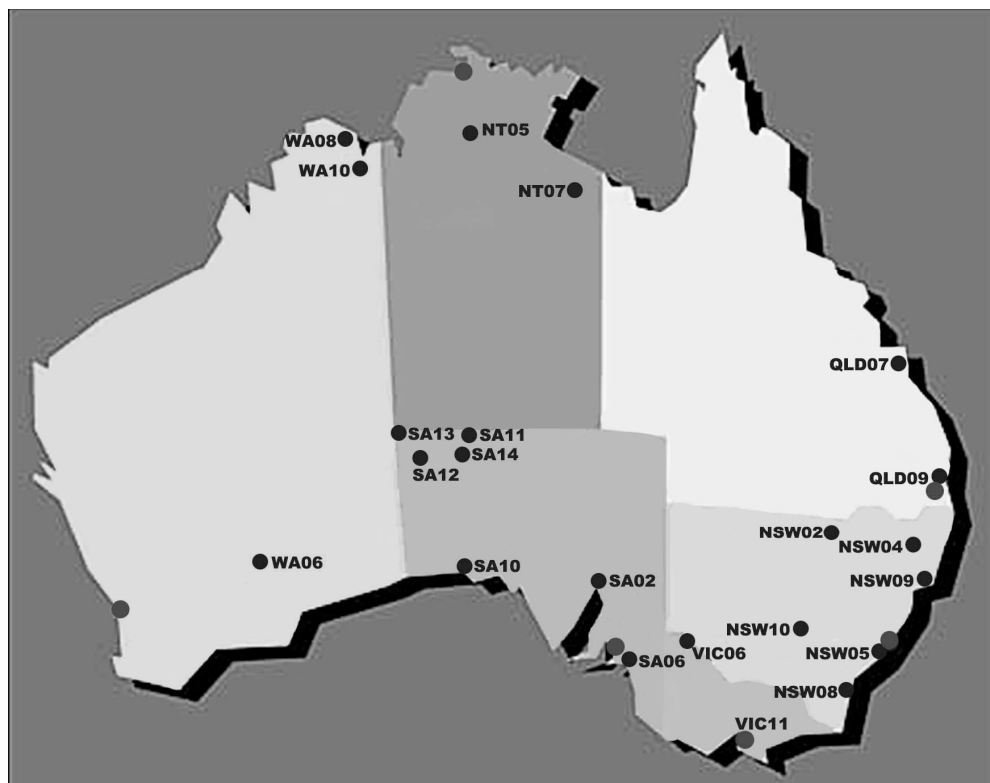
Finally, user group members requested each of the selected ICHOs to participate in the study. No refusals were recorded. The table below summarises the six dimensions for each of the 22 case studies.

Table 6: Cases confirmed for visitation in each jurisdiction

#	Performance (Rated by Jurisdictions)	Settlement type(s)	Location ARIA/ ASGC	Size (# stock)	Range of services	Governance type (Incorporation status)
QLD07	Sound.	DUH2	A/IR	71	Multi-functional	Qld Cooperatives Act
QLD09	Good	DUH1	HA/City	37	Multi-functional	Aboriginal Councils and Associations Act 1976
NSW02	Good	DUH2	VR/R	59	Multi-functional	Australian Public Company, Limited By Guarantee
NSW04	Concerns	DUH2	MA/OR	15	Multi-functional	Local Aboriginal Land Council, NSW Aboriginal Land Rights Act
NSW05	Concerns	DUH1	HA/City	59	Multi-functional	Local Aboriginal Land Council, NSW Aboriginal Land Rights Act
NSW08	Good	DUH1	A/IR	131	Stand-alone	NSW Co-operatives Act 1992
NSW09	Concerns	DUH1	A/IR	108	Stand-alone	NSW Co-operatives Act 1992
NSW10	Concerns	DUH2	MA/OR	37	Multi-functional	Local Aboriginal Land Council, NSW Aboriginal Land Rights Act
VIC06	Sound	DUH2	MA/OR	56	Multi-functional	Aboriginal Councils and Associations Act 1976
VIC11	Good	DUH1, DUH2	A/IR	1315	Stand-alone	SOMIH in transition to ICHO
NT05	Sound	DBS1, DBS3	VR, VVR, VVVR	277	Multi-functional	NT Local Government Act
NT07	Sound	DBS1	VVVR	55	Multi-functional	Aboriginal Councils and Associations Act 1976
SA02	Concerns	DBS2	MA/OR	42	Multi-functional	SA Associations Incorporation Act 1985
SA06	Good	DBS2	MA/OR	15	Multi-functional	SA Associations Incorporation Act 1985
SA10	Concerns	DBS1	VR	43	Multi-functional	SA Associations Incorporation Act 1985

#	Performance (Rated by Jurisdictions)	Settlement type(s)	Location ARIA/ ASGC	Size (# stock)	Range of services	Governance type (Incorporation status)
SA11	Concerns	DBS1	VR	50	Multi-functional	SA Associations Incorporation Act 1985
SA12	Sound	DBS1	VVR	25	Multi-functional	Aboriginal Councils and Associations Act 1976
SA13	Sound	DBS1	VR	40	Multi-functional	SA Associations Incorporation Act 1985
SA14	Sound	DBS1, DBS3	VR	397	Multi-functional	Aboriginal Councils and Associations Act SA Associations Incorporation Act 1985
WA06	Good	DUH1, DUH2, DBS1, DBS2	A/IR, MA/OR	105	Multi-functional	WA Associations Incorporations Act 1987
WA08	Concerns	DBS1	VVVR	54	Multi-functional	WA Associations Incorporations Act 1987
WA10	Sound	DUH2, DBS2	R, VR, VVR	145	Multi-functional	Aboriginal Councils and Associations Act 1976

Figure 5: Map of ICHO cases visited across Australia



3.5 Data analysis

Over 1000 datum points were collected from the case studies. These data were then analysed in three ways:

1. Intra-case analysis was used under each viability factor to identify strengths and weaknesses and then, through explanation-building, specific capacity-building requirements were developed for each case.
2. Cross-case analysis was used to derive implications for policy development by generalisation.
3. Further cross-case analysis occurred using issue counting to determine the actual frequency of issues raised. This approach, in addition to the qualitative observational derivation of generalised findings, has resulted in a more robust analysis.

The outcomes of each of the methods of analysis, along with an explanation of the way in which each method was applied, are described in the following sections.

4 ANALYSIS – NATURE OF THE ICHO SECTOR

4.1 General overview of ICHOs

According to the *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities Australia* (CHINS) survey conducted in 2006, there were 496 ICHOs in Australia, managing 21,758 permanent dwellings.²¹ Some further observations can be made from Table 8 below:

1. Between 2001 and 2006, the number of ICHOs had declined by 19 per cent, from 616 to 496. At the same time, the number of dwellings managed by these ICHOs had increased by 2 per cent, from 21,287 to 21,758. Consequently, the average number of dwellings managed by ICHOs had increased from 34.6 to 43.9.
2. There was a direct and positive relationship between the degree of remoteness and the number of dwellings managed. The average number of dwellings managed was 21.0 for ICHOs located in major cities, increasing with remoteness to 59.3 for ICHOs located in very remote areas.
3. More than half (53%) of ICHOs managing more than two-thirds (68%) of dwellings were located in remote and very remote areas.
4. Forty-two per cent of ICHOs managing 57 per cent of dwellings were located in very remote areas.

Table 7: ICHOs by size and location, 2006 and 2001

2006	ICHOs		Dwellings		Average dws/ICHO
	#	%	#	%	
Major Cities	37	7%	777	4%	21.0
Inner Regional	82	17%	2180	10%	26.6
Outer Regional	113	23%	3989	18%	35.3
Remote	55	11%	2415	11%	43.9
Very Remote	209	42%	12397	57%	59.3
Australia	496	100%	21758	100%	43.9

2001	ICHOs		Dwellings		Average dws/ICHO
	#	%	#	%	
Major Cities	43	7%	818	4%	19.0
Inner Regional	92	15%	1828	9%	19.9
Outer Regional	152	25%	3649	17%	24.0
Remote	71	12%	2658	12%	37.4
Very Remote	258	42%	12334	58%	47.8
Australia	616	100%	21287	100%	34.6

Data source: 2006 CHINS Survey (ABS 2007)

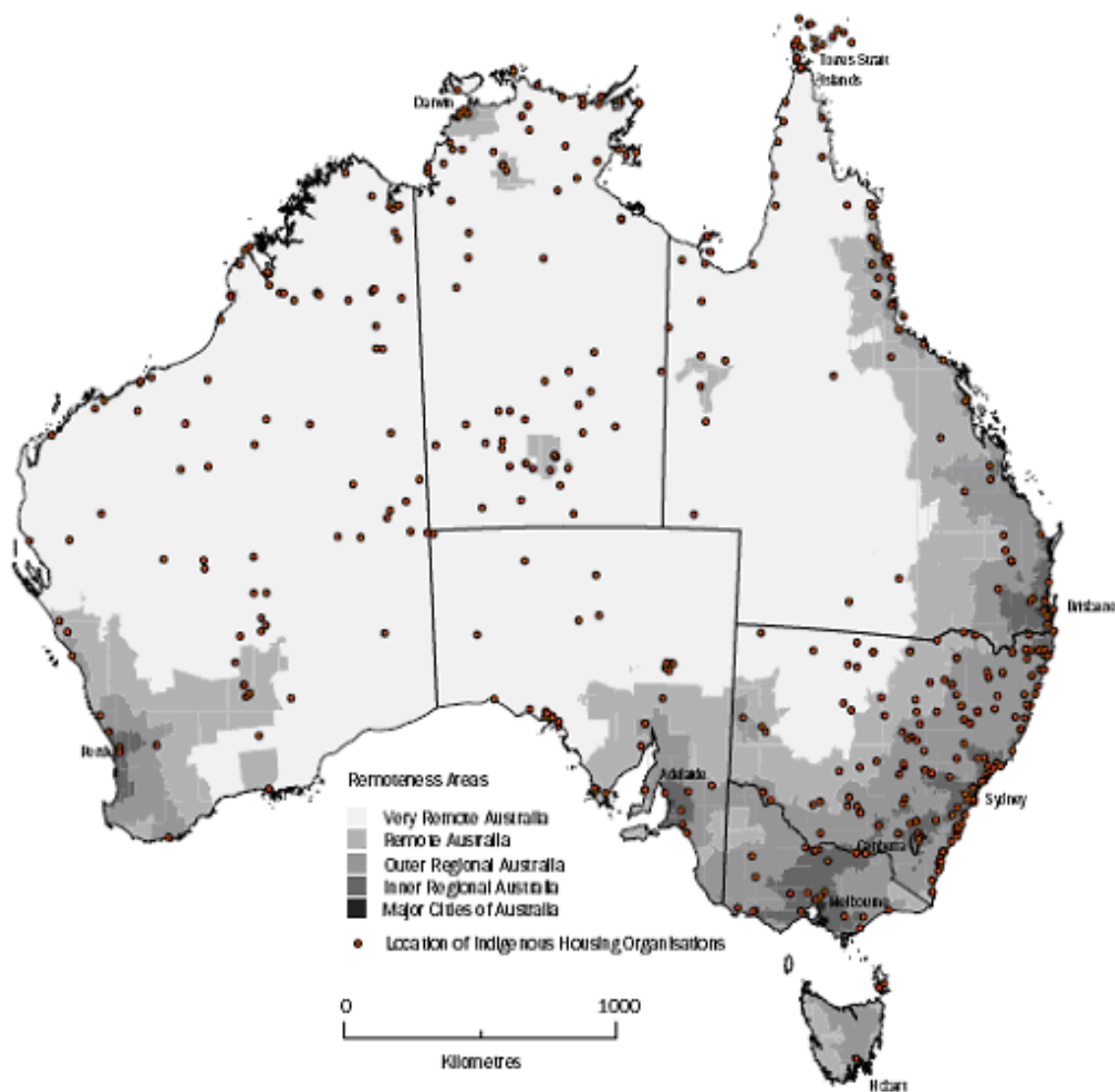
The map below gives an overview of the location of these ICHOs, and reveals some major differences between the various jurisdictions. In particular:

1. New South Wales and Victoria were home to a large number of ICHOs in major cities or regional areas.

²¹ Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities Australia 2006*, ABS Cat No 4710.0, Commonwealth of Australia, 2007.

2. ICHOs in Western Australia and the Northern Territory had a similar number of ICHOs, but these tended to be located in very remote areas.
3. South Australia and Queensland ICHOs were more evenly distributed between remote areas and cities/regional areas.

Figure 6: ICHOs by remoteness



(a) Australian Standard Geographical Classification Remoteness Structure 2001.

Finally, the table below highlights that the Australian ICHO sector is dominated by small and very small ICHOs. Across Australia, 74 per cent of ICHOs managed fewer than 50 dwellings and 40 per cent managed fewer than 20 dwellings; only 10 per cent managed more than 100 dwellings. However, there were some major differences between the various jurisdictions. Most notably:

1. New South Wales, South Australia and Victorian ICHOs tended to be relatively small. In New South Wales, 93 per cent of ICHOs managed fewer than 50 dwellings and 58 per cent managed fewer than 20 dwellings. In South Australia, 89 per cent of ICHOs managed fewer than 50 dwellings and 73 per cent managed fewer than 20 dwellings. In Victoria, 91 per cent of ICHOs managed fewer than 50 dwellings and 55 per cent managed fewer than 20 dwellings.

2. The Western Australian and Queensland ICHOs were less dominated by small ICHOs. Queensland had a relatively small proportion (18%) of very small ICHOs. Nevertheless, 59 per cent of Queensland ICHOs and 74 per cent of Western Australian ICHOs managed fewer than 50 dwellings.
3. Northern Territory ICHOs tended to be relatively large, with 29 per cent managing more than 100 dwellings and 60 per cent managing more than 50 dwellings.

Table 8: ICHOs by size and jurisdiction

	<i>Dwellings</i>				<i>Total</i>
	<i><20</i>	<i>20-49</i>	<i>50-99</i>	<i>100+</i>	
New South Wales	98	59	10	2	169
Northern Territory	8	25	25	24	82
Queensland	16	38	20	17	91
South Australia	27	6	3	1	37
Tasmania	0	2	1	0	3
Victoria	12	8	2	0	22
Western Australia	38	30	18	6	92
Australia	199	168	79	50	496

Data source: 2006 CHINS (ABS 2007)

The small number of dwellings managed by ICHOs is of major concern in terms of their financial viability and broader organisational capacity. Previous research indicates that the financial break-even point for community housing providers in Perth is likely to be above 50 dwellings, and certainly more than 20.²² This implies that the 40 per cent of ICHOs that manage fewer than 20 dwellings are certainly too small to be able to operate without subsidies, and very likely the majority of the additional 34 per cent that manage between 20 and 49 dwellings are in the same position.

This is confirmed by the Hall and Berry study, which found that 20 per cent of stock in remote and very remote areas requires a significant upgrade and 18 per cent full replacement, with an estimated total cost of \$705m, or \$141m pa for five years.²³ The operating deficit 'gap' for remote/very remote ICHOs was \$2,400/\$3,800 per dwelling or \$52.6m pa.

4.2 Organisational forms and structures

This study found that the organisational forms and structures of ICHOs vary extensively across jurisdictions, degree of remoteness, number of services delivered, as well as a range of other factors. In fact, the degree of variety is such that the only way to accurately capture the situation on the ground is to make a blanket statement that each ICHO has a unique organisational form and structure, as well as unique governance and management arrangements. The study did not identify any particular

²² Karel Eringa, *Financial Viability of Community Housing Providers in Western Australia*, Community Housing Coalition of WA, September 2000.

²³ Jon Hall & Mike Berry, *Indigenous Housing: Assessing the Long Term Costs and the Optimal Balance Between Recurrent and Capital Expenditure*, Australian Housing and Urban Research Institute, October 2005.

elements of ICHOs' organisational structure that could in any way be linked to organisational capacity.

The high degree of diversity in the ICHO sector appears to be a direct consequence of the way in which Aboriginal people construct their organisations: the organisational arrangements of ICHOs tend to be built from the ground up.²⁴ The organisational framework of ICHOs thus reflects the particular pressures and opportunities derived from the particular set of circumstances (eg, location, size of the host community, whether the ICHO delivers non-housing services, legislative arrangements in their jurisdiction, the preferences of leaders, etc).

The above explains why this study did not identify specific links between any particular circumstance (eg, location in urban/rural/remote or provision of multiple services) and particular aspects of the organisational forms and structures of ICHOs. It also implies that any strategy that aims to improve governance and management outcomes in ICHOs needs to be designed for the specific circumstances of each organisation or risk imposing unsuitable and potentially destructive change on an organisation designed in response to its socio-economic and geographic environment.

4.3 Range of ICHO activities

ICHOs fell into three categories when measured against the range of activities they undertook. The first category, housing specialist, was the smallest, with only 12 out of 68 ICHOs surveyed fitting into this category. While these ICHOs might deliver additional services, such services were perceived solely as adding value to the housing management function of the ICHO. In other words, while stand-alone housing providers might contract out their maintenance services to other organisations or provide financial counselling to their tenants, the only purpose of these ICHOs remained to provide housing.

Most ICHOs (56 out of 68 or 82 per cent) surveyed in this study provided one or more services in addition to housing, and did not regard housing provision as their only purpose. Within this category, there were two distinct sub-groups:

- the first sub-group consisted of ICHOs that were originally established as housing specialists, but whose non-housing functions had become so important to the organisation that they now regarded themselves as providing multiple services;
- the second sub-group consisted of ICHOs that were originally established as broader organisations who had at some point in time decided to establish a housing arm as one of their range of services.

Organisational forms and structures differed between the two sub-groups of multiple service providers due to their different organisational histories. However, as the difference between the sub-groups was one of degree, it proved impossible to establish exact numbers of ICHOs in each sub-group.

The study revealed two differences between the two main categories. Firstly, housing specialists tended to be located in more accessible (urban and regional) areas than

²⁴ This is in contrast to 'white' community based organisations which tend to build their organisational frameworks first: see Janet Hunt and Diane Smith, *Building Indigenous community governance in Australia: Preliminary research findings*, Working Paper No.31/2006, Centre for Aboriginal Economic Policy Research, ANU, May 2006 and Janet Hunt and Diane Smith, *Indigenous Community Governance Project: Year Two Research Findings*, Working Paper No.36/2007, Centre for Aboriginal Economic Policy Research, ANU, April 2007.

multiple service providers (average degree of remoteness of 2.6 for housing specialists compared to 4.0 for multiple service providers).

Secondly, housing specialists tended to manage more dwellings than multiple service providers: the average number of dwellings managed by housing specialists was 80 compared to 43 for multiple service providers.

These distinctions are in part due to policy influences over the last five to ten years. Government policy has over this period tended to preference the housing specialists over the multiple service providers, resulting in higher stock numbers for these organisations. In addition, for reasons of logistics and critical mass, this development appears to have been focused on less remote areas.

However, the study also found that these distinctions partly reflect the different environments faced by ICHOs in remote and very remote locations compared to their sibling organisations in urban and regional areas. ICHOs located in very remote, poorly accessible areas face high transportation times, high maintenance times, and long lag times to call in external expertise.

Compared to ICHOs in more accessible locations, the host communities of these remote ICHOs are relatively limited in numbers and skills base. In these circumstances, it makes economic sense for an ICHO to provide a range of services to its host community. In particular, operating multiple services through a single organisation creates the potential for internal synergies (economies of scope) and avoids the need to duplicate the governance requirements and management structures that are associated with operating a number of specialist organisations.

On the other hand, ICHOs located in highly accessible areas have ready and relatively low cost access to a range of specialist service providers. In these circumstances, it makes economic sense for an ICHO to focus on its core business (ie, housing), and buy in services in non-core areas such as maintenance and asset management. The loss of potential synergies is, in such a case, more than offset by the potential of creating efficiencies associated with managing larger numbers of dwellings (economies of scale).

4.4 Links between ICHOs and other service providers

This study found that housing specialist ICHOs in highly accessible areas tend to have a more complex and more formalised network of links with other providers of support and community services than do multi-service provider ICHOs in very remote locations. The underlying reasons for this distinction reflect the discussion above: in highly accessible areas it is possible, cost effective and strongly encouraged by government policy to specialise in one field of endeavour and to buy in external expertise in non-core areas. This requires developing a multiplicity of links with a range of external service providers.

In remote areas such specialisation is neither cost effective nor practical, essentially because communities are too small to be able to meet the governance requirements associated with operating several specialist service providers. In this situation, support and community services tend to be delivered by one or very few multi-service provider organisations. This implies that multi-service provider ICHOs in remote locations thus tend to offer more services in housing and therefore have fewer links with external service providers.

A perhaps less obvious finding of this study is that links between ICHOs and third party service providers tend to be more formalised for specialist housing providers in highly accessible areas than for multi-service providers in remote locations. The

reason for this is that ICHOs in the former group tend to have larger numbers of links, which also tend to be more operational in nature, eg, with providers of maintenance and tenancy support. Multi-service providers, on the other hand, tend to have fewer links, which tend to be more strategic in nature, eg, with funding providers.

In the case of the operational links, if any of a range of linked organisations fails to meet its part of an agreement, there are immediate and potentially costly consequences for the ICHO, eg, failure to remedy a minor maintenance issue resulting in structural damage to a property. More formal contractual arrangements can be used to reduce the likelihood of parties failing to act on an obligation.

In the case of the strategic links, no such short-term repercussions exist. In addition, as the long-term success of the relationship depends to a greater extent on interpersonal relationships, a less formal arrangement may well be more beneficial.

4.5 Community participation with ICHOs

This study found that ICHOs interact with their host communities in three main ways, all of which are related to the running of the organisation and its business. Firstly, many ICHOs rely on their host communities for staffing and governing committee membership. This link tends to be strongest for ICHOs that manage a single discrete bounded settlement (DBS), as there are essentially no other sources from which to draw people. ICHOs that manage dispersed urban housing (DUH), or housing in different locations have found different solutions to this issue. While many of these ICHOs tend to look beyond their host communities for their staffing needs, in most cases these organisations still draw governing committee members from the communities in which their housing is located.

Secondly, and perhaps stating the obvious, communities participate with ICHOs by applying for housing. With very few exceptions, the ICHOs that participated in the survey had waiting lists, although the length of the waiting list and the nature by which housing was allocated varied considerably between ICHOs. Finally, ICHOs interact with other service providers in their host communities as described in the previous section.

The survey identified very few ICHOs that participate in their communities in ways that are not directly related to the running of the organisation and its business. Nevertheless, a number of ICHOs in larger regional centres did express concern about the low level of knowledge in their host community about their activities. ICHOs who felt themselves in this situation actively encouraged staff and governing committee members to attend social and cultural functions in the community in order to increase community awareness of its services.

4.6 Local business arrangements with ICHOs

In most cases, local business arrangements with ICHOs tend to be that the ICHO buys in services along the lines described in previous sub-sections. However, this study also identified a number of multi-service provider ICHOs that contracted out certain services to third parties on a fee-for-service basis.

In all cases, these services had originally been developed as an in-house service to meet the ICHO's own needs. Having invested in the required training and infrastructure, these ICHOs then found that there was demand for their services from third parties, depending on the location either of the wider community or neighbouring communities.

For instance, one ICHO in a remote area had established a maintenance service team. After successfully bringing the housing in the host community to a certain

standard, this maintenance team was then contracted out to neighbouring communities. Another example was where an inner-regional ICHO had developed a culturally appropriate detoxification facility, which had originally been intended for its tenants. Due to the success of the facility, it attracted people from outside the community. This ICHO had developed a range of protocols to deal with the consequent influx of short-term residents.

5 ANALYSIS – ORGANISATIONAL CAPACITY

The 22 detailed case studies were a sample from a potential 496 ICHOs. As a selection made by each of the User Group members, from a potential 496 ICHOs (CHINS 2006), the 22 cases are a sample of the diversity of ICHOs, rather than a representative sample. The qualitative case analysis techniques used, however, enable useful generalisations to be made for policy development.

5.1 Issue counting: indicators across ICHOs

This section presents the outcomes of a cross-case analysis, based on a simple issue counting approach across the case studies conducted for this project. For the majority of the 61 questions in the survey, the issue counting process started with assessing whether or not a particular issue was discussed in terms of its importance to organisational capacity. For those issues that had been discussed in those terms, an indication was then provided as to the relative importance of the issue for the capacity of their ICHO. Overall, the study team assessed 1008 responses from 23 surveys in this manner.

Next, the results were aggregated to the Indicator and Viability Factor levels. Relative Importance Assessment (RIA) scores were then calculated for each of the Indicators and Viability Factors as the proportion of responses assessed as 'important' out of the total number of responses received for that Indicator or Factor. As a guide, a RIA score below 35 per cent indicated that the issue was of low importance, 35-50 per cent of moderate importance, and an RIA score of more than 50 per cent indicated that the issue was of high importance to organisational capacity.

By way of indication, RIA scores for the 16 Indicators ranged from 13 per cent (community participation) to 76 per cent (government policy). These figures should be read to mean that a little more than three-quarters of the responses received to the questions relating to government policy indicated that respondents found that this was an important factor in their organisational capacity, whereas only 13 per cent indicated that the questions related to community participation were important.

Finally, the data was disaggregated to calculate RIA scores for each of the three organisational categories, in order to allow for comparisons between the categories. However, it should be noted from the outset that these disaggregated scores are likely to be not fully reliable due to the relatively small numbers of organisations in each category. The results of this analysis are described in the remainder of this section.

5.1.1 Viability Factor 1: Location

There were three Indicators associated with this Viability Factor, being Jurisdiction, Degree of Remoteness and Settlement Type.

Indicator 1.i: Jurisdiction

The intra-case analysis and statistical analysis indicated that jurisdiction does have an impact on organisational capacity. This impact is highlighted by the discrepancies in performance of ICHOs in various jurisdictions, as discussed in section 4.2.1.

The questionnaire included one question associated with this Indicator, which was not suited to issue counting, and it was therefore not possible to calculate an RIA score for this Indicator. While the study team did discuss the potential impact of jurisdiction on organisational capacity with respondents, it was felt that the validity of responses was questionable for those respondents who did not have experience working with ICHOs in different jurisdictions. The study team felt that the majority of respondents

were unlikely to have such experience, and responses to the relevant question were therefore disregarded.

However, more detailed analysis revealed that the responses between ICHOs in different jurisdictions followed a common pattern in a number of areas. At the same time, however, there were some areas where there were marked differences between the various jurisdictions. These jurisdictional similarities and differences are explored in further detail in section 5.2: Further Analysis.

Indicator 1.ii: Degree of remoteness

There were two questions associated with this Indicator, both of which were suited to issue counting. The RIA score for this Indicator was 65 per cent, suggesting that the importance of remoteness to the organisational capacity of ICHOs across Australia is high.

More detailed analysis highlights that this score may well understate the importance of this Indicator, as there is a strong correlation between the ICHOs' responses to this question and their location. In particular, ICHOs based in regional areas tended not to view their location as a capacity constraint, whereas ICHOs in remote locations tended to indicate that remoteness was an important capacity factor.

Finally, the intra-case analysis presented in the previous section suggests that the underlying reason behind the importance of remoteness is the fact that locational factors are closely associated with relatively high maintenance and construction costs, as well as a scarcity of human resources.

Indicator 1.iii: Settlement type

There was one question associated with this Indicator, but it was not possible to calculate a meaningful RIA score for it. While the study team did discuss the potential impact of settlement type on organisational capacity with respondents, it was felt that the validity of responses was questionable for two reasons. Firstly, a high proportion of respondents did not express a definite view about the potential impact of settlement type on their organisational capacity. Secondly, the results were questionable for a number of respondents who did not have experience working with ICHOs in different jurisdictions.

5.1.2 Viability Factor 2: Governance

There were four Indicators associated with this Viability Factor, being Organisational Management, Range of Services, Government Policy, and Links to Other Organisations.

Indicator 2.i: Organisational management

There were nine questions associated with this Indicator, all of which were suited to issue counting. The RIA score for this Indicator was 49 per cent, indicating that overall the issue was of moderate importance to the organisational capacity of ICHOs. However, further analysis provides two additional insights:

1. There were marked differences in the RIA scores of the various questions associated with this Indicator. For instance, respondents emphasised the importance of core governance areas such as accountability, finance, leadership, the role of the Board, and formal documentation of organisational direction in business and strategic plans: all questions related to these areas were rated as being of high importance. On the other hand, respondents regarded the legal status of their organisation as being of low importance to organisational capacity.

2. There were marked differences in the RIA scores for this Indicator between the various jurisdictions. In particular, this Indicator was rated as being of high importance by South Australian ICHOs and of moderate importance by New South Wales ICHOs, but was rated as being of low importance in the other four jurisdictions.

Overall, it is difficult to escape the conclusion that the response patterns described above reflect the issues facing these ICHOs in view of their specific organisational management structure, size, and circumstances. For instance, the intra-case analysis suggests that the high score for this Indicator in South Australia reflects the fact that organisational management issues for many ICHOs in this jurisdiction are acute as they are relatively small, relatively remote and are dealing with substantial sector reform.

Indicator 2.ii: Range of services

There were two questions associated with this Indicator, both of which were suited to issue counting. The RIA score for this Indicator was 63 per cent, indicating that the range of services provided is a highly important determinant of the organisational capacity of ICHOs.

As with the previous Indicator, however, there were substantial differences between jurisdictions. ICHOs in South Australia regarded the importance of this Indicator as high, New South Wales and Victorian ICHOs regarded it as moderately important and West Australian ICHOs found it of low importance. None of the ICHOs surveyed in Queensland and the Northern Territory regarded this Indicator as important to organisational capacity.

The intra-case analysis suggests that these differences are linked to differences in the organisational structures of ICHOs between the various jurisdictions. In particular, the responses appear directly related to three factors:

1. the proportion of multi-service providers compared to housing specialists;

the number of dwellings managed; and

the variation of the funding formulae used in different jurisdictions, although it should be noted that this last issue may be resolved in the future by the upcoming nationally consistent approach.

Particular examples of jurisdictional differences include:

- The South Australian ICHO sector is dominated by small multi-service providers. These ICHOs view delivering multiple services as highly important because it has allowed them, at least to some extent, to overcome diseconomies of scale associated with their small size by tapping into economies of scope. For instance, a number of South Australian ICHOs appear to have reduced their housing delivery costs either by effectively combining the delivery of housing services with those in different areas, such as health or municipal services, or alternatively, by using CDEP labour for housing service delivery. The high RIA score for this Indicator for South Australia may reflect this situation.
- By contrast, there is a greater proportion of larger housing specialist ICHOs in the Northern Territory. These organisations tended to focus on exploiting economies of scale in housing service delivery, and a number of ICHOs had developed service arrangements with a range of communities. In these circumstances, these ICHOs considered that providing a diverse range of services would potentially reduce their organisational capacity, as such would divert resources from

developing their core business, ie, housing service delivery. The low RIA score for this Indicator in the Northern Territory may reflect this situation.

- Finally, the New South Wales ICHO sector contained a mix of housing specialists and multi-service providers, and a range of different sizes. The moderate RIA score for this Indicator in New South Wales reflected that some ICHOs in this jurisdiction regarded this Indicator as important, whereas others did not, with their respective sizes being a very accurate predictor of their response.

As with the previous Indicator, it is difficult to escape the conclusion that the response patterns described above reflect the issues facing these ICHOs in view of their specific circumstances.

Indicator 2.iii: Government policy

The questionnaire contained two questions associated with this Indicator, both of which were suitable for issue counting. The RIA score for this Indicator was 76 per cent, indicating that the issue was felt to be of high importance to the organisational capacity of Australian ICHOs. The Indicator was regarded as being of high importance in all jurisdictions except New South Wales (moderate importance) and Victoria (low importance).

However, in these latter jurisdictions there were major differences between the two questions underlying this Indicator. New South Wales and Victorian ICHOs in the survey regarded recent changes in government policy as being of low importance to the organisational capacity of their ICHOs. At the same time, respondents in these two jurisdictions indicated that strategic engagement from government officers was of high importance to the organisational capacity of their ICHOs.

The intra-case analysis strongly suggests that institutional support from government officials is indeed an important determinant of organisational capacity, particularly when dealing with significant and frequent changes in government policies. In this context, it is of some concern that a number of respondents in a number of jurisdictions expressed concern about the lack of engagement by government as well as a lack of information provided by government on policy changes.

Indicator 2.iv: Links to other organisations

Links to other organisations is a feature of the ICHO sector and enables:

- access to services to better meet the needs of clients;
- a strong network for other non-Indigenous service providers to provide services to the Indigenous community;
- sharing of knowledge and better communication of needs either organisationally or client based;
- the development of well managed relationships that facilitate growth and better resourcing to improve financial viability and self-sufficiency (the Indigenous community is well known for their entrepreneurial spirit); and
- the development of service level partnerships that facilitate continuous improvement in capacity to manage houses and sustain tenancies.

The questionnaire contained two questions relating to this Indicator, both of which were suited to the issue counting method, and the RIA score for this Indicator was 55 per cent. At first glance, this would appear to indicate that the importance of this issue as a determinant of organisational capacity of ICHOs across Australia is high. However, further analysis reveals that this Indicator is of high importance to all eight

ICHOs in one jurisdiction, South Australia, while neither question was rated as important by any ICHO in any of the other jurisdictions.

The intra-case analysis suggests that this remarkable pattern is due to two specific issues faced by ICHOs in South Australia that are not found in the other jurisdictions:

- firstly, the housing service delivery of five of the eight case studies in South Australia was conducted through a partnership arrangement; and
- secondly, South Australian ICHOs tend to be relatively small and, as a consequence, many rely on third parties for a range of services. For instance, the intra-case analysis indicated that housing expertise is either delivered by outsiders rather than held in-house, or that housing staff rely on support from other organisations.

As with the other Indicators under Governance, this response pattern essentially highlights that the degree of importance ICHOs attach to this Indicator largely depends on the specific circumstances in which they find themselves.

5.1.3 Viability Factor 3: Human Resources

There were five Indicators associated with this Viability Factor, being Recruitment and Retention of Staff, Skill Development, Linked Training, Enterprise and Employment Development, and Community Participation.

Indicator 3.i: Recruitment and retention of staff

The questionnaire contained seven questions associated with this Indicator, all of which were suitable for issue counting. The RIA score for this Indicator was 52 per cent, indicating that the ICHOs surveyed regarded this issue of high importance to their organisational capacity.

The importance of this issue was rated as being of high importance to organisational capacity by ICHOs in South Australia, but was rated low in other jurisdictions. However, further analysis revealed that this pattern is associated with location: recruitment and retention of staff was an important issue for ICHOs in remote areas, where rates of staff turnover tended to be high.

Indicator 3.ii: Skill development

There were three questions associated with this Indicator, all of which were suitable for issue counting. The RIA score for this Indicator was 41 per cent, suggesting that the ICHOs surveyed regarded this issue to be of moderate importance to their organisational capacity.

However, the overall score for this Indicator masks some substantial differences in responses to the three related questions. On the one hand, skills development at the Board level was rated as highly important to the organisational capacity of the ICHOs surveyed. Skills development for staff members, on the other hand, was perceived as being of low importance. Finally, the question concerning the nature and location of skills development activities received a low RIA score, suggesting that this issue was considered to be of low importance to the organisational capacity of the ICHOs in the survey.

These results reinforce the finding of the intra-case analysis that ICHOs tended to regard strong governance as a crucial element of organisational capacity. ICHOs therefore attach great importance to training Board members so as to ensure that they have the skills required for good governance. The lower importance attached to skills development for staff members appears to indicate that ICHOs view human resources as being of less importance than governance in terms of their organisational capacity.

Indicator 3.iii: Linked training

The questionnaire contained one question associated with this Indicator, which was suitable for issue counting. The RIA score for this Indicator was 36 per cent, suggesting that the issue is of moderate importance to the organisational capacity of ICHOs. The relatively modest RIA score for this Indicator mirrors the result for skills development for staff members, most likely for similar reasons.

Indicator 3.iv: Enterprise and employment development

The questionnaire contained one question associated with this Indicator, which was suitable for issue counting. The RIA score for this Indicator was 47 per cent, indicating that the issue is of moderate importance to the organisational capacity of ICHOs.

There are, however, some important differences at the jurisdictional level. Enterprise and Employment Development were considered a highly important capacity factor by South Australian ICHOs and moderately important by Queensland ICHOs, but were not rated as important by any ICHOs outside of these two jurisdictions.

The high RIA score for this Indicator in South Australia echoes the high score for the Range of Services Indicator under the Governance Viability Factor for this jurisdiction. Once again, this highlights the importance that South Australian ICHOs attach to their ability to deliver multiple services.

Indicator 3.v: Community participation

The questionnaire contained one question associated with this Indicator, which was suitable for issue counting. The RIA score for this Indicator was 13 per cent, indicating that the issue was considered to be of low importance in terms of the organisational capacity of the ICHOs in the survey. This Indicator was rated as being of low importance to organisational capacity in every jurisdiction.

Despite its low importance, the intra-case analysis suggests that a number of ICHOs appeared to be spending significant resources on community engagement. The intra-case analysis further suggests that this paradox arises because ICHOs regarded community engagement as an activity that it is important because it raises the profile of the organisation in the community. However, respondents did not generally believe that community engagement in and of itself strengthens organisational capacity.

5.1.4 Viability Factor 4: Housing Management

There were four Indicators associated with this Viability Factor, being Housing Stock, Management Systems, Rent Setting and Collection, and External Funding.

Indicator 4.i: Housing stock

The questionnaire contained five questions associated with this Indicator, all of which were suitable for issue counting. The RIA score for this Indicator was 65 per cent, indicating that the ICHOs in the survey regarded the issue to be of high importance to their organisational capacity. All but one of the attributes relating to housing stock were rated as being of high importance, including the number of dwellings under management, and the appropriateness of their design and their condition. The only, perhaps surprising, exception was the number of people residing in each dwelling, which was perceived to be of moderate importance by the ICHOs surveyed.

At first glance, this appears to be at odds with the fact that ICHOs rated appropriate housing design as highly important. There are two possible explanations for this discrepancy.

The first possibility is that overcrowding is not a significant issue for the ICHOs surveyed. However, this is not supported by the intra-case analysis, which revealed that a number of ICHOs had significant rates of overcrowding. The second possibility is that while high occupancy numbers are an issue for the ICHOs in the survey, respondents did not perceive this issue as affecting the capacity of their organisation.

This latter explanation is supported by the intra-case analysis, which indicates that respondents tended to regard overcrowding as a housing management issue rather than as a factor that reduced their organisational capacity. This finding also reinforces the results of the statistical analysis, which suggests that housing stock and, in particular, dwelling numbers, are very important to the performance of ICHOs.

Indicator 4.ii: Housing management systems

The questionnaire contained eleven questions associated with this Indicator, all of which were suited to the issue counting method. The RIA score for this Indicator was 40 per cent, suggesting that this Indicator is of moderate importance to the organisational capacity of the ICHOs surveyed.

However, some aspects of housing management were rated as more important than others. Somewhat surprisingly, issues such as tenancy management, asset management, waiting list management and awareness of tenant satisfaction all were rated as being of low or moderate importance. On the other hand, the importance of three housing management issues to organisational capacity was rated as high, viz, dealing with unmet housing need and planned maintenance, and ownership of housing stock.

All three of these factors were also assessed as highly important by the intra-case analysis, though for varying reasons. The emphasis on planned maintenance and ability to construct additional housing stock stems from the relatively poor condition and high occupancy rates of much Aboriginal-held housing stock. The emphasis on the ownership of housing stock, on the other hand, relates to the governance issue of sovereignty, which was discussed under Viability Factor 2: Governance.

Indicator 4.iii: Rent setting and collection

The questionnaire contained six questions associated with this Indicator, all of which were suited to the issue counting method. The RIA score for this Indicator was 30 per cent, with little variance between the various jurisdictions, suggesting that ICHOs across Australia regard this Indicator as being of low importance to their organisational capacity.

Most of the questions underlying this Indicator received RIA scores below 50, with only rent collection policy being regarded as being of high importance. The intra-case analysis indicated that this result may be related to a concern about rental arrears faced by a number of the ICHOs in the survey, as well as a perceived need to avoid this situation by a number of others.

Indicator 4.iv: External funding

There were five questions associated with this Indicator, all of which were suited to the issue counting method. The RIA score for this Indicator was 59 per cent, suggesting that external funding is of high importance to the organisational capacity of ICHOs.

Further analysis revealed that the ICHOs who regarded external funding as important to their organisational capacity tended to be relatively small, remote and provide multiple services. This resulted, among others, in a high RIA score for this issue in

South Australia. The intra-case analysis suggests that the organisational capacity of this group of ICHOs is effectively underwritten by funding from external sources.

5.2 Issue counting: further analysis

The initial analysis of the issue-counting process presented in the previous section yields the following key observations:

- Location, and particularly the Degree of Remoteness Indicator, was rated the most important Viability Factor in the survey, with an RIA score of 65 per cent. This confirms the finding of the intra-case and statistical analyses that location in general and accessibility in particular, impact on organisational capacity through issues such as maintenance costs, construction costs and the availability of appropriate personnel for key positions in the organisation.
- However, the conclusions from the issue counting regarding this Viability Factor need to be qualified by the limited number of measurements underlying this finding.
- Governance was rated the second most important Viability Factor, with an RIA score of 56 per cent. This score, while high, is somewhat lower than expected from the intra-case analysis. The issue counting analysis also highlighted that governance is a broad concept, and different elements are important to different organisations at different times. As a result, different respondents may regard different issues as important or unimportant according to their particular circumstances.
- The RIA score for Housing Management was 46 per cent, indicating that it is of moderate importance to the organisational capacity of ICHOs. Within this, however, a number of elements were considered to be of high importance, in particular the Housing Stock and External Funding Indicators.
- Human Resource Management received an RIA score of 44 per cent, indicating that it is of moderate importance to the organisational capacity of ICHOs. Further analysis suggests that the main importance of this Factor is related to the quality and capacity of Governing Committee members rather than staff. This highlights the importance of governance training for Governing Committee members.

The present section reveals a number of findings from the issue counting process that are not immediately obvious from an analysis of each of the Indicators. Specifically, this section analyses some of the differences in the relative importance of various Indicators to ICHOs depending on four factors: jurisdiction, housing stock, degree of remoteness, and the range of services provided.

5.2.1 Jurisdiction

The RIA scores for the four Viability Factors for each of the six jurisdictions represented in this study are summarised in Figure 7 below.

Figure 7: Relative importance of four viability factors by jurisdiction

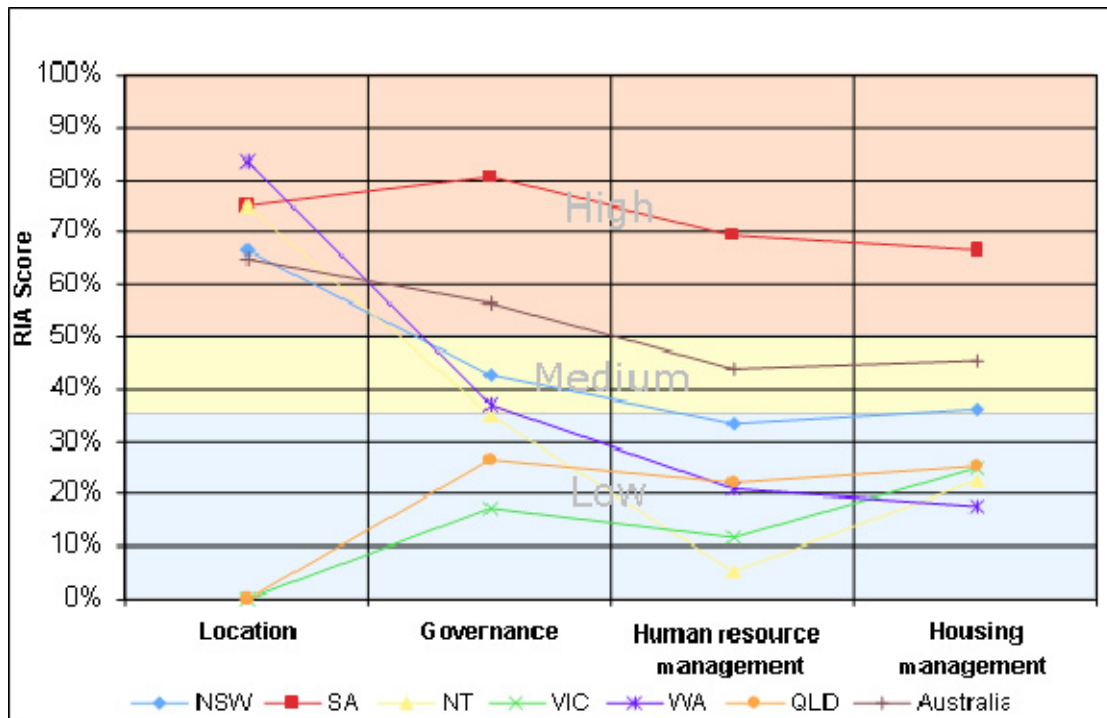


Figure 7 indicates that absolute RIA scores vary considerably between jurisdictions. In addition, some jurisdictions show very distinct patterns. For instance, South Australian ICHOs rated all four Viability Factors as highly important (RIA > 65%), while Victoria and Queensland ICHOs rated all four Viability Factors as being of low importance (RIA < 30%). These differences in absolute scores most likely reflect the extent to which ICHOs in different jurisdictions regard organisational capacity as an issue that is of immediate importance to their organisation.

However, the graph also highlights that the six jurisdictions can be divided into two distinct groups. The first group consists of four jurisdictions (New South Wales, Northern Territory, Western Australia and Queensland) where RIA scores for the four Viability Factors more or less closely follow the national pattern. In particular:

- RIA scores for Location and Governance for Western Australia, South Australia, Northern Territory and New South Wales ICHOs were higher than those for Human Resource Management and Housing Management.
- Location was the most important Viability Factor in Western Australia, New South Wales and the Northern Territory.
- South Australian ICHOs rated Governance as somewhat more important than Location, but conformed to the national pattern in rating Human Resource Management and Housing Management as less important than Location and Governance.

The second group consists of two jurisdictions, Victoria and Queensland, where RIA scores for the four Viability Factors do not follow the national pattern. In both of these jurisdictions, Location was not rated as an important Viability Factor, and Governance was rated as being of moderate importance, similar to Housing Management and Human Resource Management.

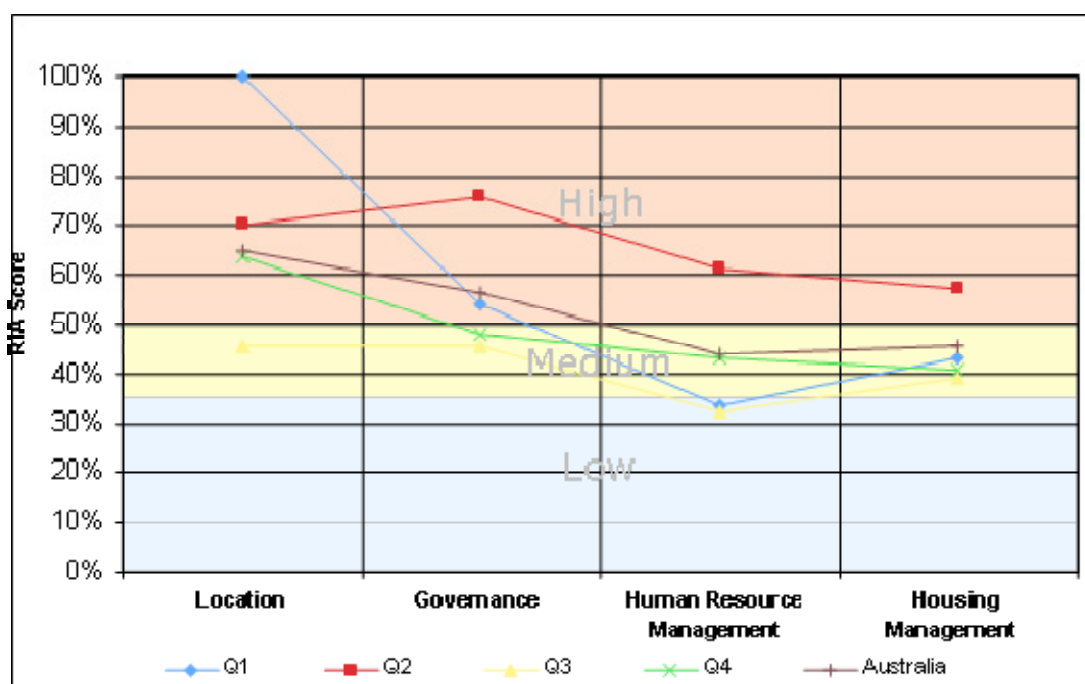
Further analysis indicates that the reason behind the low score for Location in these two jurisdictions may be that all four of the ICHOs in the survey were located in either

Highly Accessible or Accessible areas. The intra-case analysis found that all relevant services were available in each of these locations, and that these ICHOs did not experience issues related to their accessibility. For Victoria, this result accurately reflects the situation reflecting the ICHO sector, as nearly all ICHOs in this jurisdiction are located in Highly Accessible or Accessible areas. For Queensland, however, this result most likely contains some sample bias, as this jurisdiction has a significant proportion of ICHOs located in more remote locations.

5.2.2 Housing Stock

The graph below depicts the RIA scores for the four Viability Factors for the various ICHOs in the survey grouped into four quartiles according to the number of dwellings managed. Q1 contains ICHOs that manage fewer than 25 dwellings, Q2 has ICHOs that manage between 25 and 49 dwellings, Q3 has ICHOs that manage from 50 to 79 dwellings, and Q4 contains ICHOs that manage 80 or more dwellings.

Figure 8: Relative importance of four viability factors by number of dwellings



The graph highlights some substantial differences between issues that affect the organisational capacity of ICHOs of different sizes. In particular:

Q1: ICHOs managing less than 25 dwellings

- All ICHOs in this quartile attached high importance to the impact of Location on their organisational capacity. This reflects the fact that most of the ICHOs in this category were in very remote locations, and all complained of having severe difficulties accessing services for housing maintenance and management of tenancy issues.
- Human Resource Management was of relatively limited importance to ICHOs in this quartile. This appears to be related to the fact that all Q1 ICHOs in the survey employed three or fewer staff.

Q2: ICHOs managing 25 to 49 dwellings

- All four Viability Factors were rated as being of high importance to ICHOs in this quartile. The intra-case analysis suggests that the high absolute scores in this

quartile for all Viability Factors and most associated Indicators reflect the fact that medium size ICHOs (roughly Q2 and Q3) tended to regard organisational capacity as an issue of acute importance and spent significant time addressing capacity issues.

- As with ICHOs in Q3, and contrary to very small and very large ICHOs, Governance was the most important Viability Factor for Q2 ICHOs, with RIA scores of 69 per cent or higher for all four Indicators associated with this Factor.
- Housing Management was the least important Viability Factor for ICHOs in Q2, reflecting the fact that limited housing stock means that housing management issues for ICHOs in this quartile tended to be not as complex as those facing larger ICHOs.
- Three Indicators highlight issues that are of high importance to ICHOs in Q2, being Links to other Organisations (RIA = 80%), Housing Stock (92%) and External Funding (92%). These same Indicators were also rated as highly important by Q1 ICHOs, but received RIA scores of 50 per cent or less from Q3 and Q4 ICHOs. This suggests that these issues may be a function of the number of dwellings managed. However, as is noted below, there is also a degree of correlation with the number of services provided by the ICHO.

Q3: ICHOs managing 50 to 79 dwellings

- The intra-case analysis suggested that ICHOs that were of somewhat above average size tended to be the least concerned about their organisational capacity. This is reflected in the fact that all four Viability Factors received the lowest RIA scores for ICHOs in this quartile.
- As with ICHOs in Q2, and contrary to very small and very large ICHOs, Governance is the most important Viability Factor for Q3 ICHOs.
- All three of the Indicators rated of very high importance to Q2 ICHOs (ie, Links to other Organisations, Housing Stock and External Funding) received RIA scores of 50 per cent or less from ICHOs in Q3. Again, this appears to reflect that these ICHOs are generally able to successfully deal with issues that are of major concern to their somewhat smaller cousins and, at the same time, do not have to face the relatively complex housing management issues faced by larger ICHOs.

Q4: ICHOs managing 80 dwellings or more

- As with the smallest (Q1) ICHOs, but contrary to medium size (Q2 and Q3) ICHOs, Location was the most important Viability Factor for the largest (Q4) ICHOs. Most of the ICHOs in Q4 managed dwellings in a range of more and less accessible locations and were therefore well aware of the impact of location on a number of issues associated with organisational capacity.
- Q4 ICHOs attached roughly the same importance to Governance as did Q3 ICHOs, stressing the same associated Indicators.
- Q4 ICHOs attached roughly the same importance to Housing Management as did Q3 ICHOs, but stressed different associated Indicators. In particular, Q4 ICHOs rated Housing Stock and External Funding lower than Q3 ICHOs, but rated Management Systems and Rent Setting and Collection higher. This suggests a shift in focus away from overarching capacity constraints, such as stock and funding, and towards specific housing management issues.
- Q4 ICHOs attached significantly higher importance to Human Resource Management than did Q3 ICHOs. In addition, Q4 ICHOs were the only group to rate skills development for staff members as important. Along with the findings of the intra-case analysis, this strongly suggests that the organisational capacity

issues faced by larger ICHOs are linked to dealing with relatively complex housing management issues, which in turn places more complex demands on staff members.

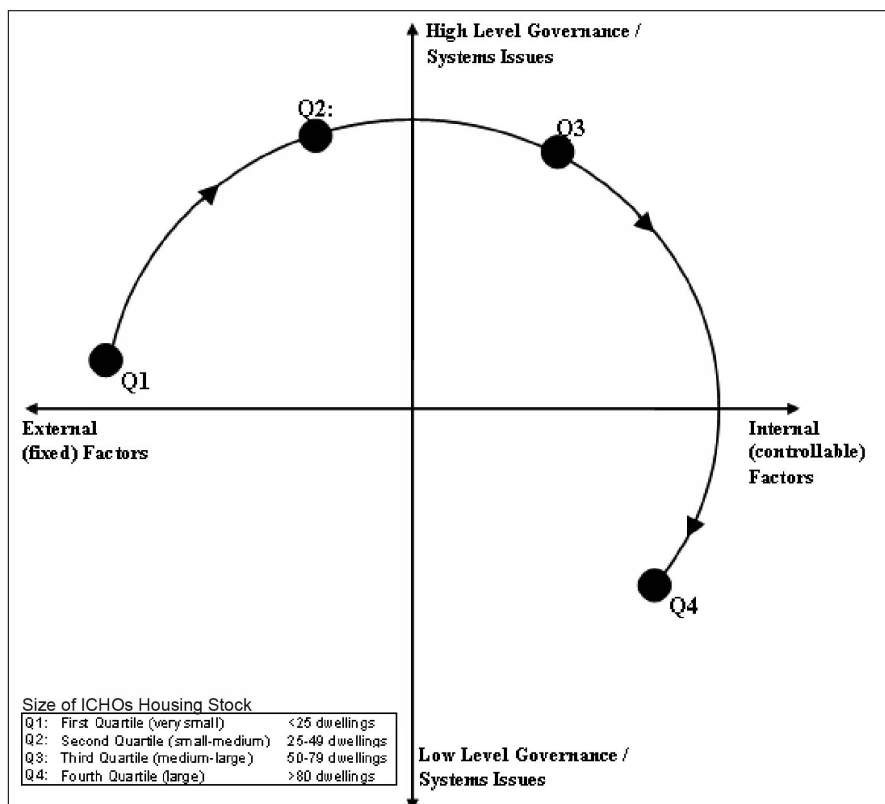
Overall, the above analysis strongly suggests that different issues are relevant to ICHOs of different sizes and at different stages of development. In particular:

- Smaller ICHOs tended to emphasise the importance of external issues beyond their control, such as accessibility to services, whereas larger ICHOs tended to emphasise the importance of internal issues within their control, such as housing management.
- Medium size ICHOs tended to emphasise the importance of high level (Governing Committee) governance issues, while large ICHOs emphasised the importance of low level (staff capacity) issues, and very small ICHOs did not regard any staffing or Governing Committee issues as being of major importance to their organisational capacity.

These findings are illustrated schematically by the development diagram in Figure 9 below. The vertical axis of this diagram depicts the importance of the human relationships within the organisation. Moving upwards along this axis indicates greater importance to high level governance issues (Viability Factor 2), which are typically the responsibility of the Governing Committee. Moving downwards along the vertical axis indicates a greater focus on lower level human resource issues (Viability Factor 3).

The horizontal axis of the diagram depicts the importance of external circumstances versus internal process issues. External factors are beyond the control of the ICHO, and include factors such as location and accessibility (Viability Factor 1). Internal factors, on the other hand, are within the control of the ICHO and relate to housing management and financial systems (Viability Factor 4).

Figure 9: Size of ICHOs' housing stock and relative importance of viability factors to organisational capacity



The diagram shows that the organisational capacity of very small (Q1) ICHOs is dominated by external factors, in particular location, links to other organisations and external funding. These very small ICHOs attach little importance to governance issues at either the Governing Committee or the staffing level.

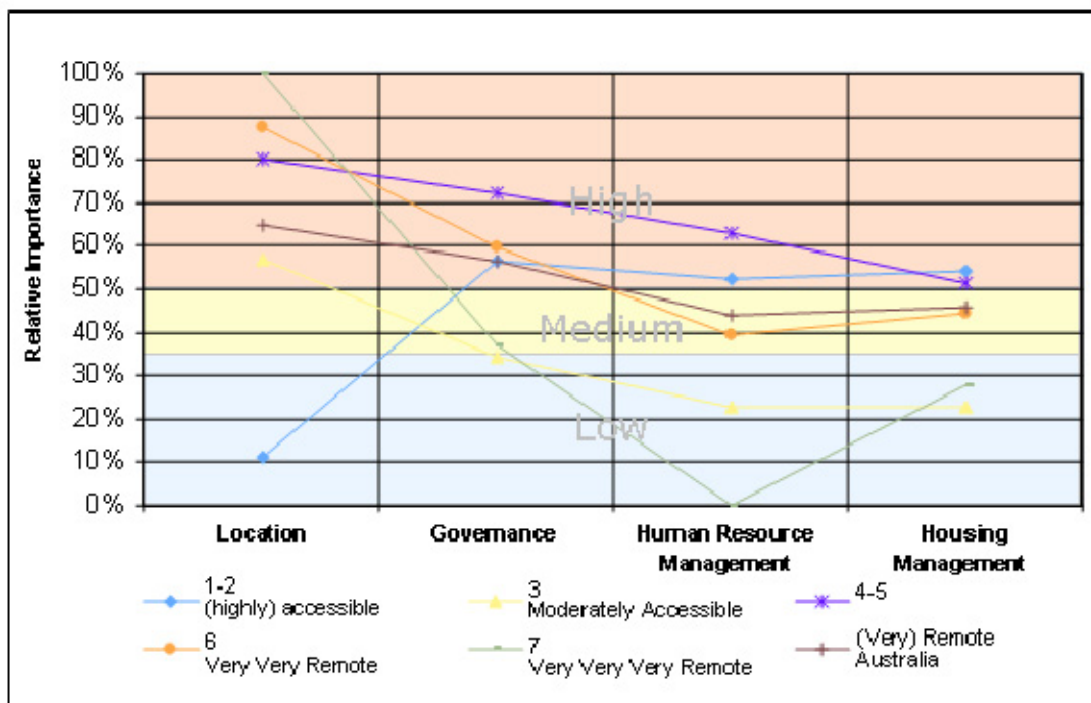
External factors such as location become gradually less important to the organisational capacity of medium-sized ICHOs (Q2 and Q3). Instead, these organisations focus on building robust governance systems at the Governing Committee level. Lower level governance indicators, such as human resources and housing management, are perceived as being less important issues affecting the organisational capacity of medium-sized ICHOs.

Finally, the focus of organisational capacity issues for the largest (Q4) ICHOs is on low level systems issues that are within their control, such as human resources and housing management systems. There are some clear policy implications contained within these findings, which are discussed in section 6 of this report.

5.2.3 Remoteness

The graph below in Figure 10 shows the RIA scores for the four Viability Factors for the various ICHOs in the survey grouped by degree of remoteness. Remoteness Categories 1 and 2 (Highly Accessible and Accessible) have been grouped together, as only one of the ICHOs surveyed was in a Highly Accessible location. Similarly, Remoteness Categories 4 and 5 (Remote and Very Remote) have been grouped together because there was only one ICHO in a Remote location. Remoteness Categories 3, 6 and 7 represent ICHOs in Moderately Accessible, Very Very Remote and Very Very Very Remote locations.

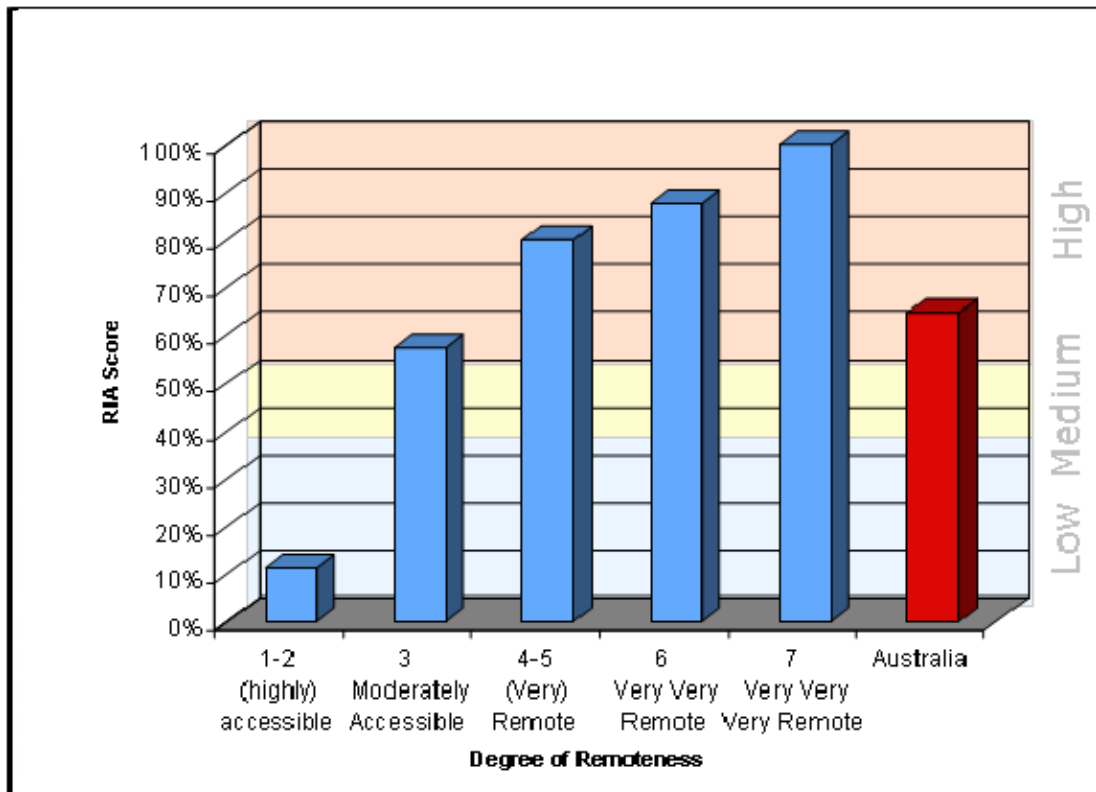
Figure 10: Relative importance of four viability factors by location



The graph in Figure 10 highlights that RIA scores for the four Viability Factors follow similar patterns for all but one Remoteness Category, with Location being most important, followed by Governance and then Human Resource Management and Housing Management. The exception is (Highly) Accessible ICHOs, which scored Location as being of very limited importance to their organisational capacity.

The most striking feature of the graph, however, is that it shows a direct relationship between the RIA score for Location and the degree of remoteness of the ICHOs in the survey. This link is more clearly highlighted in the graph below (Figure 11), which also highlights that ICHOs in Remoteness Categories 1-3 (ie, Highly Accessible, Accessible and Moderately Accessible) rated the importance of Location to their organisational capacity below the national average, while those in Remoteness Categories 4-7 (ie, Remote to Very Very Very Remote) rated the importance of Location higher than the national average.

Figure 11: Relative importance of location to the organisational capacity of ICHOs categorised according to degree of remoteness of ICHO

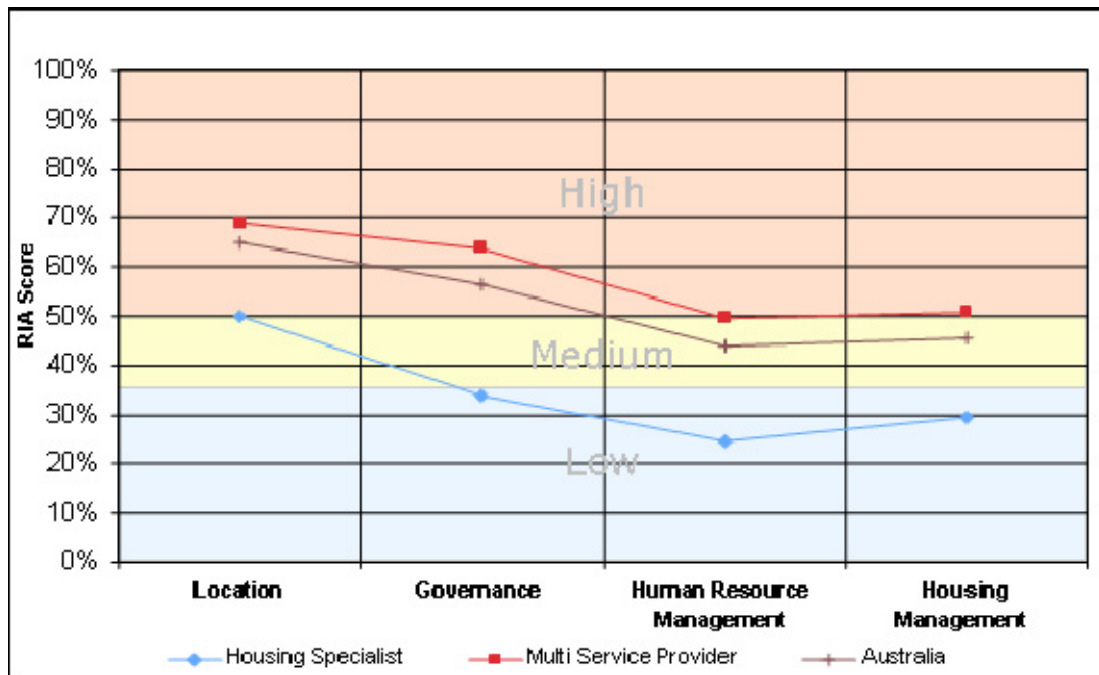


This graph again reinforces the finding made in previous sections: that location is of major importance to the organisational capacity of ICHOs through its impact on a number of factors, including the cost of maintenance and construction and the availability of qualified personnel for key staffing roles and governance positions.

5.2.4 Range of Services

The graph below depicts the RIA scores for the four Viability Factors for the various ICHOs in the survey, grouped into Housing Specialists ICHOs and Multi-Service Provider ICHOs.

Figure 12: Relative importance of four viability factors by range of services (housing specialist versus multi-service provider)



The graph shows that, for the 17 Multi-Service Providers in the survey, the pattern of the RIA scores for the four Viability Factors closely resembles the national pattern, although the absolute RIA scores for all four Viability Factors are somewhat above average for this group. While the pattern is very similar for the six Housing Specialists, absolute RIA scores are substantially lower for this group.

This result is partly due to a degree of correlation with the number of dwellings managed by each group. The median number of dwellings managed by Multi-Service Provider ICHOs in the survey (48) was less than half that managed by the Housing Specialists (118). As noted above, ICHOs managing more dwellings tend to be more concerned with their organisational capacity.

More detailed analysis of the underlying data reveals some additional differences between the two groups of ICHOs. In particular, five Indicators that were rated as being of high importance (RIA > 60%) by the Multi-Service Providers were rated as being of low importance by the Housing Specialists (RIA < 30%). These were:

- Housing Stock (RIAs of 78% and 25% respectively),
- External Funding (RIAs: 70% v 28%),
- Recruitment and Retention of Staff (RIAs: 61% v 22%), and
- Links to other Organisations (RIAs: 70% v 0%).

Three of these Indicators (Housing Stock, External Funding and Links to other Organisations), were also identified as major areas of difference in the analysis of the impact of housing stock above. As observed, this appears to reflect that larger ICHOs are generally able to successfully deal with issues that are of major concern to their somewhat smaller cousins and, at the same time, do not have to face the relatively complex housing management issues faced by larger ICHOs.

However, the fourth Indicator listed above, Recruitment and Retention of Staff, was not identified as a major area of difference for ICHOs of varying sizes. In addition,

larger ICHOs within each group were no less likely than their smaller cousins to identify this issue. This Indicator therefore appears to be a function of the number of services provided by the ICHO.

The intra-case analysis confirms that this is indeed the case. There are a number of suggestions that the added organisational complexity of Multi-Service Provider ICHOs means that staff working for these organisations face a range of issues that are not faced by staff working for Housing Specialists. As a result, Multi-Service Provider ICHOs have more difficulty attracting and retaining suitable personnel.

5.3 Highlighting viability factors at work – four scenarios of practice

This section presents summaries of four selected cases in order to highlight how the key Viability Factors and Indicators are working well to achieve viability. These are 'scenarios' of viability. The selected cases are:

- Scenario 1: NT07 – an extremely remote, medium Q1, multi-service, Aboriginal Corporation.
- Scenario 2: SA06 – an outer regional, small Q1, multi-service, association.
- Scenario 3: NSW02 – an inner regional, large Q4, specialist, co-operative.
- Scenario 4: VIC11 – a city and regional, large Q4, specialist SOMIH in transition to ICHO.

5.3.1 Scenario 1 – extremely remote

This ICHO is a medium-sized, multi-service Aboriginal Corporation (55 dwellings), in a discrete bounded settlement in a very very very remote part of the jurisdiction. The ICHO has severe issues with access, being a full day's trip from the nearest regional service centre during the dry season, while in the wet season the settlement is only accessible by plane, and then only intermittently.

These difficulties regarding poor accessibility result in high transportation costs which subsequently flow through in issues such as high maintenance and construction costs, as well as a dearth of external training opportunities for staff and governing committee members.

However, unlike a number of other ICHOs facing similar circumstances, this ICHO has high organisational capacity, housing was well maintained and well furnished and governance systems were strong. Other positive aspects were that the ICHO has strategic and business plans and an adequate information technology system in place to manage finances and assets. It appeared that this situation had been created by the community itself over the previous four years, prior to which time the ICHO was described as 'dysfunctional'.

The difference has been that the ICHO has started providing a number of services in-house rather than contracting them in from outside. Examples of this approach include:

- a self-funded nutrition and housekeeping program, which issued toiletry essentials to every household, including toilet paper and soap (once a week), soap powder (once a month) and soap buckets and mops (once a year). Due to their low income, many households were unable to afford these basic items. This program was cost effective as it had drastically reduced septic blockages, scabies had disappeared and houses were maintained better;
- a welding-for-women training program, which the ICHO hopes will eventually allow it to employ the participants to do maintenance at this and other communities, once they complete the course;
- the ICHO also farms chickens and sell the eggs (30doz) to a larger regional settlement. This ready supply means families have eggs as part of their daily diets.

However, the ICHO's size and geographic isolation mean that it continues to be restricted by a range of physical factors. Externally provided services and materials

are expensive. The strength of the community lies in its people who are committed to the community, and who have managed to harness their strengths into a model that works.

5.3.2 Scenario 2 – outer regional

This ICHO is classified as a small, corporation in a discrete urban settlement (17 houses) situated on the outskirts of a rural centre. It is situated on freehold land therefore it is not permitted to run any primary industry. It consists of 100 acres on five separate titles. It also has a caveat on eight acres which it acquired through ATSIC, and at the time the ICC was undertaking research to determine its status.

This ICHO is a multi-service provider, incorporated under the *Incorporations Act* as well as the *Companies Act* and is governed by a Community Council. It carries out regular reviews of its organisational capacities and saw all governance viability factors as being important. Council elections are held annually, with membership drawn from the local Aboriginal people. Written into their Constitution is a clause that states that if it becomes insolvent then it goes to another community. Council meetings are held monthly or as needed. The ICHO identified leadership and employment as its top priorities in terms of governance. Although all factors are seen as being important, these two are integral to their planned structure based on traditional/cultural ways of doing things that involve self-sufficiency and create employment for all members.

This ICHO had documented a conflict of interest policy, a strategic plan, a risk management plan, and put information technology systems in place to manage finance, assets etc.

Its housing stock consists of 17 houses – one 4-bedroom, sixteen 3-bedroom and three community buildings – an old station house, a church and a hostel which has 16 bedrooms and is 95 per cent occupied. There is an average occupancy of 4-5 people per dwelling. All houses are in good tenable condition with three major upgrades and one minor upgrade done recently. The community originally had transportable houses, none of which have been replaced or insulated. A hostel in the main rural centre houses people going through an intensive alcohol and drug addiction program with tenants from all over Australia. When tenants leave they can go to the hostel in the community or are referred to Office of Aboriginal and Torres Strait Islander Health (OATSIH) in the rural centre or they return to their own country.

5.3.3 Scenario 3 – inner regional

This is a stand-alone ICHO (131 houses) located in a regional centre in an inner regional (assessable) location. This ICHO is comprised of partner organisations that own dispersed Indigenous housing in small more remote townships. Access to services is not an issue, but early organisational capacity development was restricted by difficulties in negotiating 'normal terms of trade' to get repairs and maintenance done; inherited high rental arrears (\$250K) and an ongoing process of 'mitigation of loss' due to poor record-keeping and specifically no rent paid-to-date records being kept under past housing stock management arrangements.

The governance model is unique as they are the only ICHO that receives management funding from the government agency in this jurisdiction. This status has ensured that there has been a close relationship with the government agency in addressing these early organisational capacity and development difficulties. This ICHO has high organisational capacity and its constitution allows active partner organisation representation on its Board. Its success as an Indigenous controlled and managed Board is based on an agreed vision and staged transition to develop

governance and service delivery arrangements in partnership with the government agency. Another positive aspect is that the region has a coherent regional leadership. The ICHO governance representation is based on commitment, merit and stability.

Other viability factors that have an impact on why this ICHO is functioning well might include:

- the existence of an Aboriginal Housing Act;
- support from a government agency with organisational capacity and ability to provide professional services to its ICHO sector;
- a mature Indigenous Housing sector reform strategy in the jurisdiction;
- uniform housing standards and a registration process for the Indigenous housing sector;
- asset management practices to maintain housing stock;
- high level of compliance to government agency housing standards and to the Indigenous community;
- clearly defined engagement protocols with the Indigenous community;
- dedicated housing management training package;
- clear separation of roles between the Board and the staff;
- a strong management team whose strengths are an ability to work with the Indigenous community;
- demonstrated internal capacity to effectively network and manage key stakeholder relationships; and
- adequate information technology.

This stand-alone ICHO performs substantially better than other ICHOs in the jurisdiction. It has a simpler governance and management structure and manages more housing stock than other ICHOs which deliver multiple services. This difference facilitates greater levels of accountability, economies of scale, transparency and efficiency for the same level of investment in governance training and development.

5.3.4 Scenario 4 – city

This large stand-alone ICHO, incorporated as a company under the *Companies Act*, is located in a city, and manages housing stock (1291 dwellings) throughout the jurisdiction. This ICHO manages stock in accessible major regional centres and moderately accessible outer regional and rural centres. All relevant services were available for all of the locations where the organisation had housing stock, which meant that the organisation felt that it was able to fully service its client base regardless of location. However, the organisation worked on a rule of thumb that servicing housing in regional areas cost approximately 10 per cent more than providing the same service in metropolitan areas.

The organisation is governed by a Board of Directors, whose appointment is specialist skills based. Elections occur once every two years, and the organisation's CEO provides a written report to the Board at all of its meetings, ie, eleven times per year.

The CEO rated all of the governance responsibilities listed in questions 9 and 13 as either important or very important, with leadership and organisational size being viewed as less important. With regard to size, the respondent believed that while the amount of stock under management most definitely had a major and positive impact

on the organisation's credibility and efficiency, the organisation had made a conscious decision not to place emphasis on its size for political reasons.

At the Board level, Directors undertake an extensive induction process, including governance training. Low turnover of Board members has ensured retention of momentum and drive in the organisation. The Board is skills based, with different members having expertise in areas such as legal, financial and property development. There are also a number of Board members who have links with the community.

The organisation's waiting list has 1827 people spread over 838 households, a ratio of 0.65 households waiting for each house; average waiting time is 5.7 months. The waiting list includes 170 households (418 people) on the 'early housing' priority list. These numbers suggest that the biggest issue the organisation faces in terms of its housing stock is its shortage of small accommodation units, with an overall shortage of dwellings being a not insignificant secondary issue.

6 FINDINGS AND CONCLUSIONS

6.1 Findings

The eight research questions underlying this project can be split into two parts. The first part contains the findings for five questions that pertain to the nature of the ICHO sector. The second part contains the findings for three questions pertaining to the factors that underlie the organisational capacity of ICHOs. These findings are presented in this chapter in their two corresponding parts, with the policy implications discussed in the final section of the chapter. The findings have largely been derived from 22 detailed case studies. As a selection made by each of the User Group members, from a potential 496 ICHOs (as found in the 2006 CHINS, ABS 2007), the 22 cases are a sample of the diversity of ICHOs, rather than a representative sample.

6.1.1 *The nature of the ICHO sector*

The primary finding of this study with regard to the nature of the ICHO sector is that ICHOs are extremely diverse. ICHOs differ widely from one another in their organisational forms and structures, the range of activities they undertake, the nature and extent of their links with other service providers, the level and nature of community participation in their affairs and the arrangements that ICHOs have made with local businesses.

The study found this high degree of diversity in the ICHO sector to be a direct consequence of the way in which local Aboriginal people construct their organisations. The way in which each ICHO does business reflects the particular pressures and opportunities derived from the particular set of circumstances, such as its location, the size of the host community, whether the ICHO delivers non-housing services, the particular legislative arrangements in their jurisdiction, and so on.

The degree of diversity between ICHOs was such that it was felt that any attempt to depict the nature of the sector in a descriptive manner would either be exhaustive but excessively longwinded, or else become a collection of meaningless generalisations. Rather than attempting either of these unsatisfactory courses of action, the project is recommending that comprehensive mapping of the sector be undertaken as a future project in order to capture the complexity of the sector. Such a study would require significant resourcing in order to be comprehensive.

RECOMMENDATION

That a comprehensive and adequately resourced study be commissioned in order to conduct comprehensive mapping of the ICHO sector.

6.1.2 *Factors underlying the organisational capacity of ICHOs*

The term 'organisational capacity' refers to the ability of an organisation, in this case an ICHO, to meet its objectives both at the present moment and into the future. A number of previous studies into this issue have equated organisational capacity with financial viability, ie, the ability of an ICHO to meet the costs associated with meeting its objectives from its income streams, both now and into the future.

This project has identified four viability factors underlying the organisational capacity of ICHOs:

1. **Location:** refers to the jurisdiction, degree of remoteness and type of settlement;
2. **Governance:** includes both internal (organisational management and the range of services provided by the organisation) and external factors (government policy and links to other organisations);
3. **Human resource management:** refers to both paid and unpaid functions, including skills development, linked training, and recruitment and retention of staff, enterprise and employment development, and community participation;
4. **Housing management:** refers to dwelling numbers and condition, tenancy management, rent setting and collection, financial viability and external grant funding.

In order to assess their relative importance with respect to organisational capacity, each of the four viability factors was divided into three to five indicators, with a total of 16 indicators. Each of these indicators was then further subdivided into between one and six measurements, which were subsequently tested in a series of telephone and face-to-face surveys. The four viability factors and 16 indicators are listed in Table 9 below.

Table 9: Viability factors and indicators

<i>Viability factor</i>	<i>Indicator</i>
1. Location	1. i. Jurisdiction 1. ii. Degree of remoteness (ARIA) 1. iii. Settlement type (Memmott & Moran)
2. Governance	2. i. Organisational management 2. ii. Range of services 2. iii. Government policy 2. iv. Links to other organisations
3. Human resource management	3. i. Recruitment and retention of staff 3. ii. Skill development strategy 3. iii. Linked training 3. iv. Enterprise and employment development 3. v. Community participation
4. Housing management	4. i. Housing stock 4. ii. Management system 4. iii. Rent setting and collection 4. iv. External funding

This study assessed each of these indicators through a number of measurements. These measurements were obtained using a combination of a desk-based study and telephone survey with as many ICHOs as possible from the 69 nominated for case study by the project User Group. The principal data collection was by in-depth face-to-face interviews conducted with 22 ICHOs.

One of the key findings of this study is that financial viability is a necessary but not a sufficient determinant of the organisational capacity of ICHOs. Put differently, an ICHO needs to be financially healthy in order to be able to meet its objectives, but at the same time the fact that the books balance does not necessarily mean that an ICHO has spent its money in a way that best serves its long-term organisational

objectives. Strong governance and capable people at all levels of the organisation are required to ensure that money is spent productively; as one participant in the study put it: 'there is no point in throwing good money at bad organisations'.

However, this study also found that all four of the viability factors identified are at least moderately important determinants of the organisational capacity of Indigenous Community Housing Organisations. In addition, the analysis strongly indicates that there is no one single factor or simple combination of factors that is both a necessary and sufficient determinant of the organisational capacity of ICHOs.

For instance, while both the number of dwellings managed and the degree of remoteness are strongly correlated with organisational capacity, it is not the case that all small ICHOs in very remote locations had low organisational capacity, or conversely that all large ICHOs in highly accessible locations had high organisational capacity.

Nevertheless, the study has prioritised the various factors that underlie the organisational capacity of ICHOs. In particular, it has identified three issues that are of critical importance, including two Viability Factors and one Indicator:

1. **Location**, as indicated by Degree of Remoteness, is the single most important Viability Factor due to its impact on a wide range of issues underlying organisational capacity, ranging from maintenance and construction costs to the availability of capable personnel for staffing and governing committee positions.
2. Appropriate **governance** structures and capable personnel in key decision-making positions in the organisation are also crucially important. However, different aspects of governance are important to different organisations, and may also change for the same organisation at different points in time. Government support and governance training for governing committee members were found to be the most important issues in this area.
3. The **number of dwellings** managed by many ICHOs is too small to allow for the housing management function to be self-sustaining without implicit or explicit external funding or cross-subsidisation from other functions of the organisation.

As indicated above, while the three issues described above were found to be the most critical, this is not to say that other aspects of organisational capacity can safely be ignored. In fact, all four of the Viability Factors analysed by the study team was at least of moderate importance to organisational capacity. For instance:

- Aside from dwelling numbers, **housing management** was found to be of moderate importance to organisational capacity. However, a number of Indicators associated with this factor, including in particular housing design, waiting list management and planned maintenance, were found to be important for organisational capacity.
- **Human resource management** was assessed as the least important of the four Viability Factors. However, skills development for governing committee members was found to be very important to organisational capacity.

In addition, this study strongly suggests that different organisational capacity issues are relevant to ICHOs of different sizes and at different stages of development. In particular:

- Smaller ICHOs tended to emphasise the importance of external issues beyond their control. Most often these issues are related to their location and the

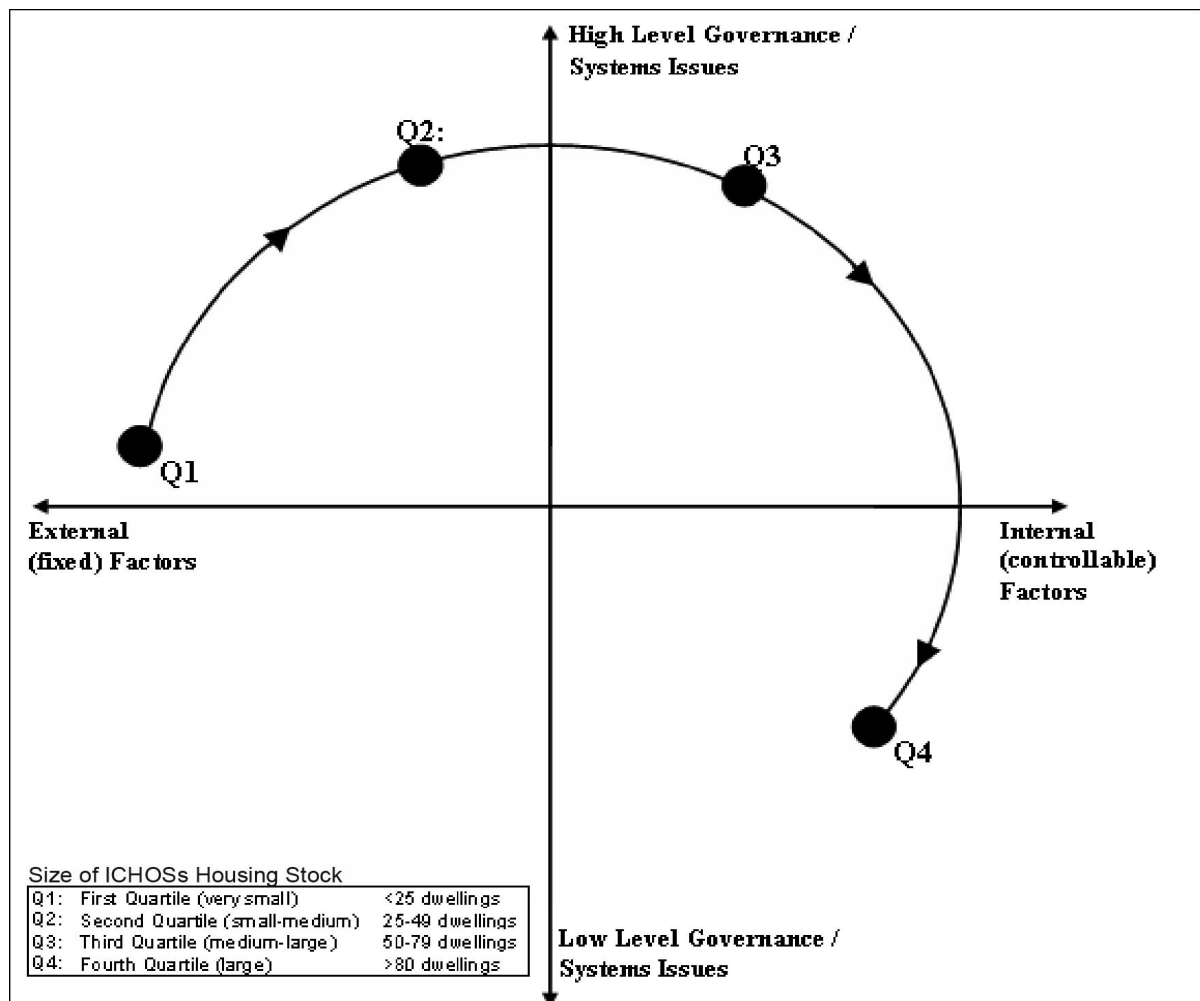
associated access to services (Viability Factor 1). Larger ICHOs, on the other hand, tended to emphasise the importance of internal issues within their control, such as housing management and financial systems (Viability Factor 4).

- Medium size ICHOs tended to emphasise the importance of high level (Governing Committee) governance issues (Viability Factor 3), while large ICHOs emphasised the importance of human resource issues (Viability Factor 4) and very small ICHOs did not regard any staffing or governing committee issues as being of major importance to their organisational capacity.

These findings are illustrated schematically by the development diagram in Figure 13 below. The vertical axis of this diagram depicts the importance of the various human relationships within an ICHO. Moving upwards along this axis indicates greater importance to high level governance issues (Viability Factor 2), which are typically the responsibility of the governing committee. Moving downwards along the vertical axis indicates a greater focus on lower level staffing and human resource issues (Viability Factor 3).

The horizontal axis of the diagram depicts the importance of external circumstances and internal process issues. External factors are beyond the control of the ICHO, and include factors such as location and accessibility (Viability Factor 1). Internal factors on the other hand are within the control of the ICHO and include issues such as housing management and financial systems (Viability Factor 4).

Figure 13: Size of ICHOs' housing stock and relative importance of viability factors to organisational capacity



The diagram shows that the organisational capacity of very small (Q1) ICHOs is dominated by external factors, in particular location, links to other organisations and external funding. These very small ICHOs attach little importance to governance issues at either the governing committee or the staffing level.

External factors such as location become gradually less important to the organisational capacity of medium sized ICHOs (Q2 and Q3). Instead, these organisations focus on building robust governance systems at the governing committee level. Lower level governance indicators such as human resources and housing management are perceived as being less important issues affecting the organisational capacity of medium-sized ICHOs.

For the largest (Q4) ICHOs, the focus of organisational capacity issues is on low level systems issues that are within their control, such as human resources and housing management systems.

Two additional comments can be made regarding the diagram in Figure 13. Firstly, in view of the positive relationship between the size of an ICHO and the relative importance of the various Viability Factors, combined with the positive relationship between organisational size and organisational capacity, it is tempting to speculate that the diagram above can be read 'in reverse'. This would mean that the particular emphasis given by a particular ICHO on each of the four Viability Factors could be plotted into the diagram to provide an indication of its organisational capacity.

Secondly, none of the ICHOs in the survey were found to be in the bottom left quadrant of the diagram, ie, focusing at the same time on external (fixed) issues and issues related to human resources or housing management. Nevertheless, various team members were aware of organisations that would have fitted into this category, but these ICHOs tended to be dysfunctional. Cases typically involved an ICHO attempting to resolve issues dictated by its circumstances, by employing a series of people into key positions, none of whom turned out to be effective.

The final comment is that the diagram illustrates a key finding of this project, ie, that financial matters are of relatively modest importance in determining the organisational capacity of ICHOs. This last finding is somewhat surprising, as many previous studies into this issue have focused on financial matters to the extent that some have equated financial viability with organisational capacity.

6.2 Policy implications

Arguably the most important finding of this study is that financial viability is a necessary but not a sufficient determinant of the organisational capacity of ICHOs. Put differently, an ICHO needs to be financially healthy in order to be able to meet its objectives, but at the same time, just because the books balance does not necessarily mean that an ICHO has spent its money in a way that best serves its long-term organisational objectives. Strong governance and capable people at all levels of the organisation are required to ensure that money is spent productively.

This is not to say that financial considerations are not important factors in the ability of ICHOs to deliver services: delivering housing services costs money, particularly in remote locations, and without government funding ICHOs would be unable to deliver housing services to the extent required by their communities.

At the same time, it would be impractical to require ICHOs to build strong governance structures and develop an appropriate base of human resources prior to building its financial base. Community-based organisations and, arguably, Indigenous

organisations in particular, build strong governance, capable governing committees and qualified staff to a large extent through a process of active application of certain principles. Training is an important part of this process, but becomes meaningless if it is preoccupied with only the theoretical level.

Instead of solely focusing on financial issues, the key policy implication of this study is therefore that improving the organisational capacity of ICHOs requires policy-makers to focus simultaneously on addressing financial issues alongside other viability factors. ICHOs need to get their governance right in order to be able to make sound financial decisions; they also require people who are qualified to take on key roles in management, staff and governing committee.

POLICY IMPLICATION 1

Strategies aimed at building the organisational capacity of ICHOs must address governance, human resources and financial issues simultaneously.

The remainder of this section identifies one or more policy implication for each of the four viability factors.

6.2.1 Location

Many of the issues effecting organisational capacity need to be considered in the context of the location of each ICHO. Location can directly impact in multiple ways, including in particular cost structures, rent levels, access to human resources and access to training. Transportation costs in remote areas result in the delivery of services such as maintenance being considerably more expensive than in urban areas. ICHOs located in remote areas might have less access to qualified personnel and training opportunities than do their sister organisations in more accessible locations. ICHOs in urban areas have a large population from which to draw governance-qualified committee members, whereas many governance committee members of remote ICHOs serve on the boards of several community organisations.

All of these factors mean that the organisational capacity and financial viability of ICHOs tends to become more stressed in direct proportion to their remoteness. However, this study has found that government policies in general and funding formulas in particular take insufficient account of the location of each ICHO. In particular, the national remoteness indicator system breaks down in the Northern Territory, Queensland, South Australia and Western Australia, where a significant proportion of ICHOs are located in extremely remote areas.

While the national remoteness indicator system allows for funding and cost formulae to differentiate between urban, regional and remote areas, it does not allow for similar distinctions between ICHOs that operate in different degrees of remoteness. Nevertheless, operating costs can differ substantially between remote, very remote, very very remote and very very very remote locations. For example, ICHOs in Katherine (remote) thus receive the same construction funding as their sister organisations located on the Gulf of Carpentaria (very very very remote), although construction costs are several times higher in the latter location.

In addition, the national remoteness indicator system allows training providers to differentiate their budgets for urban, regional and remote locations, but not between remote and extremely remote. As a result of pressures to meet performance indicators expressed in numbers of attendees and the like, such organisations have a disincentive to deliver training in extremely remote locations. Not surprisingly then,

ICHOs in very very very remote locations report difficulty accessing appropriate training opportunities for staff and governing committee members.

POLICY IMPLICATION 2

All elements of the government policy framework that affect ICHOs should differentiate between remote, very remote, very very remote and very very very remote locations in their funding and cost formulae as well as their performance indicators.

6.2.2 Governance

This study found appropriate governance and capable personnel in key decision-making positions to be of crucial importance to the organisational capacity of ICHOs. The study also highlighted that different aspects of governance are important to different organisations, and may also change for the same organisation at different points in time.

In general terms, strategies aimed at developing the organisational capacity of ICHOs should therefore endeavour to strengthen governance in order to allow ICHOs to develop the skills to deal with change. Support from government officials, in particular by providing information about changing government policies, was generally identified as a critical element of capacity building for ICHO governance bodies. In this context, it is of concern that a number of government officials indicated that they felt that they did not have sufficient time to undertake this type of work.

POLICY IMPLICATION 3

Organisational capacity building should include governance training for members of the governing committee as well as members of the wider community.

In addition, this study has identified a number of different organisational capacity issues that affect ICHOs at different stages of development, as indicated by Figure 13 in the previous section. The policy implication is that strategies which aim to develop the organisational capacity of ICHOs should focus on different aspects of governance and organisational management, depending on the nature and size of the individual organisation.

For example, staff skills development and housing management system-building are appropriate for larger organisations that have well established and robust high level governance systems. Medium-sized ICHOs require a focus on strengthening governance systems, while for the smallest ICHOs, external relationships and addressing the constraints imposed by external factors such as location are most important.

POLICY IMPLICATION 4

Organisational capacity building strategies should take explicit account of the particular needs of each ICHO.

6.2.3 Human resources

This study has highlighted governance training for members of the governing committee as the most important human resource issue with respect to the organisational capacity of ICHOs. Training needs included meeting procedures, minute-taking, elections, corporate governance, monitoring of budget, program performance and statutory requirements.

A number of respondents felt that this type of training should be made available not only to governing committee members, but to members of Indigenous communities more broadly, in order to increase the number of potential candidates with the skills required for holding governing committee positions. However, a substantial number of ICHOs, particularly those in extremely remote locations, felt that they had inadequate access to such training.

POLICY IMPLICATION 5

Increased resources should be made available to increase access to governance training for members of Indigenous communities in general and for members of ICHO governing committees in particular.

In addition, the following measures aimed at improving the capacity of staff members were highlighted by this study:

- training for staff for development is needed variously in asset management plans, business plans, housing management standards, policies and systems;
- accounting practices and compliance standards need to be strengthened (separate accounts for member organisations to assist in financial tracking, financial controls adherence and accurate reporting);
- improvements to human resource management (all staff sign contracts; complete police checks on staff);
- capacity support to ensure accounting responsibilities are up-to-date and Management Reports are being regularly provided;
- development of regional housing related employment strategies to support the growth of skilled staff and management practice; and
- provision of career pathways for Aboriginal housing officers.

6.2.4 Housing management

One of the key issues in the ICHO sector remains the large number of ICHOs that manage too few houses to allow for these organisations to meet the costs of their housing services from their rental income. Put differently, the number of dwellings managed by a significant proportion of ICHOs is too small to allow for their housing function to be financially self-sustaining without implicit or explicit external funding or cross-subsidisation from other functions of the organisation.

While a degree of consolidation of housing stock has occurred in recent times, further concentration of dwellings is required in order to reduce the number of very small ICHOs and increase the average number of dwellings managed. This can be achieved in two ways.

The first way in which consolidation can be achieved is by amalgamating a number of ICHOs into one or more larger organisations. This strategy has been pursued with

varying degrees of success in a number of jurisdictions, usually by creating a larger housing specialist ICHO to carry out the housing management function of a number of smaller multifunctional ICHOs in a particular geographical area. The new housing specialist takes on all housing-related functions, including the management and the ownership of the housing stock. The evidence suggests that amalgamation has been successful in urban and regional areas, but due to the larger distances involved has tended to be less successful in more remote areas.

The second way in which housing stock can be consolidated is by centralising some, but not all, housing management services. This strategy involves a centrally located ICHO to coordinate 'higher level' housing management functions while local organisations remain responsible for 'lower level' functions. For instance, the local organisations might be responsible for identifying rental arrears and fixing minor and some emergency maintenance issues, while the central ICHO is responsible for employing contractors to conduct the trade maintenance and cyclical maintenance.

It should be noted that the specific elements of housing management undertaken centrally and locally vary in each situation, depending on factors such as the location and skills base of the local organisation. Finally, the evidence suggests that centralisation has been most successful in more remote areas, where it would be impractical to concentrate all housing management functions in a single organisation.

POLICY IMPLICATION 6

Further consolidation of the housing stock managed by the ICHO sector is required but, depending on location and circumstances, the most appropriate way in which this can be undertaken is either through amalgamation of ICHOs (urban/regional) or centralisation of services (remote).

In addition, the following measures aimed at improving housing management were highlighted by this study:

development of minor repairs and maintenance capacity, particularly for very remote ICHOs;

improvement of housing stock management operations (residential tenancy agreements in place for all tenants; maintain a master property register for member organisations; conduct valuations of each property; uniform rent levels for all tenants; IT training for staff; capacity to edit maintenance request and job order issue and certification of work completed; establish panel of zone or regional contractors; enforce provision of waitlist compliance);

strengthening of tenancy management (tenancy agreements, rent arrears and tenant liability, regular property inspections);

workshops with tenants and other householders (tenant awareness and education, budgeting, life skills, community well-being and livelihood development); and

→ improvement of asset management planning ability.

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ATTACHMENT 1 - SURVEY INSTRUMENT

Indigenous Community Housing Organisation Aboriginal community housing provider survey (mailout & field)

INTERVIEW DATE: / / 2006

INTERVIEWER/S: _____

TIME INTERVIEW COMMENCED: _____

TIME INTERVIEW ENDED: _____

PART 1—LOCATION

Q1. In which jurisdiction is your ICHO (Indigenous Community Housing Organisation)/ACHP (Aboriginal Community Housing Provider) located? (NSW, QLD, SA, WA, NT, TAS, ACT, VIC) (1a)

Q2. What is the degree of remoteness in the location of your ICHO/ACHP? (1b)

HA (Highly Accessible: eg, capital city, major regional centre)	1
A (Accessible: inner regional, major regional centre, rural centre)	2
MA (Moderately Accessible: outer regional, rural centre)	3
R (Remote)	4
VR (Very Remote)	5
VVR (Very Very Remote)	6
VVVR (Very Very Very Remote)	7

Q3. The basic premises of ARIA (Accessibility/Remoteness Index of Australia) is that there are more services available in large towns than small towns, and that remoteness is a factor of the relative distance one must travel to access a full range of services. Consequently does your ICHO/ACHP believe that access to a full range of services is a factor in your capacity to maintain houses and stable tenancies? (1b)

Yes 1

No 2

If so, why?

Q4. In which settlement type is your housing located? (1c)

(Circle One)

1. DBS1 (discrete settlement geographically separate from other centres)
2. DBS2 (discrete urban settlement and town camps within or on the outskirts of an urban or rural centre)
3. DBS3 (outlying discrete settlements dependent on a larger centre for infrastructure or services, e.g. outstations, homelands, and pastoral settlements)
4. DUH1 (disbursed Indigenous housing and communal facilities in a capital city or major regional centre)
5. DUH2 (disbursed Indigenous housing and communal facilities in rural centres including those with a majority Indigenous population)

PART 2—GOVERNANCE

Q5. What is the type of organisation? (2a)

(Circle One)

1. Multi-service provider
2. Standalone housing provider
3. Other (what?) _____

Q6. What is your form of incorporation? (2a)

(Circle One)

1. *Aboriginal Councils and Associations Act*
2. *State Incorporations Act*
3. *Companies Act*
4. Other (what?) _____

Q7. Is your ICHO/ACHP one of the following types of organisation? (2a)

(Circle One)

1. Local Government Council
2. Community Council
3. Regional Authority
4. Resource Agency
5. Land Council
6. Company
7. Indigenous Community Housing Organisation
8. Non-Indigenous Community Housing Organisation
9. Aboriginal Community Housing Provider
10. Housing Cooperative
11. Regional Housing Organisation
12. Other (What?)_____

Q8a. Does your constitution put in place mechanisms to ensure the governing committee is broadly representative of the diverse groups in the community? (2a)

(Circle One)

- | | |
|-----|---|
| Yes | 1 |
| No | 2 |

Q8b. How often are elections held? (2a)

Q8c. How often are management reports made to the governing committee? (2a)

Q9. How does your ICHO/ACHP rate the following nine core governance responsibilities (scale 1–5 with 1 very unimportant and 5 very important): (2a)

- _____ Leadership
- _____ Policy
- _____ Planning
- _____ Financial
- _____ Employment
- _____ Compliance
- _____ Monitoring Achievements
- _____ Accountability to Outside Relationships

_____ Governing Committee Development

Q10. Does your ICHO/ACHP have documented processes to manage conflicts of interest? (2a)

(Circle One)

Yes 1

No 2

Q11a. Does your ICHO/ACHP have a strategic or business plan? (2a)

Yes 1

No 2

Q11b. Does your ICHO/ACHP have a risk management plan in place? (2a)

Yes 1

No 2

Q11c. Does your ICHO/ACHP have adequate information technology systems in place to manage finances, assets and tenants? (2a)

Yes 1

No 2

Q12a. Does your ICHO/ACHP have regular reviews of capacity and performance for the running of the organisation's business? (2a)

Yes 1

No 2

Q12b. Which of the following capacities are reviewed? (2a)

Board performance Yes/No

Internal reporting arrangements Yes/No

Strategic or Business Plan Yes/No

IT systems Yes/No

Policy and Procedures Yes/No

Financial viability Yes/No

Training Plans Yes/No

Q13. How does your ICHO/ACHP rate the following governance viability? (scale 1–5 with 1 very unimportant and 5 very important) (2a)

Degree of sovereignty (control over the decisions for managing affairs) _____

How you relate to the community and local needs _____

Stable institutional rules (quality governance, administration and direction) _____

Separation of Powers (between executive and administrative and business arms)_____

Effective financial management _____

Skills and abilities of members and staff _____

Size of the organisation _____

Q14. What are the different types of services your ICHO/ACHP provides to clients?
(2b)

No.	Type of Service	Income Stream

Q15a. If your ICHO/ACHP is a multi-service deliverer, does having the ability to deliver multi-services improve your ICHO/ACHP's capacity to manage houses? (2b)

Yes 1

No 2

Why?

Q15b. If your ICHO/ACHP is not a multi-service deliverer, does not being able to provide multi-services impact on your ICHO/ACHP's ability to manage houses? (2b)

Yes 1

No 2

Why?

Q16. How have recent changes in Indigenous housing policy impacted on your ICHO/ACHP? (2c)

Q17a. Do government officers strategically engage with your ICHO/ACHP and provide institutional support that contributes to ongoing organisational viability? (2c)

Yes 1

No 2

Q17b. If you are experiencing problems with institutional support from funding bodies, how can this deficiency be rectified? (2c)

Q18. Does your ICHO/ACHP have links to other organisations and what is the basis of that engagement? (2d)

No.	Organisation	Basis of Engagement

Q19. What benefits do these links bring? (2d)

PART 3 – HUMAN RESOURCES

Q20. Do you have a human resources policy and procedures manual? (3a)

Yes 1

No 2

Q21. What is the staffing level? (Number) (3a)

Q22. Can you list the positions? (3a)

Q23. Does your ICHO/ACHP experience a high turnover of staff? (3a)

Yes 1

No 2

What strategies do you have in place to engage and retain skilled staff in your organisation?

Q24. Do you think your ICHO/ACHP is under-resourced in funding levels for staffing? (3a)

Yes 1

No 2

Q25. What are the problems and what can your ICHO/ACHP do to rectify the deficiency in funding levels for staffing? (3a)

Are all staff issued with contracts of employment and job specifications?

Yes 1

No 2

Q26. Do you seek advice from external specialists/consultants? (3a)

Yes 1

No 2

Q27a. Does your ICHO/ACHP have strategies in place to ensure governing committee members have or gain the skills/expertise needed for good governance? (3a)

Yes 1

No 2

Comment:

Q27b. Please describe the skills base of the management committee. (3a)

Q28. Do you have a training plan?

Yes 1

No 2
Do you analyse skills development needs for staff? (3a)

Yes 1

No 2

Q29. How are training activities conducted? (3a)

(Circle One)

1. Internally (on the job)
2. Externally (off the job)
3. A mixture of both

Q30. Is training linked to your ICHO/ACHP activities? (3b)

Yes 1

No 2

What training activity is done?

No.	Type of Training	Activity training linked to:	Training Provider

Q31. Has your ICHO/ACHP developed related enterprise activity and employment? (3c)

Yes 1

No 2

What are they?

No.	Type of Enterprise and/or Employment Development

Q32. How do staff engage with the broader community? (List types and basis of engagement) (3d)

What cultural protocols are observed?

PART 4 – HOUSING MANAGEMENT

Q33. What is the total number of housing stock? (4a)

What condition is the housing stock in?

Q34. What are the housing types (and numbers of each)? (4a)

Q35. Are the house designs appropriate to your ICHO/ACHP environment and accommodation needs? (4a)

Yes 1

No 2

Comment:

Q36. Has your ICHO/ACHP housing stock increased or decreased over the last 12 months? (What is the percentage to total housing stock?) (4a)

Q37. What is the average number of people per household? (4a)

Q38a. Does your ICHO/ACHP have a housing management plan in place to manage housing stock? (4b)

Yes 1

No 2

Q38b. Does your ICHO/ACHP outsource tenancy management? (4b)

Yes 1

No 2

Q39. Does your ICHO/ACHP maintain a waiting list? (4b)

Yes 1

No 2

Q40. Can your ICHO/ACHP provide feedback on the following items: (4b)

How many people are on the waiting list?

What is the average waiting time?

Does your ICHO/ACHP have priority waiting lists? Yes/No

Does your ICHO/ACHP have tenancy agreements in place? Yes/No

Is rent collection sufficient to maintain houses? Yes/No

Do you use direct debit Centrepay / CDEP as rent payment mechanism? Yes/No

If so, do you require tenants to use direct debit? Yes/No

Does your ICHO/ACHP provide a financial counselling service? Yes/No

Does your ICHO/ACHP have dispute resolution practices in place? Yes/No

Does your ICHO/ACHP provide referral services for tenants? Yes/No

Does your ICHO/ACHP utilise tenant participation mechanisms? Yes/No

Q41. How do you maintain awareness of tenant satisfaction?

Q42. As at 30 June 2006, what is the unmet housing need (number of houses, management resources and maintenance/upgrade)? (Please describe) (4b)

Q43. What is the level of ownership in the housing stock? (ICHO/ACHP owned or proportion of government equity in stock) (4b)

Q44. Does your ICHO/ACHP have an asset management plan? (4b)

Yes	1
No	2

Q45. Does your ICHO/ACHP deliver a repairs and maintenance service for housing stock? (4b)

Yes	1
No	2

Q46. Does your ICHO/ACHP have a planned cyclic maintenance program in place? (4b)

Yes	1
No	2

Q47. Is your ICHO/ACHP able to deliver planned upgrades to improve the amenity of houses? (4b)

Yes	1
No	2

Q48. If your ICHO/ACHP is having problems delivering a planned maintenance service what are they and how can they be rectified? (4b)

Q49. Is your ICHO/ACHP able to charge market level rents? (4c)

Yes	1
-----	---

No 2

If not, what can your ICHO/ACHP do to meet this standard?

Q50. Does your ICHO/ACHP have a rent setting policy? What is it? (4c)

Q51. Does your rent setting policy take Commonwealth Rent Assistance into account?

Yes 1

No 2

a) If so, in what way(s)?

b) In particular, do you calculate rents in such a way as to maximise the amount of CRA collected?

Yes 1

No 2

Q52. Does your ICHO/ACHP have a rent collection policy? What is it? (4c)

Q53. Does your ICHO/ACHP have problems with rent arrears? (4c)

Yes 1

No 2

Q54. If yes, can your ICHO/ACHP describe the problem and outline what your ICHO/ACHP can do to rectify the problem? (4c)

Q55a. What are the different types of external funding your ICHO/ACHP receives? (4d)

No.	Type of Funding	Funding Program

Q55b. How secure are the external funding streams? (4d)

(Circle One)

- 1. One-off grant
- 2. Government grants (annual)
- 3. Long-term Contract

Comment:

Q56. Does your ICHO/ACHP think it is under-resourced by funding levels? (4d)

- Yes 1
- No 2

Q57. If yes, what are the problems and what can your ICHO/ACHP do to rectify the deficiency in under-resourcing funding levels? (4d)

Q58. What other factors contribute to a lack of capacity in regard to adequate staff and opportunities to create new streams of income? (4d)

Q59. Does your ICHO/ACHP have income streams for acquiring new stock? (4d)

- Yes 1
- No 2

Comment:

Q60. How do you rate your ICHO/ACHP's financial viability: (scale 1–5 with 1 very poor and 5 very good)

i)	over the next 12 months?	1	2	3	4	5
ii)	over the next 3 years?	1	2	3	4	5
iii)	in the longer term?	1	2	3	4	5

Q61. Please list your ICHO/ACHP's strengths and weaknesses in terms of its financial viability.

Strengths _____ Weaknesses

TIME INTERVIEW ENDED: _____

ATTACHMENT 2 - PILOT STUDIES

Pilot 1, Western Australia

The main outcome of the study, conducted on 28 July, 2006, was that the survey in its current format was too long; after some two hours the interview was terminated, with only the first two sections of the survey form completed. Other key findings included:

- In general terms, this IHO appears to be functioning well with appropriate tenancy management, maintenance, rent setting, rent collection and application policies in place.
- The respondents stressed the need for managerial staff and board members to be well versed in governance issues. They recently conducted a 12-week course costing \$3,500.
- This IHO networks extensively with other organisations such as an Indigenous arts group in Perth and a regional Indigenous organisation in New South Wales for the purpose of exchanging ideas and gaining new knowledge regarding governance procedures and processes.
- WA Aboriginal Housing & Infrastructure Directorate (Department of Housing & Works DHW) has identified this IHO as a well-functioning model that they promote.
- Respondents stressed difficulties arising from changes in funding and Indigenous housing policies over the last two or three years. After the demise of ATSIC there has been a lack of continuity in approach. In particular there has been a lack of consistency of project managers from government departments, a lack of information sharing with them and, where constructive criticism is offered, project managers can make operations difficult.
- This IHO feels the bilateral agreement disadvantages them with funding uncertainty, has affected their Strategic Plan and may return the IHO to welfare dependency due to DHW policy and procedures. Processes are now confusing, especially reporting formats.

Pilot 2, Queensland

This survey with a Brisbane urban Indigenous housing provider was conducted on Tuesday, 8 August 2006. The revised field survey form was used and the interview took 2.25 hours to complete. This is a lengthy time for a field interview and it may impose on the daily activities of a working organisation. Yet more time could have been spent qualitatively exploring fields in the survey such as the types of services provided, improvements in capacity of the organisation, engagement and linkages with other organisations and the value of such linkages, accommodation needs, and aspirations to develop housing pathways. Preliminary findings included:

- The questions on location did not produce any significant outcomes; it is an organisation in a highly accessible part of Australia with dispersed Indigenous housing. These are location issues at a national scale. However as this organisation is located some distance from the CBD there may be issues of location that have not been uncovered by the survey. Perhaps an additional question is why is this organisation located where it is?
- This organisation identified a number of relevant governance issues. While a number of the current board members have tertiary qualifications the organisation identified value in attracting people to the management committee who have

specific professional skills that would increase the capacity of the organisation. The organisation identified governance training as a major issue for the board.

- This organisation networks with numerous Indigenous organisations and other organisations. In particular, it meets with other housing organisations with a view to developing common policies and procedures.
- The organisation has experienced difficulties as a result of recent changes in policy and funding arrangements. The organisation now feels more 'remote' from funding providers and does not receive the same level of support that it once experienced.
- An issue identified by the organisation was prolonged financial transactions with the funding body that impede commercial transactions it wishes to make (which have their own contractual requirements).
- This organisation aspires to provide a total housing service that can assist clients on a journey from community housing through to home ownership.
- The organisation identified the need for access to (not necessarily acquisition of) more than double the number of its existing housing stock.

Outcomes

With regard to their principal aim of testing the survey instrument, the main outcome of the pilot studies was a change in the approach to the fieldwork. Prior to the pilot studies taking place, the project team intended to use the same instrument for both the telephone survey and the in-depth field interviews. However, subsequent to the pilot studies, it was decided to develop separate instruments for the two stages.

In particular, the pilot studies highlighted that it was not possible to cover questions related to the four viability factors with open-ended questions in a reasonable period of time and via the telephone. This resulted in a decision to limit the telephone survey to simple (mainly yes/no and tick-box) questions, grouped under the four viability factors described above. The field interviews would provide an opportunity for respondents to expand on their answers to the telephone survey, and to provide further detail with some additional open-ended questions.

In addition, the pilot studies proved of some interest in respect to their secondary aim of yielding initial insights into the practical application of the theoretical framework developed as part of this project.

The survey instrument was amended as follows:

- separate tools for the telephone surveys and the face-to-face interviews;
- the form for the telephone surveys should have simple (yes/no, tickbox, rating scale etc) questions;
- the form for the face-to-face interviews should be based around open-ended questions highlighting more complex issues. In addition, this form should repeat the questions of the survey question, giving respondents an opportunity to expand on their answers where appropriate;
- the form for the face-to-face interviews needs to have additional parts for the following stakeholder groups:
 - community members
 - key regional stakeholders (e.g. funding body)

- network/service partners;
- the location section of the survey should make provision for questions such as: Why is the ICHO located here? What are the ICHO goals/mission? What does it want to achieve in say 1, 3 or 10 years?;
- the governance section of the survey form should make provision for responses by different stakeholders (e.g, organisational managers v board members);
- interviewers must allow discussion and be diligent in recording discussion and identifying key words.

ATTACHMENT 3 - INDIVIDUAL CASE STUDY ANALYSES

- NT07 – A Very Very Very Remote, Medium, Multi-Function Aboriginal Council
- WA08 – A Very Very Very Remote, Medium, Multi-Function Association
- NT05 – A Very Very Remote, Medium, Multi-Function Local Government
- SA12 – A Very Very Remote, Small, Multi-Function Aboriginal Council
- SA10 – A Very Very Remote, Medium, Multi-Function Association
- SA11 – A Very Remote, Medium, Multi-Function Association
- SA13 – A Very Remote, Medium, Multi-Function Association
- SA14 – A Very Remote, Small, Stand-Alone, Unincorporated Family Group
- SA15 – A Very Remote, Large, Multi-Function Aboriginal Corporation
- WA06 – A Remote, Medium, Multi-Function Association
- NSW02 – A Remote, Medium, Multi-Function Company
- NSW04 – An Outer Regional, Small, Multi-Function Aboriginal Land Council
- NSW10 – An Outer Regional, Medium, Multi-Function Aboriginal Land Council
- VIC06 – An Outer Regional, Medium, Multi-Function Aboriginal Corporation
- SA02 – An Inner Regional, Medium, Multi-Function Association
- SA06 – An Inner Regional, Small, Multi-Function Association
- QLD07 – An Inner Regional, Medium, Multi-Function Co-operative
- NSW08 – An Inner Regional, Medium, Stand-Alone Co-operative
- NSW09 – An Inner Regional, Medium, Stand-Alone Co-operative
- VIC11 – A City, Large, Stand-Alone SOMIH in Transition to ICHO
- QLD09 – A City, Medium, Multi-Function Aboriginal Corporation
- NSW05 – A City, Medium, Multi-Function Aboriginal Land Council

NT07 - a very very very remote, medium, multi-function Aboriginal council

The interviewers' general impressions of this ICHO were that it was well managed, with a good relationship between the CEO and the Chair. Housing appeared to be well maintained and well furnished, with training activity and maintenance being conducted with community residents on the day of the survey. Areas of concern were:

- high costs of maintenance due to high transportation costs associated with the extreme remoteness of the ICHO; and
- lack of training opportunities for housing management staff.

This ICHO has been classified at the highest level of remoteness (level 7). It is a very, very, very remote community accessible by road (a full days trip) or plane (3 hours from Katherine or 3½-4 hours from Darwin). It is the most remote community in the Northern Territory. During the wet season, this ICHO is only accessible by plane, and then only intermittently. High transport costs mean that any construction or maintenance activity is very expensive, and needs to be planned well around accessibility of the ICHO.

Settlement Type is DBS1: a discreet bounded settlement, which maintains some outstations.

This ICHO is a multi-service provider, which is incorporated as a Community Council under the *Aboriginal Councils and Associations Act*, governed by a Community Council. Council elections are held once every year, with Council meetings held once per month. Four councillors are drawn from the main community and four from outstations; two councillors are women. The CEO provides a report to the Council at all of its meetings.

When asked to rate the nine core governance responsibilities, respondents rated leadership, policy, planning, financial, employment and governing committee development as being the most important followed closely by monitoring achievements and lastly compliance and accountability to outside relationships. The CEO said housing significantly contributes to the welfare of the people and it can't operate without the support of the Council. Compliance doesn't contribute to this and it's compounded by government officers not being field officers any more but rather compliance officers.

This ICHO has a strategic/business plan and adequate information technology system in place to manage finances and assets, however data for tenants can't be recorded as the Housing Officer has not been trained in this area. Respondents said IHANT was aware of the problem but have chosen not to act. They don't have a risk management plan in place but risk management is practiced throughout the community and their process for managing conflicts of interest is included in their constitution. All performance capacities were reviewed regularly and when asked to rate governance viability they rated relating to community and local needs, stable institutional rules, separation of powers (although not well understood), effective financial management and skills and abilities of members and staff as very important, while degree of sovereignty ran a close second, and size of the organisation last.

They said that the size of the organisation was important as disputes and feuding can be managed in a small community whereas in a large community they are harder to control.

Four years ago the community was totally dysfunctional, but since employing the accountant the community is \$375,000 in the black.

Respondents strongly emphasised a number of issues associated with IT. Firstly, while the ICHO had IT systems in place, there was no appropriate training available for operators anywhere in the Northern Territory. Secondly, there was an urgent need for a housing management software program package to match with compliance requirements. Thirdly, an effective call out fee of \$3000 (due to high compliance costs) to fix any IT problems made it essential to develop such skills on site.

This ICHO provides a number of services in addition to housing, including:

- housing
- night patrol
- CDEP
- municipal service
- enterprise function – civil construction
- sport and recreation
- women's welding training program
- women's program – no women's program in the Northern Territory were funded by the ICC as none met the guidelines
- nutrition
- community store, clinic, school.

In addition to these for profit/funded programs, the ICHO runs a self-funded nutrition and housekeeping program which issues toiletry essentials to every household, including toilet paper and soap (once a week), soap powder (once a month) and soap buckets and mops (once a year). Due to low incomes, many households were unable to afford these basic items. This program was cost effective as it had drastically reduced septic blockages, scabies have disappeared and houses are maintained better. Respondents felt that delivering a range of services, rather than a single service, had increased the capacity of the organisation.

Respondents highlighted both positive and negative impacts of recent government policy initiatives. A positive step for the community was the allocation of funding for the Housing Officer position by Indigenous Housing Management. However, at the same time the lack of training provided with the position was listed as a negative. They get support from the ICC and local government but none from FaCSIA: 'they haven't got a clue'. Their advice to the government was to listen to what the people are saying: they want to do things for themselves and not have contractors coming in from outside.

This ICHO networks with another ICHO for peer-to-peer support and with the Local Government Association of the Northern Territory as well as DEWR regarding CDEP and education and health through the school and the clinic. In addition, the ICHO has regular contact with the regional Native Title Committee and were represented on the Kimberley Aboriginal Health Committee. It also liaises with local services in the community, including police, wardens, school and health clinic.

This ICHO employs a CEO, Housing Officer, Accountant, Bookkeeper, Clerk, Housing Maintenance Worker, Civil Construction Supervisor and an Outstation Liaison Officer. There is not a high turnover of staff as they are recruited from within the community. Staff are offered good working conditions and all are on contract although some contracts are still in draft form. External advice is provided through the auditor, IBA and ILC.

The ICHO has a training plan but has not been able to access training (sending people away is impractical); training providers see onsite training in the community as being uneconomical. The welding for women program was negotiated through CDU and, from anecdotal evidence, the program is running well with a large number of women participating.

Informal training is provided to Council members at every Council meeting. Skills base of members include local knowledge, cultural knowledge, meeting procedures, basic financial skills, carpentry, plant operator, ringer and teaching skills. Members share their skills and help others in the community.

The ICHO hopes to employ the participants of the welding program to do maintenance at the settlement and other communities, once they complete the course.

This ICHO has a housing maintenance program as well as fencing, welding and civil construction. They also run chickens and sell the eggs (30doz) to Boorooloola. This ready supply means families have eggs as part of their daily diets.

Staff and Council members are drawn from the community and are employed in various positions with good working conditions.

There are 55 houses managed, including 27 in the community. Housing stock includes 19 one-bedroom, 5 two-bedroom, 28 three-bedroom and 2 four-bedroom dwellings, and a five-bedroom single men's quarters. In addition, there are 3 staff dongas, 6 health staff houses, 2 education houses, 10 shelters, 3 makeshift dwellings and 7 houses on outstations. Another duplex is currently under construction.

Respondents said the new houses were good, but the temporary dwellings need to be replaced. There is concern about the Northern Territory standard design for houses. The community see it as a step backwards.

This ICHO has a housing management plan, doesn't outsource tenancy management, and maintains a waiting list. There are approximately 4-5 families on the waiting list and the waiting time is usually five years and dependent on construction time. There is a need for another five houses to upgrade for people in shelters and five houses need upgrading. There was a concern that this would mean there would be an influx from people in Boorooloola. They don't have an asset management plan, but do have a repairs and maintenance program as well as a planned cyclic maintenance program in place. However, they would like IHANT to take responsibility for this.

Currently, there are an average 5.5 people per house, even though there was an increase of 10 dwellings (18%) over the last twelve months. There are five families on the waiting list, who are currently overcrowding relatives. The average waiting time equates to the construction time, around five years.

Around half of this ICHO's tenants have written tenancy agreements, the other half have verbal agreements.

When asked if the ICHO was able to charge market rent levels, the respondents were dismissive, stating that there was a private rental sector, and therefore no market rent in or anywhere near the community. In addition, elderly people are exempt from paying rent and each CDEP worker is charged \$15 pw. IHANT requires \$100 pw on new houses and \$60 on older houses. They don't have problems with rent arrears.

The ICHO does not take Commonwealth Rent Assistance (CRA) into account in its rent setting policy, commenting that this would require charging the total rent for the house to one person within each household rather than collecting rent from each occupant. This was not feasible, as it would not be culturally possible for head tenants to collect rent from other occupants.

Funding for housing management and maintenance is provided by IHANT, with separate funding streams for housing maintenance and housing management. One issue is that IHANT money does not differentiate between remote and very very very remote, ie, Katherine receives the same funds as this settlement but the costs in this settlement are twice as high. Program funding needs to reflect actual cost of delivery.

In conclusion, lack of training opportunities and the isolation and high costs of service delivery make the creation of new streams of income virtually impossible. The strength of the community lies in the commitment of its people who hold the community together. The ICHO summed up its strengths as having capable and committed staff, and its weaknesses as:

- dependence on government funding;
- lack of literacy skills flowing through to potential for skills development;
- isolation; and
- cost of service delivery.

The capacity of this ICHO could be improved in the following ways:

- providing support for the housing management position; and
- providing training in the area of information technology.

WA08 - a very very very remote, medium, multi-function association

The interviewer's general impressions of this ICHO were that key respondents appeared to be generally well aware of governance and management issues. Areas of concern were:

- high costs of maintenance due to high transportation costs associated with the extreme remoteness of the ICHO;
- twenty-seven out of 62 dwellings were currently uninhabited and uninhabitable, with seven needing to be replaced;
- the fact that the ICHO was not aware of the amount of rent that had been collected during the previous month;
- a lack of communication with the community's CDEP provider based in Wyndham;
- accounts managed by Wunan in Kununurra;
- lack of monitoring of work done on houses;
- lack of effective communication between the ICHO and the Department of Housing and Works at both the regional and the state level; and
- making community protocols standard for everyone visiting the community.

This ICHO has been classified at the highest level of remoteness (level 7). It is accessible by a very rough dirt track, barge or plane during the dry season, but the cost of transporting food and construction materials is very high. During the wet season this ICHO becomes completely inaccessible, including by plane and by barge, for up to five months per year. Respondents said the barge was up for sale and was likely to be sold to Darwin. There was also the problem of having no fuel to run facilities. However, the community does have an evacuation plan developed by FESA, DCD and the Police. The plan was last used four years ago.

Transport costs make food very expensive, which means that CDEP wages are insufficient to meet residents' basic needs. In addition, high transport costs mean that any construction or maintenance activity is very expensive, and needs to be planned well around times of accessibility to the ICHO.

Settlement Type is DBS1: a discreet bounded settlement, which maintains some outstations.

This ICHO is a multi-service provider, which is incorporated under the Western Australian *Associations Incorporations Act*. However, the community store is incorporated separately under ORAC (ie, *Aboriginal Councils and Associations Act*).

Council elections are held once every three years, with Council meetings held as needed, usually several times per month. The CEO provides a verbal report to the Council at all of its meetings.

The respondents commented that they did not find governance important, stressing instead the ability of the Council to act. The ICHO classified finance, employment and Council development as its top priorities in terms of governance. With regard to the latter, respondents commented that this was not being supported through third-party funding or policies. Planning and monitoring achievements were viewed as the least important elements of governance, being rated at 3 out of 5.

This ICHO had documented conflict of interest policies, but did not have a documented strategic, business or risk management plan. It did not have formal

processes in place to review its organisational capacity, preferring instead to monitor performance in these areas through its CEO. The only formal review that occurs is the legally required annual audit of the ICHO's finances. Respondents clarified that they felt that the community had insufficient capacity to conduct formal capacity reviews. They also clarified that Council members did receive leadership training, though not necessarily according to a predefined plan.

Finally, respondents rated all governance viability factors as either very important or important. Organisational size was viewed as very important due to the current government policy of not providing funding for organisations managing fewer than 50 dwellings.

The community was trying to make community protocols standard for everyone visiting the community. The protocols won't be restrictive, but rather give the community more control over who comes into the community.

This ICHO provides housing, a community store and municipal services. Respondents noted that the store was currently making a financial loss. Additional services including a school, medical clinic, police, warden, Best Start/Safety Program, CDEP and Centrelink were all delivered to the community by their respective government departments as well as BRACS through Goolari Media.

Respondents commented that they believed that, in theory, delivering multiple services would improve the organisational capacity of the ICHO. However, in practice the only service that could deliver this, the community store, was running at a loss and was therefore detracting from, rather than adding to, the organisation's capacity.

Respondents said that they received no support from government, only demands. They commented that it was 'very difficult getting anything out of Aboriginal liaison officers' at their regional DHW branch office in Kununurra, and they preferred to communicate with the Perth office. They added that funding for positions such as CEO and Housing Officer invariably arrived late, but 'when they want something off you, they want it there and then'. Finally, respondents commented that government did not seem interested in developing a strategic relationship, but only became involved when a crisis emerged.

In order to fix the problem, respondents advocated better and ongoing relationships with AHID in Perth and their local Department of Housing and Works office. In addition, being provided with technology that is consistent with government reporting demands is required, eg, email, computer skills, etc. Finally, they felt disempowered due to accounts being outsourced to their CDEP provider.

The ICHO liaised with local services in the community, including police, wardens, school and health clinic. In addition, they had regular contact with the regional Native Title Committee and were represented on the Kimberley Aboriginal Health Committee.

The ICHO employed two paid staff, plus 50 CDEP employees. It did not suffer from high staff turnover, aside from the CEO position, in recent months. The CEO position had changed a number of times over this period due to a lack of guaranteed funding. Both staff were provided with contracts. Respondents said all positions should be proper waged positions with training attached. There was too much reliance on CDEP, so they don't have a dedicated waged population.

The Housing Officer has carpentry and joinery skills as well as community development and has completed six months of an architecture course.

Very little training is conducted. For instance, the CDEP program does not provide for training, and TAFE are reluctant to come out to small communities because limited

numbers are not profitable. This is a problem, because staff selection relies on people already living in the community. Often existing training is not relevant to the community. However, respondents said that Council members and staff go to appropriate courses as they come up.

In recent times, this had included attending a leadership course offered through AIATSIS. In addition, two people had been trained through CASA to undertake maintenance of the air strip, and Council had received leadership training. Finally, some members attended a suicide prevention training program offered through DCD, and four members were undertaking governance training. Respondents were concerned that there was a technological gap in the community as the school had been provided with new computers while the community was not. The school and clinic staff receive training that is not available to the rest of the community.

This ICHO uses an essential services company, KRSP Pty Ltd, to maintain their power station. Respondents agreed that there was potential in the community to do more, but reliance on government funding meant that they had no extra money to start anything.

Staff and Council members are drawn from the community and live in the community. Community members feed comments back to staff and Council members during daily social interactions.

Retention of staff is not an issue, but it is important that training is available to ensure that they have all the skills required for their jobs.

Fifty-four houses are managed, including 9 one-bedroom, 28 two-bedroom, 7 three-bedroom and 10 four-bedroom dwellings. Nineteen older houses are unoccupied, including 7 that are unliveable; the other 12 need repairs that vary from minor to major. There is an average occupancy of 3.4 people per dwelling, with overcrowding in some houses.

There are a number of design issues regarding the older stock, which were built on a concrete slab. This design is not suitable for a flood and cyclone prone area. In addition, outside bathrooms with no backdoor to the house require residents to walk a long way to ablutions which is a problem in adverse weather conditions. The community have lobbied the Department of Housing and Works (DHW) to demolish these houses but respondents said this has been ignored.

New houses were built on stilts at the level of the 1997 floods and are more modern and appropriate to the area. These dwellings are in good condition. Maintenance has been scheduled, but will not be ready to proceed until the ICHO knows how much rent it has received over the last quarter.

The ICHO has been allocated funding to build seven houses this year, but the money has still not arrived. One issue is that the design process is too time consuming and expensive, and is holding back putting them on the ground. Respondents questioned why the Department of Housing and Works did not simply copy their existing designs. Standard designs did not suit the environment, as the community was prone to flooding. The new houses were appropriate, as they were built on stilts and in good condition.

This ICHO does not have a housing management plan, and conducts its own tenancy management. It has a waiting list of six households; these households are waiting for repairs to be completed on 12 houses and are currently overcrowding others. There is no priority wait list.

Some of the larger houses are currently being under-occupied by singles/couples. Who will be shifted when repairs are done and currently unoccupied houses become available?

This ICHO requires tenants on Centrelink and CDEP to sign up to a direct debit arrangement. However, respondents commented that the system was not working satisfactorily, as people were able to stop their Centrepay arrangements without notice. In addition, the outsourcing arrangement with CDEP was problematic as there was no way for the organisation to check that rent was actually being received. There was also a problem with Centrelink; paperwork would be sent off and invariably get lost in the system.

The ICHO provide dispute resolution and the ability for two tenants to be members of the rental subcommittee. Tenants were informed of their rights and responsibilities in an informal way. The ICHO provided its own maintenance, but used DHW funding for major maintenance and upgrades. No asset management strategy was in place as this was contractually the responsibility of the DHW.

One issue regarding cyclical maintenance was the DHW's emphasis on patching up old houses, when it would be cheaper in the long term to demolish them and build more modern dwellings.

The ICHO officially charged a flat rate of \$50 per house per week, but unofficially they charged a per person rate of \$20 (power) plus \$25 (rent) per week. They did not take Commonwealth Rent Assistance into account in their rent setting policy. There was a problem with rent arrears, but respondents commented that as it was impractical to evict non-paying tenants, there was no way to efficiently enforce any rent collection strategy.

Finally, respondents commented that rent collection was insufficient for maintenance, although it 'would be sufficient if unoccupied stock is repaired or replaced'. They also stated that they wanted a strong administration system for securing rents and tracking occupants and streams of income.

External funding was received in the form of an annual grant from FACSIA for fuel. This funding was viewed as insecure in the short to medium term, slightly more secure in the longer term.

The ICHO summed up its strengths and weaknesses as follows:

Weaknesses

- relationships with government agencies;
- financial dependence on government;
- isolation;
- dependence on a single supplier for freight; and
- no money in the bank.

Strengths

- identity;
- strong Council;
- determined community;
- existing facilities (warden, clinic, school); and
- potential to develop opportunities.

One further weakness can be identified from the above discussion, being the small number and poor quality of relationships with third parties in general. The bad relationship with the CDEP provider is of particular concern and needs to be resolved urgently. The accounts are kept by Wunan in Kununurra and CDEP is managed by Joorak Gnarni in Wyndham.

To some extent, this may be an outcome of the ICHO's need to be self-reliant due to its extreme remoteness. Nevertheless, any improvement in these relationships would no doubt increase the organisational capacity of the ICHO. In addition to improving its relationships with third parties, the capacity of this ICHO could be improved in the following ways:

- regaining control over the administration of its finances as a matter of urgency;
- development of information technology and associated skills in order to reduce the time and resources devoted to compliance;
- developing a set of clear and consistent formal policies around training; and
- developing a strategic and business plan for the community.

NT05 – a very very remote, medium, multi-function Local Government

General impressions of this ICHO were that it was operating reasonably well and a contributing factor may be the decentralisation of governance and management. Areas of concern were:

- rent arrears – respondents said they needed to bring this under control;
- additional funding for new houses to alleviate overcrowding;
- IHANT funding varies according to remoteness; and
- major problems with the ICC and DEWR and their unwillingness to compromise.

This ICHO is located in a major regional centre and manages houses in seven communities and five outstations that can be classified at varying levels of remoteness (levels 5, 6 & 7). During the wet season, many of these locations can only be accessed for six months of the year; consequently it's difficult to get tradespeople out there. Respondents commented that it needs very good maintenance planning to avoid having to fly in tradespeople during the wet at exorbitant costs. There is a need to develop local capacity to do semi-skilled work and employ their own electrician, and this involves being clever with appliances used, eg, using plug-in stoves rather than hard wired stoves.

The Housing Officer does general repairs and maintenance, however there is a building crew at Barunga and Beswick. An Indigenous builder is used across the other communities.

This ICHO deals with all settlement types: urban, rural and remote.

This ICHO is a multi-service provider, which is incorporated under the Northern Territory *Local Government Act*. Council elections are held every three years, and management reports are made to the Council every month. Their constitution recognises the traditional structure of the traditional owners, the Jaywon people, and all constituent communities are represented on the Council.

The respondents classified leadership, policy, planning, finance, employment and Council development as its top priorities in terms of governance. Accountability and

monitoring achievements were viewed as the least important elements of governance, being rated at 4 and 3 out of 5.

This ICHO has documented a conflict of interest policy and a business plan which is a requirement of local government as well as a risk management plan and financial management system. It has informal processes in place to review its organisational capacity and when respondents were asked to rate governance viability factors they thought all were very important, with the exception of separation of powers, which they rated as 3 out of 5.

This ICHO provides a range of services including housing, aged care, municipal services, CDEP, financial, minor works, building and construction, road works, sport and recreation, women's programs, arts and craft, crèche, library, clinic, school, community stores and essential services. These services overlap and help the communities to operate to their full potential. They're able to maintain ownership, and full-time positions are created from combining several part-time ones.

Respondents said they were frustrated with the government constantly changing reporting requirements, eg, community requested to develop housing plans but not provided with guidelines or template. The ICHO also requested a housing management program that wasn't provided so they had to purchase one, but they still needed training.

There is a very good relationship with the IHANT Officer, but major problems with the ICC and DEWR who don't compromise or provide support. Respondents commented that DEWR didn't understand the community's needs and was very dictatorial. The government needs to share information and have realistic timeframes instead of threatening to cut funding. The documentation should be explained so communities understand what the government wants and they should recognise the environment of remote communities who have trained people but no real jobs.

The ICHO has links with Sunrise Health through an SRA that involves the clinic, happy homes program, aged care, nutrition and lifeskills. They participate in the Fred Hollows Foundation that looks after peoples' eyes, ears and baby care. They provide informal support to other Aboriginal organisations and used them for referrals.

The ICHO is currently reviewing its HR policy and procedures manual. There are approximately 300 staff, including 30 non-CDEP staff. There are nine full-time Housing Officers, two building and construction teams consisting of 6-8 people, and one builder who provides repairs and maintenance to communities.

Training is usually done through CDU and Bachelor College. Presently there are six apprentice builders and one apprentice electrician being trained. Council members are undertaking governance training, while Housing Officers are involved in training in administration, and builders in a building construction program. A Life-skills program will commence once a Coordinator is appointed.

This ICHO has a building and construction team who provide building and repairs and maintenance to other communities.

Staff and Council members are drawn from the community and live in the community. Community members feed comments back to staff and Council members during daily social interactions. Housing Officers deal with local issues on the ground.

Staffing is pretty stable as Housing Officers are community people selected from their community, as are CDEP workers. Non-CDEP workers are recruited locally and they are made aware of career paths within the organisation. They are also on contracts

and receive award conditions, whereas CDEP workers don't have benefits or security. Respondents felt that more funding was needed for additional positions.

There are 277 houses that are occupied and 25-30 that are unoccupied that are either earmarked for demolition or major repairs. Houses for demolition are in flood prone areas so need to be relocated. Respondents said the new standard housing design that is used is totally unsuitable for families.

This ICHO has a housing management plan, and conducts its own tenancy management. Tenancy agreements are in place and some are waiting to be signed. Most houses are overcrowded and head office maintains a waiting list for each community. The community housing advisory committee, on advice from the Housing Officer, makes the decision on who gets a house. The average waiting time for a house varies as it depends on funding and building and construction. There is a great need to build at least 20-25 per cent more houses.

A repairs and maintenance service is in place and this was boosted a couple of years ago with a grant of \$5,000 per house by the FHBH.

This ICHO requires tenants on Centrelink and CDEP to sign up to a direct debit arrangement. However, respondents commented that the system was not working satisfactorily, as people could cancel this deduction without notice or CDEP recipients found themselves without any money due to CDEP requirements; recipients have to go off CDEP after twelve months.

The ICHO charged a rate of \$30 per person per week as it was unrealistic to charge one person/one house per week considering the overcrowding issue. There was a problem with rent arrears, but Housing Officers usually followed up the people involved and got them to sign for further reductions until they caught up. There is presently 8 per cent in arrears and respondents said they need to reduce this before it gets out of control. There are no evictions as the people just move somewhere else and you can't kick people off their own country.

Respondents commented that rents will need to be raised as the FHBH money was no longer available. They thought the IHANT grant needs to vary according to remoteness/location and the Living Skills program needs to be recurrent and secure.

Finally, respondents said that there was a need for sharing of information in regards to grants that are available.

External funding was received from IHANT, BHFH and Happy Housing.

The decentralised system seems to work well for this ICHO as it provides very little scope for people to abuse the system. It also provides external support for Housing Officers and provides them with the opportunity to network and share ideas and concerns.

SA12 - a very very remote, small, multi-function Aboriginal council

The respondent group comprised one Council member, two staff members and a community elder. Areas of concern were:

- the impact of Indigenous housing sector reform (IHMS, CHIP) on SA12;
- the engagement/consultation process on issues that affect communities across the Lands (not all communities have input) and decisions being made without their active participation and consent (greater consultation with Governing Committee by service providers);

- current reforms and decisions required may not match skills of Committee members to participate effectively without being properly engaged and informed to make decisions;
- the remoteness factor and lack of access to services at the community level is seen as a capacity constraint;
- SA12 is managing from its own resources and the Uniting Church has been asked to work alongside the community;
- X and X Services Inc are seen to be not working together but rather competing for resources and, as a result, the communities are suffering. Respondents stated that APY communities would rather deal directly with the OAH on their housing programs;
- a perception that current government reform is about taking the power away from Anangu — self-determination is being replaced by government control and non-Anangu workers are being brought in to take jobs;
- lack of support from government agencies is a major capacity constraint;
- a breakdown of trust between SA12 and X Services Inc and government agencies; and
- no service agreement between X Services Inc and SA12 for housing services. (see note below)

Respondents summed up strengths and weaknesses as follows:

Strengths

- The community has over a long period sustained growth, in particular the development of its own resources (store, fuel). This capacity allows the community to put money aside for emergency and culture business.
- Financial viability over the next 12 months is good but viability over the long-term is less certain as the community is always going to be dependent on external funding and its size.

Weaknesses

- The problem with X Services Inc is that it is based in Alice Springs and the manager is based in Wilmington, 900kms away.
- Rather than having contractors come in for short periods and giving nothing back to the community, we would like to see a maintenance person based in the western area, with trainees in communities and a strong TAFE presence. This presents a model of local maintenance workers and regional capacities when big jobs are required. None of these things are in place.
- Uncertainty around the CHIP Review and whether the MSO will be in place next year. This will remove a contact point in the community. What will happen to the communities that don't have MSOs?
- The degree of remoteness and inaccessibility may be underestimated in the cost formula for delivery of housing services to SA12 by X Services Inc.
- All assets need to be maintained under the one asset management plan.

Note: As a note of clarification, service providers can only engage local communities if the regional indigenous landholding authority grants permission to do so.

Consequently, legal barriers essentially restrict service provider consultations with individual communities. Service agreements with individual communities who are not the land holding body cannot be legally entered into (OAH, pers. comm. 27/10/08)

SA10 - a very very remote, medium, multi-function association

The respondent group comprised two Board members (Chairperson and Vice Chairperson) and nine staff, including the Housing Officer. The status of the ICHO was a 'community at risk'. Areas of concern included the impact of Indigenous housing sector reform (NIHS, IHMIS, CHIP).

Respondents summed up strengths and weaknesses as follows:

Strengths

- current staff are good;
- good budgetary practice to work within limits;
- partnerships in place to provide better services; and
- rich in natural resources.

Weaknesses

- good leadership but people themselves are their own worst enemy; and
- current status 'in crisis'.

SA11 - a very remote, medium, multi-function association

The respondent group comprised the Chairman and one Council member. Areas of concern were:

- Municipal Services funding has been withdrawn by the ICC and given to APY Services. The Council felt there was no proper consultation conducted;
- Community Development Employment Program (CDEP) funding has been withdrawn by DEWR and given to Anilalya Homelands. No municipal activity is happening. People are confused and not working;
- APY Services has stopping fixing houses on Homelands;
- the remoteness factor and lack of access to services at the community level is seen as a capacity constraint;
- SA11 is managing from its own resources and the Uniting Church has been asked to work alongside the community;
- APY and APY Services are seen to be not working together but rather competing for resources and, as a result, the communities are suffering. Respondents stated that APY communities would rather deal directly with the OAH on their housing programs;
- there is a perception that current government reform is about taking the power away from Anangu — self-determination is being replaced by government control and non-Anangu workers are being brought in to take jobs;
- the lack of support from government agencies is a major capacity constraint;
- there has been a breakdown of trust between SA11 and APY Services and government agencies;
- no service agreement between APY Services and SA11 for housing services.

Respondents summed up strengths and weaknesses as follows:

Strengths

- have strong vision for self-management and determination and want to deal directly with government;
- will continue to advocate for empowerment to remain in the community.

Weaknesses

- government reform is looking to centralise services and not deal directly with communities;
- no administration staff (MSO) employed;
- key funding withdrawn;
- large population, small number of houses.

SA13 - a very remote, medium, multi-function association

The respondent group comprised the Chairman, one Committee member and the Acting MSO. Areas of concern were:

- the remoteness factor and lack of access to services at the community level is seen as a capacity constraint and can be underestimated as the APY Lands has had unprecedented government intervention but at the regional level;
- SA13 is a growing community but its population has a transient nature;
- the impact of Indigenous housing sector reform (IHMS, CHIP) on SA13 is being seen as taking resources away and putting them in regional services. The expectation for better services has not been met; in fact the perception is that services have been reduced;
- SA13 gets repairs and maintenance done to houses but the time it takes is a concern. The community is keen to develop a capacity to be more involved in the housing program and work on construction and upgrade projects as well as doing general maintenance work on houses;
- there is a willingness and human resources available to work in housing-related employment and enterprise areas in the community, but there is no commitment from government to develop this capacity;
- the lack of support from government agencies to help the community achieve its sustainability goals, eg, last year no community workers were engaged by the builders, and no support is given to building capacity to create income generating opportunities for the community. 'We watch the contractors come here, build, take the money and go home.'
- lengthy and frustrating building completions processes, eg, South Australian housing officers were seen conducting practical completion inspections on newly-constructed houses from the outside but no keys and no building contractor present. The builder would then need to return to complete outstanding works before final payment to builder and subsequent handover to community. It was noted that builder may sometimes not return;
- the lack of support from government agencies appropriate to the needs of the community is seen as a capacity constraint;

- X Services Inc has withdrawn its services from SA13 because of shortages in funding;
- there is not perceived to be a mechanism for complaints, such as the failure of X Services to deliver services ;
- homelands are a big issue as the old people have moved there and essential services are not being maintained effectively (services have stopped and bores are not being maintained). Government is saying services to outstations will stop;
- there is no awareness of a formal agreement between the community, X, X Services Inc and OAH on the provision of housing services to manage houses at SA13 (NB the service agreement is between the regional indigenous landholding authority X and the regional indigenous service provider X Services, not with OAH, (OAH, pers. comm. 27/10/08);
- there is no formal reporting from X Services Inc to SA13 on how much is spent on repairs and maintenance (a minimum quarterly report is requested);
- the lack of engagement/consultation process on issues that are affecting the viability of communities across the Lands and poor communication of the decisions being made (government and non-government service providers should also consult with the communities and not just with APY).

Respondents summed up strengths and weaknesses as follows:

Strengths

- growing community;
- have a number of talented young leaders who have a vision to grow the community and become a more sustainable settlement.

Weaknesses

- the remoteness, isolation and distance between communities and homelands and regional centre are key factors in being able to retain/employ good staff (going through a tough period in community management and administration);
- no permanent administration staff (MSO) employed;
- law and order can be a problem with the number of visitors and the transient nature of the population.

SA14 - a very remote, small, stand-alone, unincorporated family group

The respondent group comprised one family group member. Areas of concern were:

- the complexity in the relationship between the Lands and X Services Inc and the remote management of activities on the Lands;
- required to be mobile to ensure services are accessed;
- a lot of services are available on the Lands but basic services at the house level are not being met;
- house maintenance is the problem. No feedback is provided on requests for maintenance and the wait can be over a year or forever;
- there is a lack of transparency and accountability in housing management;
- the poor condition of houses is affecting the ability of families to get their children back after placement. Failures in expedient and effective repairs and maintenance can have serious impacts on personal and family life;

- homelands are safer, people in the hub settlement are sleeping in cars and camping away from the noise in houses;
- there is a movement of people from Homelands back to communities because of services being cut which is causing overcrowding of other families in communities;
- there is a perceived double standard as non-Indigenous workers get good houses and Anangu workers live in broken down houses. When non-Indigenous workers have a problem, their houses are fixed straight away, but Anangu workers are not treated the same way (NB where non-Anangu workers are SA Government employees their respective departments may be funding the housing repairs and maintenance whereas the Anangu houses are covered by the service agreement between X and X Services).

The respondent summed up strengths and weaknesses as follows:

Strengths

- small family group;
- have good education and hold a job as homemaker coordinator for east Lands.

Weaknesses

- government policy re moratorium on Homelands restrict ability to get new houses built.

SA15 - a very remote, large, multi-function Aboriginal Corporation

The respondent group comprised the General Manager, Housing Officer and coordinator of repairs and maintenance services. Areas of concern were:

- the impact of Indigenous housing sector reform (IHMS and accreditation system);
- the movement of Anangu into larger regional centres and Adelaide, and the issues of improving access to mainstream housing assistance for these Anangu in adapting to urban living (transient accommodation, rental program, private rent assistance, CRA, home ownership);
- the complex governance and relationship issues between the body corporate and its service delivery bodies is impeding improved housing management outcomes;
- the lack of rigour and detail in the funding arrangement between OAH and SA15 for the delivery of the Community Housing Program (CHP) in the region;
- the lack of formal contracts between SA15, its service delivery bodies and its repairs and maintenance service delivery body in relation to the funded housing program. The relationship is based on historical links;
- no head lease arrangement between SA15 and its service delivery bodies to establish 'landlord' powers;
- there are significant barriers to achieving effective housing management services (consistent standards). The service delivery body currently does not have the required level of support and authority from SA15 to overcome complex 'landlord and ownership' and resulting capacity issues;
- the current 'service model' is limited and delivers an effective repairs and maintenance program only;
- SA15 does not have an asset management plan for housing stock;

- the lack of resources to deliver effective tenancy management services. Without community-based housing officers in place providing support and assistance, the task of getting people to comply with tenancy management requirements and gathering accurate data for reporting purposes will be virtually impossible to achieve under current arrangements;
- the lack of an integrated service approach for tenancy management, asset management, housing-related support services and an employment strategy that links with the development of a local housing industry;
- there is limited capacity building and effective training for skills development for Anangu to be involved in the housing program (all staff engaged by the funded housing program are non-Anangu);
- historical difficulties in recruiting suitable and skilled staff (staff recruitment) and adequate administrative resourcing to account for isolation factors (staff retention) and tyranny of distance (remoteness and higher operating costs), see 2.2 Degree of Remoteness;
- data reviewed suggests that there is a high level of overcrowding in houses and movement of tenants between houses;
- no tenancy agreements in place;
- no cost recovery process in place;
- Commonwealth Rent Assistance is not accessed for subsidies to the housing program;
- Anangu population is characterised by low household incomes and high mobility, which further exacerbates poverty in the community;
- historically low rent rates \$10/person/week for CDEP or Centrelink and \$25/person/week for salaried;
- rent target of \$560,000 for 05/06; \$363,458 was collected, a shortfall of \$196,542;
- there are a large number of other properties that are managed under separate arrangements (conservatively estimated to be as many as 500 properties).

SA15 and other respondents summed up strengths and weaknesses as follows:

Strengths

- freehold title, single ownership of asset and single governance structure on X Lands (this will make ICH sector adjustment policy agreement negotiation more achievable);
- SA15 is now acknowledged by the OAH as the 'grant recipient';
- comprehensive repairs and maintenance service and planned maintenance;
- upgrade and new construction is managed by Rural Transaction Centres being established at six communities and will be important to the housing model for the Lands;
- the development of the Homemaker Program is central to the vision for community-based housing management activity.

Weaknesses

- the remoteness, isolation and distance between communities and homelands (key factors in any 'housing management model' development);
- unresolved 'landlord powers';

- no service agreement between the body corporate and the service delivery body & X Services Inc.;
- no service agreement between X Services Inc and Habitat Solutions;
- no tenancy management systems and standards;
- X Services/Habitat Solutions will not enforce tenancy agreements, rent payments and debt recovery;
- the capacity to deliver repairs and maintenance services sits outside X (ie, it is outsourced);
- the management of the CMS software sits outside X (outsourced);
- housing employees of the service delivery body are located in Melbourne and Alice Springs and fly in and out, with resulting high cost for staffing (estimated to be the wage multiplied by factor of three);
- a lack of quality assurance that the investment in the Lands will deliver the sustainable development of X's capacity to manage and maintain its assets.

Other capacity issues

- General Manager suggested that X will commence charging a management fee (5%) to administer future housing budgets;
- existing capacity/systems/knowledge to deliver repairs and maintenance and maintain CMS currently sits outside X (to Habitat Solutions via X Services);
- functioning tenancy management systems are non-existent;
- a proposal to have Community Housing Officers in each community is unfunded;
- a proposal to develop essential maintenance capacities in each community is unfunded;
- establishment of local housing committee (LHC) and capacity development is unfunded and landlord/real estate agent status unresolved by X (General Manager advised service agreement is subject to current action by Legal Officer).

Other factors include

- X Services was established as a sub-committee of X but constitutional changes now mean it is a separate entity to X;
- seventy per cent of population is estimated to be 25 years of age and under (Nganampa Health);
- General Manager wants employees living where they are working on the Lands and not living off Lands. Anangu would prefer to see them living on the community they are employed by;
- agencies that put housing at Umuwa must contribute to recurrent costs of having facilities at Umuwa, estimated at \$5K/house;
- General Manager stated that housing policy changes must include the employment (Community Housing Officers and maintenance/construction) of Anangu in the housing program on the Lands;
- housing services should not be managed off-site but be based at Umuwa and provide employment/enterprise opportunities for Anangu.

WA06 - a remote, medium, multi-function association

The interviewer's general impressions of this ICHO were of an organisation that was generally well managed, but was running into capacity constraints in the areas of governance, management and human resources due to recent fast growth. Areas of concern were:

- a lack of formal documents in the areas of policy, strategic and business planning, resulting in reliance on knowledge and expertise held by current staff;
- uncertainty regarding funding even in the short to medium term;
- unsustainably fast rate of growth over recent months placing high demands on staff and governing committee; and
- defunding of remote communities as proposed by the Federal Government – Will there be an increase in funding to cater for the influx of people into Kalgoorlie?

This ICHO is based in an accessible major regional centre (level 2), but also manages stock in moderately accessible outer regional and rural centres (level 3). It is planning to expand into remote and very remote locations (levels 4 and 5) in the near future. Respondents identified four distinct ways in which the degree of remoteness of the housing impacts on their capacity:

- a) cost of trade services increases with distance;
- b) availability of trades decreases with remoteness, resulting in reduced responsiveness;
- c) cost of tenancy management increases in terms of both travel cost and travel time;
- d) remote locations may have particular arrangements (access to CDEP labour, no shire rates, etc) that may reduce the cost of providing some services in these locations.

Overall, respondents commented that cost structures are different in regional centres from those in remote communities. This difference needs to be taken into account when developing tenancy management, asset management and maintenance budgets.

The ICHO's stock portfolio includes DBS1, DBS2, DUH1 and DUH2, ie, both discrete and disbursed settlement types, but no outstations or dependent outlying settlements.

WA06 is a specialised housing provider, although it also provides many add-on services, such as a home maker program and social activities. The organisation is incorporated under the *Western Australian Associations Incorporations Act*.

Governing committee elections are held annually, with governing committee meetings held quarterly. The Executive Officer provides a verbal report to the Council at all its meetings, as well as a written financial report.

WA06 manages stock that has been transferred from a number of Aboriginal community organisations; the organisation's constitution ensures that each of the donor organisations has two representatives on the governing committee. However, this provision is currently under review for three reasons:

1. The number of committee members is expected to increase beyond a reasonable number as more community organisations are turning over stock to WA06;
2. Some donor organisations have ceased to exist as separate entities; and

3. The governing committee has recognised the need to access a broader range of skills in order to ensure ongoing governance capacity.

Representatives rated as the most important governance responsibilities leadership, policy, planning, financial, employment, accountability and governing committee development. Monitoring achievements (rated 4 out of 5) and compliance (rated 3) were viewed as being somewhat less important.

WA06 has documented its operational policies and procedures in a manual, but does not yet have formally documented strategic, business or risk management plans. The respondees commented that such planning can only occur with a high level of coordination with government funding providers, which so far has not occurred.

In addition, the organisation does not have regular review mechanisms in place for the capacity and performance for the running of its business, although it does review internal reporting mechanisms, IT systems, policy and procedures, financial viability and training plans on an informal and ad hoc basis.

Nevertheless, all governance viability indicators were rated as very important. The organisation requested information from the researchers regarding avenues for accessing governance training.

Issue: Deed of Trust – more security, allows for future borrowings, protects houses from debts of old organisations.

In addition to housing, this ICHO provides home making skills through the In Home Practical Support Program (IHPSP). Respondents did not believe that the organisation's essentially providing a single service impacted on its capacity. However, they did comment that WA06 needed support from other agencies in order to control the effects of drugs, alcohol and gambling as these issues greatly impacted on housing.

Respondents felt very ill-informed by both their Commonwealth and state government funding bodies, and felt that they were not engaged on a strategic level. In addition, they believed that some of the people they liaised with were not sufficiently informed of recent and ongoing changes themselves, resulting in a general climate of uncertainty. In particular, WA06 had concerns about the uncertainty regarding its administrative funding and funding for repairs and maintenance.

Respondents felt that these uncertainties existed, and could be attributed in part to both Commonwealth and state policies being in a state of rapid development. In addition, they felt that state and Commonwealth policies were not moving in the same direction, quoting the example that the state government had announced that it would be concentrating funding on remote areas, while at the same time the Commonwealth had announced that it was wanting to defund many remote communities.

In addition, a number of policies had been developed without any apparent thought to the consequences of implementing them, or indeed how they could be implemented. The following examples were quoted:

- DHW '1 Family 1 House' policy: How is this to be policed? Who is to police it? Will households breaching this policy be required to vacate their house on the community or the one in town?
- DHW Spot Purchase Policy (ie, organisation not to acquire houses greater than five years old) effectively prevents the organisation from providing older stock to clients where appropriate, while also increasing purchasing expense.
- Tardiness in providing operational and maintenance funding has resulted in the organisation currently accessing its general reserve.

However, respondents felt that AHID appointing a local officer in the ICC Kalgoorlie office had been a positive step forward. Another way forward would be for the DHW to develop a strategic plan in consultation with Indigenous Housing Officers, so WA06 can use this as the basis of their own strategic/business planning.

The ICHO liaises with the State Department of Housing and Works for funding, and a number of other agencies (Indigenous Affairs, Indigenous Coordination Centre) for support and policy development. In addition, WA06 had links with a local community organisation (Centacare) for referrals of tenants in financial or other difficulties, and with statewide community organisations (Shelter WA, WACOSS and the Community Housing) for functional support with regard to a number of tenancy, asset and organisational management issues.

The ICHO currently has two permanent full-time positions, being an Executive Officer and a Housing Officer. In addition, there is a full-time temporary position (IHPSP Program Manager), and two positions on CDEP plus Top Up, being a Housing Officer (full-time) and a Housing Manager for Ninga Mia (0.5FTE). IT, bookkeeping and accounting were outsourced.

The organisation did have a human resources policy, but this had been adopted from another community organisation and was now viewed as inadequate to WA06's needs. Staff did not currently have job descriptions or contracts; the Executive Officer had recently been instructed by the governing committee to develop these.

Respondents commented that it was difficult to find qualified Aboriginal staff who were prepared to go inter-tribal. However, the organisation had employed Aboriginal people in trainee positions and was hoping to develop the skills bases of these individuals.

The governing committee was viewed as 'the greatest weakness' of the organisation. Although Committee members were drawn from a diverse range of backgrounds, respondents felt that they had only 'minimal understanding of the management, legal, financial or running of the business aspect of the organisation'. Another weakness was that some committee members made decisions according to their family background rather than in the interests of the organisation.

Training needs are identified, but not written down as a plan. As a result, training occurs on a reactive and opportunistic basis rather than as a structured approach. Training focuses on developing the skills base of staff rather than the governing committee. Training for committee members is very expensive when travel and accommodation is considered.

In recent times, staff had accessed training in areas including property management, Occupational Health and Safety, building maintenance, finance/tax and first aid. During the visit, respondents made enquiries to the surveyors regarding the availability of governance training for governing committee members.

WA06 has received verbal approval for two years funding to develop a building construction maintenance team under MSP or similar. This will most likely be undertaken as a joint venture arrangement with a training provider and/or a builder. The proposal needs to be confirmed in writing by 31 January 2007.

Community participation included tree planting in Leonora, Coolgardie and Ninga Mia. Respondents commented that staff had very good relationship with most of the tenants, were pro-active in preventing problems from occurring, and WA06 had a policy of using eviction as a very last resort.

The organisation had low staff turnover rates, with the two full-time staff having been employed since the organisation's inception some four years ago. While wages were

relatively low, retention strategies included encouraging staff to access training opportunities, providing a pleasant work environment, and the use of salary sacrificing.

However, staff attraction was more difficult, with advertised positions generating very limited response. Respondents viewed the core issue here that salaries offered were not competitive with other employers in the area.

WA06 currently manages 105 dwellings in its region. This includes six one-bedroom dwellings, six two-bedroom, 64 three-bedroom, 14 four-bedroom, two five-bedroom and 13 dwellings in Norseman as yet unrecorded (transferred recently). According to WA06 records, 45 dwellings are in good condition, 20 in fair condition, 29 in poor condition, seven in very poor condition, one is vacant awaiting demolition and four are under construction.

The organisation has concerns regarding both the design and materials used for the majority of its stock, as they are not suited to the area. However, houses built by WA06 itself are appropriate, with every second house designed for people with disabilities, an emphasis on energy efficiency (insulation, double glazing high ceilings), and use of durable materials (hardboard) inside. A large proportion of the transferred stock needs rewiring, smoke alarms and other improvements.

Dwellings under management have increased from 48 in April 2006 to 105 in December, an increase of 119 per cent. Overcrowding is an issue, with a typical six people residing in each dwelling. The waiting list is currently 102 households, and waiting time effectively depends on the time it takes to construct new/upgrade existing stock. Some 80 per cent of applicants have been assessed as priority, on the basis of their current housing circumstances being unsatisfactory for health or other reasons. Both overcrowding and the waiting list could be reduced if all current refurbishments and new houses are completed, as this would make an additional 20 dwellings available.

This ICHO has a housing management plan, although with the current rate of growth this has had to be reviewed on a very regular basis. Eight of the dwellings are on Aboriginal Lands Trust (ALT) land, 15 are headleased from the Department of Housing and Works, and the remainder are owned by WA06 either directly or via a Deed of Trust with another community organisation.

WA06 has an asset management plan, provides a repair and maintenance service, is building a cyclical maintenance fund to one per cent of the value of its housing assets, and is currently developing an asset management plan. Rental income would be sufficient for maintenance on the proviso that housing is transferred to WA06 in an acceptable condition, ie, without major maintenance backlogs.

This ICHO requires tenants on Centrelink and CDEP to sign up to a direct debit arrangement. However, respondents commented that the system was not working satisfactorily, as people were able to stop their Centrepay arrangements without notice.

Rent setting maximises Commonwealth Rent Assistance under the proviso that tenants pay the lesser of market rent or 25 per cent of their income. Many dwellings contain multiple tenancies, causing problems when some tenants move on. The ICHO has dispute resolution mechanisms, and most current governing committee members are also tenants. It does not conduct tenants' satisfaction surveys but receives regular feedback during face-to-face meetings with tenants, either at their houses or in the WA06 office.

In terms of rent collection, WA06 has largely avoided evicting tenants through implementing the following process when arrears are identified: 1) telephone call, 2) letter requesting payment, 3) breach notice with offer of financial counselling, 4) establish to what extent other factors (eg, drugs, alcohol) are involved, 5) second breach notice, 6) offer affordable repayment deal at court. In addition, WA06 allows tenants to make extra repayments on their rent, so as to allow them to have a rent holiday eg, over Christmas. The emphasis is on making arrangements to pay the rent rather than eviction, resulting in a very stable tenant base.

This ICHO is currently receiving short-term funding to employ a Program Manager for the In Home Practical Support Program, as well as annual operational and maintenance funding from the state government. Respondents viewed the organisation as being underfunded in terms of capital funding, but not in terms of operational funding.

WA06 agreed to 7.5 per cent annual cut in operational funding in return for housing being done up to standard, but while funding cuts occurred for some years, the Department of Housing and Works did not improve standards. When the department mooted a bigger funding cut in one year, WA06 questioned them. This resulted in an increase in operational funding, but housing was still not brought up to standard.

Respondents identified the following strengths and weaknesses:

Strengths

- developing good understanding of social housing;
- all staff have empathy with client base;
- organisational knowledge of ability to save struggling organisations;
- staff;
- carrot and stick approach;
- strong women on the Committee, including academic, businesswomen, experience in private enterprise;
- sympathy for people not being able to pay rent/debts.

Weaknesses

- too helpful at times so staff overloaded with work;
- have left some constituent organisations to struggle too long;
- concerns about people still being unemployed in the current job market
- a number of members have been involved with organisations that have folded (but can learn from previous mistakes, eg, nepotism, employing the wrong staff)
- lack of management, legal, financial and business skills on the Management Committee.

One further weakness is the potential lack of long-term sustainability of the organisation's achievements due to the lack of strategic, risk management and business plans. This makes the organisation dependent on the knowledge and expertise of current staff, in particular the Executive Officer.

The organisational capacity of this ICHO could be enhanced by implementing the following measures:

- develop a set of formal organisational policies and procedures, including a strategic plan, business plan, risk management plan, job descriptions etc.;

- cease ability of tenants to cancel Centrepay payments at will;
- Centrelink to stop giving out easy \$300-500 loans;
- sort out Water Corporation debts;
- houses to be transferred in good condition;
- ensure that development of building team is incorporated separately;
- training for management committee members in management, legal, financial and business skills.

NSW02 - a remote, medium, multi-function company

The respondent group comprised a Director and the General Manager. The Construction Manager was met on-site. The respondents represent an Aboriginal-owned and managed Australian Public Company Limited by Guarantee and are well aware of AHO sector reform, current governance and management issues. Areas of concern were:

- location and remoteness. These are key issues but have worked in the favour of NSW02 to date. Sector reform across government services has created uncertainty;
- the impact of current ACHP sector reform proposals (the proposed Regional Aboriginal Housing Management Services Model) on NSW02;
- the impact of a separate Community Development Employment Program (CDEP) entity (in response to Commonwealth Department of Employment and Workplace Relations [DEWR] reform) and its impact on the NSW02 housing and enterprise activities. The impact will be immediate with a reduction in scope to do activities, in particular repairs and maintenance and staffing. Losing CDEP will also require the restructuring of the remaining services and financial modelling.
- the housing program would not be sustainable if CDEP is lost and NSW02 will require an operational subsidy from the AHO (this is not possible as only Management Models receive recurrent funding). Rental income would be insufficient to maintain current staffing positions (actions may include reduction of hours worked and reducing opening hours of the office).

Respondents summed up their strengths and weaknesses as follows:

Weaknesses

- NSW02 owns a farm which is making money but is considered financially vulnerable based on seasonal conditions;
- the Good Homemaker shop is subsidised;
- NSW02 does not put money into a capital sinking fund;
- ageing management team (succession planning is practiced but needs to be more strategically focussed);
- housing program would not be sustainable if CDEP lost without some kind of operational subsidy from the AHO (becoming a proposed RAHMS is being looked at as future option).

Strengths

- multi-functional nature has worked in favour of NSW02;
- culture of planning, evaluation and service development;

- highly developed organisation systems;
- best practice in policy and procedures;
- philosophy of empowerment = empowerment (empower staff tenants partners);
- culture of success ('the company is your life, your community');
- viable construction program and repair and maintenance team;
- viable enterprises;
- scope to develop further enterprise;
- active tenant participation;
- active home ownership program;
- ability to make the hard decisions and stick by them;
- training plan and investment in ongoing professional development for staff and Board;
- good relationship with funding bodies and industry;
- support from broader community;
- customer service orientation.
- strong property portfolio in good condition with capacities in place to expand housing program.

Other capacity issues

Successful formula is based on strong leadership, open communication, transparency, full commitment, shared vision and support for staff to do their jobs to deliver first class services to the local Aboriginal people. Future sustainability will be based on relationship with AHO to expand operations and housing stock.

Short-term capacity needs

- Development of a minor repairs and maintenance capacity.

Long-term capacity needs

- Sustaining quality services into the future.

NSW04 - an outer regional, small, multi-function Aboriginal Land Council

The respondent group comprised both staff and Board members. The respondents appeared to be well aware of the New South Wales *Aboriginal Land Rights Act* reforms and how that may impact on their housing. Areas of concern were:

- location and degree of remoteness. NSW04 is located in a small rural town and pays a premium to contractors due to lack of competition; materials cost more and there is a higher cost of living for most goods and services;
- population trend is for single young people to leave the town to access education and employment opportunities, however, there is also a drift of young families back to NSW04;
- limited potential to generate additional income, small population (limited workforce) and small number of houses. Small size limits expectations, but NSW04 is self-sustaining so small size is in some ways an advantage.

NSW04 respondents summed up strengths and weaknesses as follows:

Weaknesses

- cash poor;
- small population;
- small number of houses;
- vacant blocks are not serviced.

Strengths

- New South Wales Aboriginal Land Council core funding;
- dedicated Finance Manager provides sound advice to Board;
- dedicated part-time Housing Officer to manage houses;
- significant land holdings with potential for cultural tourism and agriculture and property development;
- seven blocks in town allocated for new buildings;
- no debts.

Other capacity issues

Narrow scope of activities limits funding and small population size limits activity.

Short-term capacity needs

- training for staff and board;
- development of a cyclical maintenance capacity involving local community.

Long-term capacity needs:

- development of technical capacity to project manage construction.

NSW10 - an outer regional, medium, multi-function Aboriginal Land Council

The respondent group comprised the acting Coordinator, Chairperson and Board member. The respondents appeared to be generally well aware of the Management Model operating in the region, and current New South Wales Aboriginal Land Council (NSWALC) governance and management issues. Areas of concern were:

- location is a key issue for NSW10. Even though it is not in a remote area, the degree of remoteness it experiences has a direct impact on its organisational capacity;
- NSW10 is under external administration by a NSWALC-appointed Administrator;
 - A significant debt is owed to NSWALC;
- NSW10 did not sign a management agreement and officially submitted written notice (2005) that the organisation has no more contact with the Management Model in the region;
- NSW10 was last registered with AHO in 2002;
- Ongoing uncertainty as to whether the appointed Administrator can improve their liquidity status to meet AHO registration standards, and re-establishing repairs and maintenance and capital funding;
- housing management of properties is outsourced to mainstream provider;

- housing is in poor condition and no budgets for 2007–8 to conduct repairs and maintenance (all houses requiring more than \$5K for this);
- NSW10 requests institutional support for training of staff and Board, to develop an asset management plan, a business plan, developing housing management policies and system, and an environmental health plan;
- uncertainty over the current review of the New South Wales *Aboriginal Land Rights Act* 1982 and status in terms of proposed Local Aboriginal Land Council (LALC) amalgamations and impact on NSW10.

NSW10 respondents summed up their strengths and weaknesses as follows:

Weaknesses

- poor standard of housing stock and no capacity to improve;
- housing seen as a financial burden;
- lack of funding/cash poor;
- staff retention/changing the culture of the organisation and creating a positive workplace;
- dysfunctional local politics.

Strengths

- individual strengths of Board members to get things back on track and making a difference for members;
- strong networks;
- rent collection of 100 per cent;
- support from NSWALC;
- valuable land holdings.

Other capacity issues

- Achieving AHO registration and paying off NSWALC debt.

Short-term capacity development needs:

- requires institutional support for training of staff and Board, to develop an asset management plan, a business plan, developing housing management policies and system, and an environmental health plan.
- minor repairs and maintenance capacity.

Long-term capacity development needs:

- Technical capacity to provide the scheduling of works required to fix houses.

VIC06 - an outer regional, medium, multi-function Aboriginal Corporation

The interviewers' impressions of this ICHO were of an organisation whose housing stock was generally well managed. Housing was a relatively small part of this ICHO's business, and the organisation had grown rapidly in recent years by taking over the management of housing stock from other organisations. Areas of concern were:

- current lack of capital funding to construct new housing, resulting in the organisation holding two building blocks without funding to construct dwellings;

- uncertainty regarding the future availability of capital funding to construct new housing;
- limited engagement with the local community;
- organisation agreeing to take on 16 dwellings without being aware of the condition of these properties;
- unclear and potentially inconsistent rent setting policy, with rent discounts at the discretion of the Board; and
- low rent collection rate (70-80%) in Robinvale.

This ICHO is based in an accessible major regional centre (level 2), but also manages stock in two moderately accessible outer regional and rural centres (level 3). Respondents commented that the ICHO's lack of remote stock means that:

- all tenants are offered all of the programs delivered by the organisation, regardless of their location;
- contractors can go out very quickly to fix problems as they arise, preventing minor issues from blowing out;
- only one service (major tree pruning) in one of the outlying centres needed to be contracted in from another centre, resulting in relatively low costs; and
- increased uptake of Centrepay by tenants, as short distances mean that the organisation had been able to get Centrelink staff to go out to talk about Centrepay to tenants.

The ICHO's stock portfolio DUH1 and DUH2, ie, dispersed dwellings in major regional (DUH1) and rural (DUH2) centres. In addition, the ICHO is currently developing a single men's quarter in one of the rural centres.

This ICHO is a multi-service provider, which is an Aboriginal Corporation incorporated under the *Aboriginal Councils and Associations Act*. Housing is a relatively small part of its activities.

It is governed by a Board, whose members are elected from the Aboriginal community in the town. Aboriginal people from the two outlying centres in which the organisation provides housing are not represented on the Board, but are able to provide local input through advisory meetings. Elections occur once every three years, and each of the organisation's functional areas provide a monthly written report to the Board.

The Housing Manager rated all of the governance responsibilities listed in question 9 and 13 as important, with financial, compliance, accountability to outside relations, responsiveness to the needs of the local community, separation of powers and financial management considered very important. This view was confirmed during the interviewers' brief meeting with the Board member.

VIC06 has adopted a range of formal documentation in the following areas:

- strategic plan,
- business plan,
- housing management plan, and
- conflict of interest procedures (Board level).

While the organisation does not have a formalised risk management plan, informal procedures do appear to exist. In addition, the organisation regularly reviews its capacity and performance in the following areas:

- board performance;
- internal reporting;
- strategic / business plan;
- IT systems;
- policy & procedures;
- financial viability;
- staff training plans.

The Housing Manager commented that the current IT system was not adequate to the needs of the organisation. While a wireless (Terminal Server) system had been put in place, this did not provide integrated asset, financial and tenancy management. This ICHO had held off on developing or purchasing such a system, because it had been informed that FACSIA were planning to introduce a standardised tenancy management system. An integrated IT system was perceived to be an important tool to increase the efficiency of the organisation's property and tenancy management.

In addition to housing, this ICHO provides a wide range of other services, which are summarised in the table below.

Health	OATSIH (main) & Dept Human Services & Health
Housing	FACSIA (cap maint & operating costs & staffing)
SAAP	DHS
Family & Childrens services	DHS
Drug & Alcohol	DHS
Corrective (low sec prison farm)	OATSIH & Department of Justice
Legal (family violence) service	Attorney General
Elders (HACC), respite	DHS
Cultural awareness	Dept of Ed & Training
Juvenile Justice & community justice program	Attorney General, police
Playgroup & Preschool	DHS, FACSIA

Respondents perceived a distinct advantage to being a large diversified organisation, in that this made it possible for the organisation to absorb even major policy changes in any particular direction.

In recent times, one of the major policy changes had been the Federal Government's moratorium on building housing in regional areas due to an increased focus on remote housing.

Even though uncertainty over future policy directions continued to exist, the organisation had been able to cope with this because of its size and scope. The problems were perceived to arise from unclear policy directions; relationships between the organisation and relevant personnel in FACSIA were very good. On occasions when staff did not have the capacity to assist themselves, they would refer this ICHO on to someone who did have that capability.

While this ICHO provides a range of support services in house, it regularly liaises and to some extent coordinates its activities with a range of government departments, community and for-profit organisations, including the police, Department of Corrective

Services, Department of Housing, and local real estate firms. The main purpose of these links is sources of referral for those people who VIC06 does not house. The exception is of the police and corrective services, with whom the organisation works to prevent crime and provide alternatives to jail.

VIC06 employs more than 90 staff, of which two work in the housing area: a Housing Manager in town (1.0FTE) and a Housing Officer in nearby town (0.4FTE). In addition, the organisation contracts in specialists to conduct non-core business, such as housing maintenance, construction, writing submissions, writing housing business plans, architectural services, etc. The organisation has a formalised human resources policy, and all staff have written job descriptions.

The current level of staffing was perceived to be sufficient, but will need to be increased when an additional 20 dwellings in two nearby towns come online in the near future.

Finally, Board members were not selected for skills as they were elected from the community. Nevertheless, Directors had a range of practical skills, including for instance networks with Juvenile Justice, propagation of native plants, etc.

All staff had training plans, and the organisation analysed its skills development needs, with training conducted both on-site and off-site. However, no housing-specific training had occurred in recent years.

VIC06 has not developed housing-related enterprise activity and employment. However, other parts of the organisation do run fee for service programs, including the correctional farm which contracts out their labourers to work on neighbouring properties.

Community participation appears to be limited. VIC06 does not advertise the existence of its housing services, and relies on the community to come to them if they have questions. Community participation is limited to legal requirements, eg, council and other processes to construct building

This ICHO has a relatively low staff turnover rate (a typical 8-10 changes per year out of 90 staff). It uses the following strategies to engage and retain staff:

Engagement

→ use personnel agency.

Retention

- salary sacrifice;
- comfortable/pleasant workplace;
- friendly and approachable directors;
- good relationships between staff.

This ICHO currently manages 58 dwellings, including 20 in town and 38 in a nearby town. This includes 11 two-bedroom, 38 three-bedroom and nine four-bedroom dwellings. The organisation has recently received the management contract for four dwellings in a nearby town, and is awaiting a contract for a further 16 dwellings in another nearby town.

Housing stock in town and nearby town is generally in very good condition. However, much of the stock in the nearby town is very old, and two dwellings need to be demolished and another three require major work. The condition of the stock in the other nearby town is not known.

Overcrowding was a relatively minor issue, with eight dwellings listed as overcrowded. The average occupancy rate is just over four people per house, or 1.4 persons per bedroom. The Housing Manager commented that the absence of one-bedroom accommodation had increased the organisation's flexibility in housing older people in particular. One issue was a lack of larger (five-bedroom) accommodation for extended families. The Housing Manager perceived a need for one or two such dwellings.

The number of dwellings under management is set to increase from 58 to 78 in the near future, an increase of 26 per cent. There were no concerns regarding the design and materials used for the majority of the ICHO's stock.

VIC06 owns 100 per cent of its stock in town and nearby town, although with a restrictive covenant. The stock in the other nearby town is owned by the other smaller ICHO, and managed by VIC06.

This ICHO has a joint housing management plan with the other smaller ICHO. It does not have an asset management plan, but does provide for cyclical maintenance and plans stock upgrades. While it conducts its own tenancy management, the organisation outsources all of its repairs and maintenance. Rental income is sufficient for general maintenance, but insufficient to rectify any major maintenance.

This ICHO strongly encourages tenants on Centrelink to sign up to the Centrepay direct debit arrangement. However, using Centrepay is not mandatory, as the organisation would not be able to enforce such an arrangement. A number of tenants use salary crediting to pay their rent.

The organisation charges up to 70 per cent of market rent, and the Board may determine to reduce the rent depending on factors such as the tenant's income and whether or not they receive Commonwealth Rent Assistance. There is no fixed formula to determine the level of any discount; this is up to the discretion of the Board.

This ICHO has no problems with rental arrears in town, but there is a significant problem in the nearby town, where the rent collection rate is between 70 and 80 per cent. This appears to be historically driven, and improving the situation would require a change in the mentality of tenants, ie, they would have to be convinced that there is a need for them to pay rent. This may be a financial issue, in view of the fact that the nearby town currently accounts for 62 per cent of VIC06 's stock, although this is scheduled to fall to 49 per cent in the near future (ie, due to organisational expansion).

This ICHO currently does not receive any capital funding for housing, although it has received capital funds for purchasing or building stock from the Commonwealth Government in the past. However, it does receive some quarterly operational funding, which pays for the two housing managers. Funding is currently sufficient, but will need to be increased when the additional housing stock in Swan Hill comes online.

Aside from expansion constraints, the Housing Manager assessed the ICHO's financial viability into the foreseeable future as very good.

Respondents identified the following strengths and weaknesses:

Strengths

- good staff;
- strong Board;
- good working environment;
- large and diversified organisation.

Weaknesses

- dependence on government funding;
- potential loss of key long-term staff.

The organisational capacity of this ICHO could be enhanced by implementing the following measures:

- formal rent setting policy;
- measures to improve rent collection rates at Robinvale;
- clarity over future availability of capital funding for building/purchasing additional housing stock;
- formalised policies regarding taking on the management of housing stock from other organisations.

SA02 - an inner regional, medium, multi-function association

The respondent group consisted of the Housing Management Committee, including the Chairperson, Secretary and six members. The Housing Officer was interviewed separately. The interviewers' general impressions of this ICHO were that key respondents appeared to be generally well aware of governance and management issues. However, the community was in a state of uncertainty, with Municipal Services funding being withdrawn. Areas of concern were:

- uncertain future;
- shortage of houses;
- houses that have gaps in the walls and doors coming away from the walls;
- services provided by the community going mainstream, with no positions being allocated for community members;
- released prisoners posing a threat to the community;
- no monitoring of the quality of houses being built.

Respondents summed up strengths and weaknesses as follows:

Strengths

- Housing Officer has housing experience;
- new Housing Committee;
- good relationship with OAH;
- good Council.

Weaknesses

- Out-of date-policy;
- withdrawal of Municipal Services funding;
- lack of knowledge of budget;
- uncertain future.

SA06 - an inner regional, small, multi-function association

The respondent group comprised one Board member and two staff; the three respondents were interviewed separately. The interviewer's general impressions of

this ICHO were that key respondents appeared to be generally well aware of governance and management issues.

Respondents summed up strengths and weaknesses as follows:

Strengths

- being proactive and positive;
- dry community;
- challenge DEWR over CDEP;
- community united/all Christians;
- committed stable staff;
- survival plan – creation of Tendi.

Weaknesses

- after care;
- funding;
- being restricted;
- having to record everything (eg, phone);
- calls, which are often referrals

QLD07 - an inner regional, medium, multi-function co-operative

The interviewer's general impressions of this ICHO were that it was well managed with a skilled board and long-term administrator. The organisation manages to operate through generated income while charging rents that are affordable for its tenants. Areas of concern were a lack of access to sources of capital funding and a certain level of uncertainty regarding the shift from Commonwealth to state responsibility in the ICHO sector.

This ICHO has been classified at the second lowest level of remoteness, or the second highest level of service accessibility (A). QLD07 operates in a large regional city. QLD07 have access to all of the services they require. They have services 'at their doorstep', for example, the Indigenous Coordination Centre office is nearby or easily contacted by phone. An implication of the location is that the organisation has to purchase houses, units or land, in an urban property market with considerably high land values.

Settlement Type is DUH1: dispersed Indigenous housing and communal facilities in a capital city or major regional centre.

This ICHO is a standalone housing provider. QLD07 was once a multi-service provider; it used to be very busy with people coming through all of the time to access services and to get referrals. These responsibilities have dispersed into the agencies that are responsible for them and the ICHO now only provides housing and accommodation. QLD07 is an Indigenous Community Housing Organisation that is incorporated under the Queensland *Corporations and Other Societies Act*. The business plan puts in place mechanisms to ensure that the governing committee is broadly representative of the community. AGMs are held annually in the September/October period. There are nine directors on a three-year rotational term with three standing down each year. Management reports are provided on a monthly basis. The specific timing of meetings depends on the availability of the board, which

includes a couple of directors who are located out of town. The directors are given a report on rents etc.

The respondent rated all of the nine core governance responsibilities of leadership, policy, planning, financial, employment, compliance, monitoring achievements, accountability and governing committee development as very important. The administrator said this is reflected in the detailed nature of the QLD07 business plan. The administrator considers QLD07 to be one of the top co-operatives in Australia.

This ICHO has a conflict of interest policy and adequate information technology system in place to manage finances, assets and tenants. The organisation has a strategic business plan and risk management plan, but does not have a risk management plan. The ICHO received a quote from a consultant to do the plan at \$10000-\$12000. Instead, the administrator put together the plan. He used the internet to learn what other organisations contain in their business plans. The Indigenous Coordination Centre were impressed by the quality of the business plan that was produced in-house thus saving the organisation a considerable sum. The organisation has adequate IT systems and uses MYOB and other software.

QLD07 does not regularly review capacity and performance in terms of the running of the business; they just do the monthly reports. The business plan is reviewed. This ICHO regularly updates its computers and software, including MYOB. The financial viability is constantly reviewed. QLD07 meets with other organisations and other ICHOs to develop common policies such as common waitlist policies. There is no training plan in place, but the administrator has a training plan that he wishes to establish in anticipation of his retirement. He would like to get a young person, such as a recent high school graduate, in for two years before he retires so that they can train and learn from his experience. The administrator has been with the ICHO for 16 years and is confident of his capacity to run the organisation's operations.

The respondent rated all of the governance viability factors as very important. In terms of sovereignty, the administrator makes all of the decisions and then takes them to the board. The administrator has to be multi-skilled to run the operations of this ICHO, for example, he represents the organisation in basic legal matters to do with tenancies (previously a law firm acted for the ICHO, they then trained the administrator to do this basic legal work). The size of the organisation is very important because it is never big enough and consequently there is always a waiting list. Once people get a house they rarely move out, one of the reasons is that the ICHO charges \$120/week whereas elsewhere in the town the tenants would be charged \$300-400/week. Furthermore, the affordability and availability of rentals is getting worse due to the impact on accommodation caused by the development of a new coke plant. It is also difficult to buy a house in the town as prices have risen considerably.

This ICHO provides rental housing. Two years ago, QLD07 received funding under the NAHS program and fifteen houses were upgraded at a cost of \$60000-\$80000/house. The organisation receives no other funding. The cost of administration, rates, etc, is covered by rental income. Rates and insurance cost around \$50000/year. As this ICHO relies on generated income, it cannot afford to employ full-time tradespeople. This ICHO never generates sufficient income for capital expenditure; they put in applications for capital funding, but to no avail. As there is no capital funding, the only solution for the organisation is to sell twelve of its properties in order to fund the replacement of four of its older houses that are located in good areas. The money available for maintenance from generated incomes is never enough.

Not being a multi-service provider does not impact on the ICHO's ability to manage houses.

Initially the respondent said that there were no impacts from recent government policy initiatives. When the Indigenous Coordination Centre (ICC) replaced ATSIC it did not effect the ICHO, it was just a name change. However, the ICHO is concerned that the move towards state control of the ICHO sector could have an impact. If the ICHO were pushed towards amalgamation under a centralised body such as Indigenous Housing Services (IHS) and towards mainstreaming there is a perceived danger that murri's would lose their identity in the housing sector and a danger that rents would be increased. The respondent observed that whereas QLD07 can generate their own income for repairs and maintenance, other smaller organisations are not able to and they will be forced to amalgamate or mainstream (Queensland Housing) and thus lose their identity.

Government officers do not engage strategically with the ICHO in order to provide institutional support. However, support is there when needed and is obtained on request. The respondent said that deficiencies in institutional support could be rectified by access to more funding for the ICHO. He noted that the government is not going to change policies on the basis of what an ICHO says. It was perceived that the government does not do enough surveys of housing condition and housing need. GHD Pty Ltd did a major survey on house quality in the Central Queensland region four years ago and found that the upgrade costs required were in the order of \$6m.

QLD07 maintains contact with other ICHOS in the state and shares information regarding rents etc. The ICHO also maintains links with the ICC and receives very good support from them. The benefit of the links with other ICHOs is the sharing of information. The benefits of links with the ICC include potential funding and legal and financial support – the ICC has expertise to assist with anything the ICHO needs to know.

QLD07 has a full-time administrator who has been with the organisation for 16 years. Casual staff are sometimes engaged to do maintenance work, such as mowing yards. Contract tradespeople do all repairs, maintenance and upgrade work. No tradespeople are permanently employed by the ICHO. The retention of staff is dependent on the directors making it attractive for staff through incentives like decent wages and the personal use of a car. The problem with staffing is that there is no funding available and generated income has to cover staff costs. The administrator would like to have someone else in the office, especially when he is attending to bookwork, but this is not possible under the current financial position.

The administrator regularly seeks advice from external specialists; anything he is not sure of he seeks assistance from someone from that field, and is continually looking for additional skills that he may require.

The ICHO has engaged with strategies to ensure governing committee members have skills needed for good governance. On one occasion, the administrator had to put the board through a governance training program as a condition of funding. Almost all of the management committee work in administration jobs and have good financial management skills and good knowledge of housing.

Training linked to the activities of the ICHO is conducted on an as-needs basis. For example, the administrator was informally trained by a legal professional so that he could represent the ICHO in legal matters concerned with tenancies.

QLD07 would like to engage in enterprise and employment development and are developing ideas. The ICHO administrator observed a shortage in short-term

accommodation options in town and an increasing need in such due to the development of a new coke plant. He thought the development of a caravan park for short-term accommodation close to the plant may work, he ran the idea past their accountant, but she believed it was not financially viable so they did not pursue the idea any further.

The sole staff member maintains good relations with the broader community. The administrator is well known, he has lived in town nearly all of his adult life, he played representative football and played in local bands and these activities have provided him with good foundation of relationships among the community. This ICHO observes cultural protocols, but the administrator suggested it is difficult to explain how this is done, though an underlying principle is respect for families.

QLD07 manages 71 houses consisting of 65 houses and one block of four two-bedroom units and a block of units consisting of one two-bedroom and one three-bedroom. Housing stock includes five two-bedroom units, one three-bedroom unit, 63 three-bedroom houses and one four-bedroom house and one extra one-bedroom house. The housing stock is in reasonable condition. Tenants are generally responsible and there are only isolated problems with tenant damage. The houses vary; some of them are so good that the ICHO could get \$300/week on the private rental market instead of the \$120/week they rent them for, and some are very old and require replacement.

QLD07 housing stock has been stable over the last ten years because the organisation has not received any capital funding. The exception was in 2006 when they sold a house to a tenant (after a 3-4 year sale process) for which they received around \$80,000. Then FaCSIA provided some surplus funds they had and, with the combined funds, the ICHO was able to purchase a two-year-old house.

The administrator said that the average number of people per household is difficult to state, but the largest household contains seven occupants and the smallest is a single occupant. There are 100 applications on the waiting list. Once a person goes into a house they basically stay there for good so this means a lengthy waiting time. The houses are usually given to a local because the ICHO knows they are going to stay around. Two priority situations would be a single mum with many children (she would get a house over another single mum with a smaller number of children) and a family that is in an emergency situation. The unmet need consists of more than 50 houses (based on the number of applications), the funding of one position to assist the administrator, and although 15 houses were upgraded under the NAHS program, there is still a requirement for upgrades including kitchens, bathrooms and painting. The ICHO outsourced to Indigenous Housing Services between July 2004 and July 2006 which had the head lease.

Rents only really cover rates, insurance, minor repairs and maintenance. The administrator said that they should be charging \$180, but tenants are on the dole, have single-parent incomes or are pensioners. Rents can be paid by direct debit. The ICHO tries to provide referrals, especially in the case of emergencies. The ICHO tried tenant participation mechanisms, but the tenants were not interested; a couple of meetings were held, but then interest waned. Awareness of tenant satisfaction is maintained through infrequent and informal visits. When the administrator has time, he does a drive around to keep in touch with people.

QLD07 owns everything and they possess the title deeds. However, the government has an 'interest' in the houses. QLD07 cannot just go and sell a property even though they have the deeds. The organisation does not have an asset management plan.

Maintenance is done as required with the use of contractors (although the administrator indicated that he also did some repairs and maintenance). There is no cyclic maintenance; it is done on a funding and priority basis, so when the ICHO has enough money they pick the worst house and repair it. The ICHO is unable to deliver planned upgrades to improve the amenity of houses due to a lack of funding. Planned maintenance services are also constrained by a lack of funding. The administrator said that the government should do more surveys to see what condition the houses are in and this would help the ICHO to justify why they require funding. Some of the QLD07 houses are timber houses that are estimated to be over one hundred years old.

The ICHO cannot charge market rent because if they do tenants will not be able to afford the rent and they will have to evict them. The administrator said that the government provided them with money to establish an organisation to provide housing for people 'on the breadline', therefore rents must be affordable and not too many of the tenants could afford more than the rent they are paying now. The administrator noted that some tenants might be accessing rent assistance, which would help with affordability.

Although the ICHO does not have a formal rent setting policy they do in fact have a policy, they worked out what people could afford and what they needed to receive in rent in order to meet costs. The administrator noted that if the organisation followed the rent setting policy of Queensland Housing then the ICHO's tenants would not be able to afford their rent. The organisation would like to take Commonwealth rent assistance into account but they do not because they are concerned that it will mean they have to put up rents making them unaffordable.

There are processes in place for tenants who do not pay rent including notifications and eventually court processes. The ICHO has a problem with rent arrears, but it is not a major problem. In the case of rent arrears, the ICHO takes out a 'Form 11 – Notice to Remedy Breach' after which the tenants usually come good with their payments.

This ICHO usually does not receive external funding: this means that sometimes they have to take out an overdraft in order to pay council rates on time and thus receive a substantial discount. Two years ago they received funding for upgrades through the NAHS program. They do not usually receive capital funding, but in 2006 they received a one-off contribution towards a house purchase from ICC surplus funds. This ICHO is definitely under-resourced. The most expedient way to rectify funding shortages would be to increase rents, but this is not possible as it would impact on affordability. The ICHO is contemplating selling off a number of houses in order to raise funds to replace four existing houses with new houses. Raising capital from the sale of assets is a limited strategy that reduces the asset base of the organisation.

The ICHO has developed ideas for creating new income streams, such as the caravan park mentioned earlier, but they received financial advice that the ideas were not viable. One of the problems the ICHO faces is the cost of borrowing money to establish new income streams. The ICHO has now moved away from the idea of borrowing money to establish a business. If someone were to give them a grant to start up a business they would do so.

If new stock was to be acquired the ICHO would have to receive funding from FaCSIA. The ICHO does not generate enough income to purchase houses and the cost of paying a loan over a twenty-year period is prohibitive.

The ICHO rates its financial viability over the next year as average as it is recovering from the setback it had when IHS took over the tenancy management. However ICHO is slowly getting back to the financial position it was in prior to the IHS takeover, although it will take them a few years. The ICHO believes that its financial viability over the next three years and beyond will be very good.

The strengths and weaknesses of the organisation are simple and interrelated. The strength of the organisation lies in its administrative and financial skills; its weakness is the lack of funding – it simply does not have resources. Another strength is the ability of the ICHO to provide affordable housing options for low-income earners.

The capacity of this ICHO could be improved through access to funding that would permit the implementation of a cyclic approach to repairs and maintenance and upgrades, and an expansion of the stock in response to the unmet needs of the waiting list. Furthermore, the level of funding has to be appropriate to the urban housing and construction market in which the ICHO is operating. It seems that access to funding is also required that would allow this ICHO to continue to target its stock at those who are most in need of affordable housing.

NSW08 - an inner regional, medium, stand-alone co-operative

The respondent group comprised Board members and Executive staff. The respondents represented one of four pilot Management Models and are well aware of AHO sector reform, current governance and management issues. Areas of concern were:

- \$250,000 rental arrears inherited from member organisations. Two organisations had nil arrears; the remainder was spread over four organisations.
- early problems negotiating 'normal terms of trade' with contractors to get repairs and maintenance done. This has arisen due to member organisations' past history of poor relationships and non-payment of bills. As per the Deed of Agreement, NSW08 were limited, as each partner organisation actually indicated what trades NSW08 were to use. This limited the options available to NSW08 to improve work turnaround. NSW08 then developed a system that, if the approved tradespersons were not available, NSW08 could go outside of the Deed of Agreement;
- the current formula-based funding from AHO does not allow for capacity building needs. Key issues are the risk associated with developing and retaining skilled/trained staff. The funding-based formula does not allow the funding of a dedicated training officer or the engagement of external expertise. This has become a bigger issue since the closure of the AHO's Kungala Training and Career Development Unit;
- limited opportunities to create new income streams. The six member organisations do not pay fee for service. The three agency agreements (non-LALC) pay a 7.2 per cent agency fee. Note: NSW08 agency agreements are all with LALCs. The difficulty NSW08 has is that these organisations require a great deal of support and the rate of 7.2 per cent does not cover costs. AHO allows NSW08 to manage these properties under the same administration budget. Agency agreements have limitations, which highlights a need for policy development in this area;
- it is an AHO requirement that all housing organisations managed by NSW08 are registered; however, under an agency agreement NSW08 has no power to ensure they are registered. The Deed of Agreement assists to ensure that registration is a priority;

- The NSW08 Board does have an aspiration to expand its activities to include a capacity to do repair and maintenance upgrades to houses and become involved in the construction/upgrade program. An AHO housing-related employment strategy is required to build regional capacities;
- the impact of current sector reform (NSW *Aboriginal Land Rights Act 1983*, Indigenous Housing sector reform) on NSW08;
- NSW08 is a managing agent and not a 'landlord' so is required to work through partner organisations for all matters concerning tenancy of the managed rental properties. Deeds of Agreements allow NSW08 to act on all tenancy matters and property asset management in consultation with partners based on the conditions within each separate Deed of Agreement (giving the LALC the responsibility of only endorsement of both the housing allocation and housing waiting lists). This is a requirement of the member's rights under the NSW *Aboriginal Land Rights Act 1983* as amended. NSW08 is community-driven and owned as opposed to being created by ATSIC, like Murdi Paaki.
- NSW08 is also heavily dependent on partner organisations' capacity because of the AHO requirement for all ACHPs to be accredited separately. This creates significant risk management issues for NSW08 in the Expression of Interest process and its capacity to meet full compliance with the AHO Funding Agreement and Deed of Agreement. In respect to Land Councils not functioning, the New South Wales Aboriginal Land Council would take over landlord responsibilities on behalf of the community, and it follows that NSW08 would continue its services under the Deed of Agreement.

NSW08 respondents summed up their strengths and weaknesses as follows:

Weaknesses

- dependent on AHO recurrent funding;
- little scope for new income streams;
- lack of a standard IHMS;
- not all properties were upgraded to suitable (AHO) standards as per the assets management plan due to lack of detail in the asset management assessment (too much reliance on third party external organisation to complete this detail);
- some poor quality houses need to be replaced;
- uncertainty over changes to New South Wales *Aboriginal Land Rights Act 1983* and impact on existing structure/governance arrangements (ie, amalgamation of LALCs);
- poor past housing management practice by some housing providers not LALCs, ie, inherited rent arrears and lack of residential tenancy agreements in place.

Strengths

- supported by AHO recurrent funding;
- a stand-alone housing provider;
- service is to all Kooris not just isolated groups;
- member organisations committed to NSW08;
- good planning processes;
- separation of roles between staff and Board;
- composition of Board is the right mix of skills;

- Board has role in education of tenants;
- quality of executive staff;
- policy and systems established;
- clarity of direction to develop into the future;
- good relationship and support from AHO and Department of Housing;
- focus on core business;
- capacity to network with related stakeholders;
- holistic service provision to tenants;
- reject temptation to take on other programs;
- staged development of service;
- AHO dedicated technical capacity for support;
- HOME training program.

Key capacity issues

- Strengthen corporate governance practice to ensure compliance (Board meeting procedures, minute taking, elections, monitoring of Management Deeds, Authority to Act and Change of Managing Agent forms and update of member records on AHO database);
- Strengthen accounting practices and compliance standards (separate accounts for member organisations to assist in financial tracking; financial controls adherence and accurate reporting);
- improve housing operations (residential tenancy agreements in place for all tenants; maintain a master property register for member organisations; conduct valuations of each property; uniform rent levels for all tenants; weekly data input to realtor; IT training for staff; capacity to edit maintenance request and job order issue and certification of work completed; establish panel of contractors; enforce provision of waitlist compliance and regular review from member organisation);
- improve human resource management (all staff sign contracts; complete police checks on staff).

Many of the key capacity issues identified above were sourced from the Price Waterhouse forensic audit (2005). Many of these issues have been complied with, including:

- Board meeting procedures, minute taking and elections;
- monitoring of management deeds (NB: this is still under review, with AHO to develop the new deeds);
- Authority to Act continues until new agreements are signed;
- financial controls have improved in accordance with both the forensic audit and NSW08 audit;
- although tenancy agreements may not be on file and signed it is a known fact that financial agreement with tenants are recognised by the Consumer, Trader and Tenancy Tribunal (CTTT).

Short-term capacity development needs:

resources to continue to strengthen corporate governance practice is required to ensure compliance (Board meeting procedures, minute taking, elections, monitoring of

Management Deeds, Authority to Act and Change of Managing Agent forms and update of member records on AHO database);

resources to continue to strengthen accounting practices and compliance standards are required (separate accounts for member organisations to assist in financial tracking; financial controls adherence and accurate reporting);

resources are required to continuously improve housing operations (residential tenancy agreements in place for all tenants; maintain a master property register for member organisations; conduct valuations of each property; uniform rent levels for all tenants; weekly data input to realtor; IT training for staff; capacity to edit maintenance request and job order issue and certification of work completed; establish panel of contractors; enforce provision of waitlist compliance and regular review from member organisation);

resources are required to improve human resource management;

resources are required to continue education and awareness in the Aboriginal community to improve community well being and sustain better tenancies.

NSW09 - an inner regional, medium, stand-alone co-operative

The respondent group comprised a Board member and the General Manager. The respondents represented one of four pilot Management Models and are well aware of AHO sector reform, current governance and management issues. Areas of concern were:

- location and degree of remoteness is a key issue for NSW09, as servicing 'remoter' parts of the region has proved difficult. Maintaining partner organisation compliance is a reflection of the impact of location on organisational capacity for NSW09;
- NSW09 is under grant control by an AHO-appointed Administrator;
- continuity of Board members (high turnover) has made it difficult to sustain good decision-making;
- the impact of current sector reform (NSW *Aboriginal Land Rights Act* 1983 and Indigenous Housing sector reform) on NSW09;
- problems in the relationship management between the NSW09 Executive, the Board, the staff and the AHO;
- NSW09 is a managing agent with limited powers and not a 'landlord' so is required to work through partner organisations for all matters concerning tenancy of the managed rental properties. This is proving to be a key issue for NSW09;
- NSW09 is dependent on partner organisations' capacity, as all ACHPs must be accredited separately. This creates significant risk management issues for NSW09 in the expression of interest process and putting together an effective submission for funding of repairs and maintenance, planned maintenance, new construction, and the delivery of effective housing management across the region;
- NSW09 does not have the technical capacity to prioritise needs in the region effectively.

NSW09 respondents summed up their strengths and weaknesses as follows:

Weaknesses:

- dependent on AHO recurrent funding;
- little opportunity to create new income streams;

- no standard IHMS;
- not all properties upgraded to suitable standard;
- problems with separation of roles on a number of levels;
- poor past housing management practice by LALCs re arrears and lack of tenancy agreements in place;
- lack of formal 'landlord' status to back up tenancy agreements and housing policy.

Strengths:

- supported by AHO recurrent funds;
- stand-alone housing provider.

Other capacity issues:

Management Model rules require the regular rotation of members. This does not allow for continuity when trying to develop the skills/knowledge base of individual members.

Short-term capacity development needs:

- capacity support to ensure MYOB, the rent trust program REST and other accounting responsibilities are up-to-date and Management Reports are being regularly provided;
- strengthening tenancy management (tenancy agreements, use of CTTT, regular property inspections, list of contractors and cyclic maintenance);
- workshops with tenants (tenant awareness and education, budgeting, life skills and livelihood development);
- Board training and staff development;
- HHI funding to provide education and awareness for tenants and Board member training and capacity building.

Long-term capacity development needs:

- protocols need to be developed that are about shared value, working with and not against;
- facilitation of relationship-building capacities;
- compliance with AHO Standards.

VIC11 – a city, large, stand-alone SOMIH in transition to ICHO

This case study was unique, in that it showed a State Owned and Managed Indigenous Housing organisation (SOMIH), in the process of becoming an Indigenous Community Housing Organisation (ICHO). At the time the interview was conducted, tenancy management was the joint responsibility of the VIC11 and the Victoria Office of Housing Policy, while property and asset management activities were still the sole responsibility of the OHP. The organisation was hoping to take on sole tenancy management of Aboriginal housing stock in one region (Shepparton) by the end of the 2006/07 financial year, with the remainder to follow over the next 12 months.

The main impression of the interviewers was that the organisation had been highly focused on developing appropriate and effective policies and procedures in areas such as governance and tenancy management in order to create a smooth transition to sole management of its housing stock. However, it will not be possible to assess the effectiveness of these policies and procedures until such time as the organisation develops a track record of tenancy and property management.

Areas of concern were:

- potential for conflict and reduced efficiency associated with two organisations sharing responsibility for tenancy management;
- potential for conflict over the timing of the completion of the transition to sole management;
- inherent risks associated with transferring the management of a large amount of housing stock to an organisation that does not have a track record in housing management; and
- lack of appropriate IT systems for housing management.

This ICHO is based in a highly accessible capital city (level 1), but also manages stock in accessible major regional centres (level 2) and moderately accessible outer regional and rural centres (level 3) throughout Victoria.

Access to services associated with remoteness was not felt to be a capacity constraint. All relevant services were available for all of the locations where the organisation had housing stock, which meant that the organisation felt that it was able to fully service its client base regardless of location.

However, the organisation worked on a rule of thumb that servicing housing in regional areas cost approximately 10 per cent more than providing the same service in metropolitan areas.

The organisation's stock portfolio consists of DUH1 and DUH2, ie, dispersed dwellings in capital cities and major regional centres (DUH1), and rural centres (DUH2).

The VIC11 is a standalone housing provider, incorporated as a company under the Victorian *Companies Act*. The organisation is governed by a Board of Directors, which is essentially specialist skills based. Elections occur once every two years, and the organisation's CEO provides a written report to the Board at all of its meetings, ie, 11 times per year.

The organisation is currently moving to establish an advisory body to provide feedback on services to the Board, which will be a representative committee made up of elected members representing each of the regions. This representative committee will be elected by the Company's members, ie, the Aboriginal people of Victoria.

The CEO rated all of the governance responsibilities listed in question 9 and 13 as either important or very important, with leadership and organisational size being viewed as less important. With regard to leadership, the respondent felt that this would become more important after transition. With regard to size, the respondent believed that while the amount of stock under management most definitely had a major and positive impact on the organisation's credibility and efficiency, the organisation had made a conscious decision not to place emphasis on its size for political reasons.

VIC11 has adopted a range of formal documentation in the following areas:

- strategic plan;
- business plan;
- risk management plan;
- housing management plan; and
- conflict of interest policy.

The organisation regularly reviews its capacity and performance in all of the above areas, as well as:

- board performance;
- internal reporting;
- strategic/business plan;
- IT systems;
- policy and procedures;
- financial viability.

Two areas for improvement were identified. Firstly, the organisation did not currently have in place appropriate IT systems for the management of its housing. While it had called for tenders to develop a fully integrated asset/tenancy/financial management system, development was likely to take some time. Secondly, there were no formal training plans in place for Board members, although governance training had been conducted.

VIC11 is a standalone housing provider and does not provide any additional services. The CEO expressed a strong belief that this specialisation was a key strength of the organisation: 'The reason why we manage housing well is because we only manage housing. Our expertise is housing and we don't deviate from that.'

VIC11 has a central place in government policy regarding Aboriginal housing in Victoria, as it manages two thirds of all Aboriginal housing stock and will be the only Aboriginal growth housing provider in the state. This has meant that VIC11 is expected to take on a leadership role in Aboriginal housing.

The CEO felt that the Victorian Government has been very committed to the organisation achieving ownership of its stock. While transition from SOMIH to ICHO has been too slow for government, it has occurred at the right pace for the organisation itself, as many capacity factors have taken more time than had been anticipated, eg, most recently the development of IT systems. The time taken for transition has also allowed the organisation to bring the Aboriginal community of Victoria along better than could have occurred in a faster process.

The organisation's main links are to:

- Victorian Office of Housing: joint management of the Victoria Aboriginal Housing Program;
- FaCSIA: membership of Victoria Indigenous Joint Planning Committee;
- other community organisations: referral and information sharing, at local, regional and state-wide levels.

All of the above relationships were viewed as positive, in that they strengthened the organisation and had allowed it to provide more housing and a wider range of services to its client base.

VIC11 currently employs 19 full-time staff, as follows

1	CEO
4	Division Managers
1	Deputy Tenancy Manager
1	Communications Officer
1	Assistant Bookkeeper
1	Tenancy Support Officer
1	Administration Officer / Receptionist

- 7 Housing Officers
- 1 Executive Assistant
- 1 Project Officer

In addition, the organisation uses external consultants in areas such as legal advice (pro bono), financial modelling, business planning, human resources and governance training.

At the Board level, Directors undertake an extensive induction process, including governance training. Low turnover of Board members has ensured retention of momentum and drive in the organisation. The Board is skills based, with different members having expertise in areas such as legal, financial and property development. There are also a number of Board members who have links with community and community skills.

The organisation has conducted a training needs analysis and has drawn up training plans for all staff. Training is conducted both on-site and off-site, some as a group and some on an individual basis. Recent training, including training linked to housing functions, is summarised in the table below.

1	Grad Cert Business Management	CEO	Ballarat University
2	Bachelor of Commerce	Accounting	Deakin University
3	Cert IV social housing	Housing management	Office of Housing; augmented Bendigo Regional Institute of TAFE
4	front line management	Reception	
5	Adv Dip Business Management	Management	Ballarat University
6	Master in Business Administration		Deakin University

VIC11 does not currently conduct housing-related enterprise activity and employment. However, if and when its housing management computer package is developed successfully, the organisation is planning to make this available to other organisations both in Victoria and interstate, either free of charge to small ICHOs, or by commercial arrangement to larger organisations.

The organisation engages extensively with the broader community. Avenues of engagement include community forums, quarterly newsletters, activities through Housing Week and Naidoc Week (eg, calendars, garden competitions, Collingwood Children's Farm), engage face-to-face and 'open' AGMs.

The organisation has not suffered from a high rate of staff turnover, with the exception of the front desk position. It has a human resources policy and offers staff personal development as well as professional development, including an entitlement to one day per fortnight study leave and flexibility.

However, the CEO felt that the organisation was underresourced for staffing, and identified a need for another three Housing Officers, as well as another two specific positions to support Housing Officers.

The organisation currently manages 1,291 dwellings, spread across Victoria. The breakdown of the properties by bedroom number in the table below shows that nearly two thirds (64.9%) of dwellings have three bedrooms. The bulk of the remaining stock has either two or four bedrooms. There is a shortage of both small (one bedroom) and large (five+ bedrooms) stock, which could be an issue in the ability of the organisation to house singles and large combined households.

1br	1
2br	242
3br	838
4br	203
5br	7

However, overcrowding is not a big issue, with an average occupancy rate of 2.8 people per household and 2.7 per cent of dwellings overoccupied according to the Canadian National Occupancy Standard. This suggests that the organisation's main issues lie with housing singles, a concern that was confirmed by the CEO. In addition, the CEO expressed a concern that it was less efficient for the organisation to house this group, in that most of the organisation's dwellings could usually accommodate a larger household.

The organisation's waiting list has 1,827 people spread over 838 households, a ratio of 0.65 households waiting for each house; average waiting time is 5.7 months. The waiting list includes 170 households (418 people) on the 'early housing' priority list. These numbers suggest that the biggest issue the organisation faces in terms of its housing stock is its shortage of small accommodation units, with an overall shortage of dwellings a not insignificant secondary issue.

It appears that this issue is being addressed, if slowly, with the organisation last year expanding by 25 dwellings (2.0%).

Housing stock is generally in very good condition, with asset plans in place for the minority that are not in good condition. As an indication, the organisation typically replaces 10-15 dwellings each year, and has nominated 75 upgrades for next year. The design of existing stock is predominantly satisfactory, but there is room for improvement. For instance, when constructing new dwellings, the organisation:

- builds verandas at the back of new houses to allow for family to stay, and
- incorporates wider doorways and other universal design features so that housing can cater for a wide variety of needs and also remains suitable as the occupants' needs and abilities change as they age.

The organisation has formal dispute resolution policies and procedures, and provides referrals to services including financial counselling, medical support letters, mental health, drug and alcohol, childcare/family reunification, and other housing bodies. Tenant participation occurs through a representative committee, which advises the organisation's Board of Directors.

VIC11 has informal, passive systems in place regarding tenant satisfaction. While no formal mechanisms are currently in place, the organisation is planning to start tenant satisfaction surveys and establish a complaints database in the near future.

The organisation currently owns around three per cent of its stock, and has a housing management plan and asset management plan. It outsources its repairs and maintenance, but conducts its own tenancy management – currently jointly with the Victoria Office of Housing Policy (OHP). It provides for cyclical maintenance and plans upgrades; funding for the latter comes from the OHP.

One issue regarding major maintenance is that the organisation can nominate properties for upgrades with the OHP, but is not informed regarding the timing of the repairs or whether repairs will be conducted at all. Effectively, the VIC11 is only informed when repairs are actually carried out.

The organisation has a waiting list split into general wait-turn and priority; causes for priority listing are: life threatening, medical, death in family, homelessness and stock utilisation. Asset planning for acquisitions is based on the organisation's waiting list numbers.

All tenants have written tenancy agreements; this is a requirement under Victoria's *Residential Tenancies Act*. Rent collection is sufficient for general maintenance. Around 80-85 per cent of the organisation's tenants use direct debit, mostly Centrepay. However, direct debit is not a requirement.

The organisation charges a combination of income and market-based rents: tenants are charged 25 per cent of their income up to market rent. At present, tenants of the organisation are not eligible for Commonwealth Rent Assistance (CRA), but they will be after the organisation becomes an ICHO. After transition, the organisation will implement policies optimising the CRA take.

The organisation has an arrears policy which triggers intervention points in order to recover arrears, ending in eviction in the very worst case scenario. Currently arrears are very high, estimated at 25 per cent. One factor here is that 'there are currently two different bodies managing tenancies, and tenants try to play the two bodies off against each other'. For instance, the OHP Sustaining Tenancies Policy was at times inconsistent with the VIC11 arrears processes. Respondents were hopeful that these inconsistencies would be resolved after transition, resulting in lower arrears.

One issue specific to this organisation is that tenants will be required to move from the OHP rent model (ie, excluding CRA) to a community housing rent model (ie, including CRA). There is scope for much confusion among tenants if the change is not managed properly, despite tenants' after housing incomes remaining the same. Proper management will require additional resources during the transition period.

This organisation currently receives infrastructure and capital funding, including funding for upgrades of housing as designated by the Commonwealth State Housing Agreement (CSHA). Security of this funding is uncertain after the CSHA expires in June 2008. However, internal viability is expected to strengthen over time.

The organisation views external funding as insufficient in terms of transitional requirements. Initial start-up costs of the organisation have been relatively high.

One significant capacity issue is that most of the organisation's resources are currently tied up with the transition process. This makes it impossible to focus on additional funding streams in the first two or so years. After this it will be possible to pursue other funding avenues.

In conclusion, the respondents identified the following strengths and weaknesses:

Strengths

- focus on housing only;
- expertise in housing;
- very strong governance processes;
- strong protections and controls;
- longevity and common purpose of Board.

Weaknesses

- expected dip in rent receipts during months after transition due to:
 - confusion among tenants over new rent model, and

- can't use Australia Post for rent collection;
- transition currently taking a lot out of organisational capacity;
- may be that VIC11 is not what the community wants.

The organisational capacity of this ICHO could be enhanced by implementing the following measures:

- complete development of appropriate IT systems for housing management;
- develop and implement strategies to reduce arrears;
- develop training plans for Board members;
- ensure appropriate staffing to manage the transition process to sole tenancy, property and asset management; and
- reduce potential for confusion and conflicts by the organisation taking on full responsibility for tenancy, property and asset management as soon as is practical.

QLD09 - a city, medium, multi-function Aboriginal Corporation

The interviewer's general impressions of this ICHO were that it was well managed. The organisation is keen to develop its capacity to generate its own funds through its operations and investments. Areas of concern were a significant waiting list and difficulties of engaging with the construction industry in a period of high construction and construction costs.

This ICHO has been classified at the lowest level of remoteness or the highest level of service accessibility (level 1). QLD09 operates approximately 20km from the Brisbane CBD (approximately a half-hour drive). An implication of the location is that the organisation has to purchase houses, units or land in an urban property market with considerably high land values.

Settlement Type is DUH1: dispersed Indigenous housing and communal facilities in a capital city or major regional centre.

This ICHO is a multi-service provider, which is incorporated under the *Aboriginal Councils and Associations Act*. The corporation's elections are held once every year, the management committee meets once or twice a month when management reports are given.

When asked to rate the nine core governance responsibilities, the respondents rated financial, compliance and accountability responsibilities as very important. They rated policy, planning and governing committee development as important. They rated leadership, employment and monitoring of achievements as moderately important.

This ICHO has a strategic/business plan, a conflict of interest policy and an adequate information technology system in place to manage finances, assets and tenants. The organisation does not have a risk management plan. It also does not conduct formal reviews of capacity and performance in terms of its housing operations, but does so for its aged care hostel. There is turn over in the board every 12 months. The respondents identified the need to enhance the capacity of the board by drawing in board members with capacity in professional areas such as finance.

When asked to rate governance viability the respondents rated effective financial management and the size of the organisation as very important, they rated how they related to community needs, stable institutional rules and the skills and abilities of members and staff as important. They rated degree of sovereignty and the separations of powers as moderately important.

Separation of powers is the hardest thing to manage. It is difficult to keep the Board out of the day-to-day management. Usually there are two tenants on the board.

This ICHO provides a number of services in addition to housing, including:

- housing;
- access to legal advice;
- counselling;
- access to computers and telephones to find housing;
- referrals to other agencies;
- housing resources such as tenants advice – this service is provided both to tenants and non-tenants of the organisation;
- Centrelink access – Centrelink visits once per fortnight to work with our tenants;
- general community activities, including a diabetes study with meetings every six months;
- general cultural activities;
- sports and recreation, including school holiday program;
- an aged care hostel is associated with the organisation.

The respondents did not feel that delivering a range of services, rather than a single service, had increased the capacity of the organisation. They observed that the organisation was established as a community-based organisation in order to give people access to services. They noted that if you wanted to just provide housing services then a real estate agency could do the job. However, they go further than simply being housing managers and endeavour to build relationships with other services such as the Department of Families, Centrelink, court services, etc. They are also involved with the local kindergarten, pre-school and after school care, and they are establishing an early intervention project.

Respondents highlighted both positive and negative impacts of recent government policy initiatives. The change over to FaCSIA has impacted on the organisation, particularly in relation to the management of funds and in the working relationship between the organisation and the funding body which now feels more remote from them. The process of getting funds released hampers the organisation's ability to engage with commercial realities, such as making progress payments on the construction of housing. FaCSIA's payment release process is slow and therefore impacts on commercial relationships such as construction projects and contracts with builders. Respondents said that the organisation feels abandoned as they are given money without support such as that they once received from ATSIC project officers.

It was perceived that government officers do not strategically engage with this ICHO other than to ask for reports. Respondents believed that every organisation needs an officer to assist them to develop beyond financial dependency, for example QLD09 own land/commercial property on the main street in Wynnum, but do not have the capacity to develop the site and maximise the income potential of their asset.

QLD09 meets with other housing organisations to try to build a regional body and to develop commonalities. They are trying to develop these links in anticipation of the government coming in and overlaying a structure on them. QLD09 discusses common issues with other Indigenous organisations, they share information, and they have a joint planning group meeting for community housing where they learn what the Department of Housing is putting in place. QLD09 has links with the Queensland

Community Housing Coalition, the peak body for community housing in Queensland. It also has links with Inter-agency networks and the Red Cross. QLD09 is also associated with a local bayside housing focus group that assists with learning about programs that can be accessed and dealing with issues that QLD09 can focus on, such as the need for hostel accommodation in the area. The key benefits of the links to other Indigenous organisations are sharing of information, discussion of common issues, and joint planning meetings.

QLD09 has a full-time Coordinator, a full-time bookkeeper, a property/rentals person on a 2.5day/week, and a sports and recreation officer on two days with three-day CDEP top up. The Georgina hostel has 33 staff. All staff have contracts. QLD09 does not have a human resources policy and procedure manual and experienced a high turnover in of staff in 2006. QLD09 have introduced salary sacrificing in 2006 in an effort to retain staff. The organisation is under resourced in funding levels for staffing and manage with what they have. FaCSIA only fund one position, so QLD09 have to fund staff out of generated or other income. A problem identified by the ICHO is a lack of career structure in community housing. QLD09 would like to introduce career structure by getting a trainee position funded; they perceive the need for a young person to come through the organisation and then move on to a senior role.

The ICHO does not gain advice from external consultants for general operations, but professional industrial relations advice is sought for the operations of the Georgina hostel in terms of nurses and carers. Advice is only sought on industrial relations matters if there is an issue. Staff are under an award and there is an Indigenous housing award. Respondents noted that ATSIC had not wanted an award because of funding implications.

The ICHO has strategies in place to ensure governing committee members have skills needed for good governance. Three people have participated in governance training and the ICHO is trying to obtain funds for governance training across the region. However, QLD09 experiences difficulties informing the board of what is involved in the Indigenous Coordination Centre contractual arrangements for funding. The management committee includes a person with a management degree, a person with a business degree, a person with a social work degree, an employee of the Crime and Misconduct Commission (CMC), a Police Liaison Officer (PLO), and a tenant, the Coordinator has Cert IV in social housing and community housing and Cert IV in business.

QLD09 does not have a training plan, but seeks out specific training if it is required. If there is training the staff need, the ICHO organises for them to do it. None of the Board members have completed Residential Tenancy Authority (RTA) training but two staff have. QLD09 does any training associated with housing. For the Board, governance training is the biggest training need. Georgina Hostel advocates training throughout the year. Training is usually done externally.

QLD09 seeks training that is directly linked to the organisation's activities. The organisation has participated in training with the Residential Tenancy Authority (RTA). QLD09 provided RTA with cultural training and the RTA provided QLD09 with tenancy management training. However, once RTA had cultural training they said they no longer had to focus on employing Indigenous people. QLD09 believe that there is a lot of discrimination in the private rental market and therefore RTA training and cultural training is highly important. QLD09 train in the financial management system MYOB conducted with MYOB trainers. QLD09 have also accessed Small Business training through TAFE.

QLD09 is engaged in enterprise and employment development through its commercial properties and the Georgina Hostel.

QLD09 sends out community newsletters and flyers. The ICHO interacts with other Indigenous services such as the kindergarten, health, and legal areas, but noted that they do not have a lot to do with universities. QLD09 has Indigenous and non-Indigenous staff and conduct cultural awareness training with non-Indigenous staff.

QLD09 manages 37 houses. Housing stock includes 14 two-bedroom units consisting of two unit blocks of three two-bedroom units and two individual units in unit complexes. Sixteen three-bedroom houses and seven four-bedroom houses.

QLD09 purchases the best houses they can with the money they have, after initially going for quantity and not quality. They have a purchasing committee who assesses the houses as if they were going to live there. QLD09 purchases houses and also builds houses when they demolish an existing house.

QLD09's housing has remained the same over the last 12 months. On average, there are four people per household. QLD09's plan to manage housing stock consists of six monthly inspections, including one before the end of the financial year that focuses on maintenance. The ICHO prioritises cyclical maintenance and, in 2005, QLD09 had properties audited for staged maintenance. Tenancy management is not outsourced and the ICHO maintains a waiting list that has approximately 50 families and 18-19 individuals on it (single plus child or single mature person). The waiting list replenishes and the average waiting time is 3-5 years. There is not a priority waiting list as priority means an emergency situation and such people get assistance from the Department of Housing. However, sometimes, if someone has been on the list for a long time and it is known they will stay in the area and have a particular situation, such as a health issue, then they are given priority. The ICHO has tenancy agreements, rent collection is sufficient to maintain houses, it offers direct debit to tenants, it provides financial counselling, it has dispute resolution practices in place, and it provides referral services to tenants.

The unmet housing need as at 30 June 2006 was 50 additional houses. The respondents noted the benefits of a head lease arrangement to meet this need. Repairs and maintenance on existing housing requires \$200,000 to get them up to scratch, including painting, bathrooms, kitchens, floor coverings, drains, and roof plumbing. QLD09 would like one more person, a dedicated housing officer, to take over the housing role from the Coordinator and thus take the Coordinator out of the day-to-day handling of the business so that she can more effectively engage with higher level issues such as funding, planning, and policy issues.

Currently stock is fully owned by QLD09. Their vision is to house people from different income streams; high-income earners can only rent ICHO accommodation for five years. They need a strategy in place to assist people through the housing system towards home ownership, ie, pathways through housing towards some kind of home ownership system – if a tenant was to purchase they must do so at market value.

QLD09's asset management plan is contained in their business plan. The ICHO has repairs and maintenance services and a planned cyclical maintenance program. QLD09 needs \$2,500 per house per year for maintenance, but some years they cannot do that due to funding shortages. The organisation undertakes planned upgrades to housing even when they do not receive funding. In these instances, they use generated income.

Maintenance is done as required. From the audit the ICHO prioritise what they will do the following year. Electrical and plumbing work are big maintenance issues. QLD09

has two maintenance priorities: these are things that may harm the tenant, and damage to the property.

QLD09 charges rent at 75 per cent of market value which allows them to claim income tax exemption.

All tenants are on a lease and pay their rent either weekly or fortnightly. QLD09 encourage direct debits. Tenants can have a deposit book and can also pay at the office. QLD09 prefers that new tenants pay at the office for three months. In terms of rent arrears, the organisation allows people to pay off debt and catch up. In this case, tenants are asked to sign an agreement for catching up on payments. Tenants can also pay bonds in instalments; bonds are capped at \$500. The ICHO occasionally has problems with rent arrears, but they are not a big issue. After 14 days, QLD09 gives the tenant the opportunity to pay off the outstanding moneys – the organisation gives tenants the normal warnings. The ICHO looks at rent arrears every week and a listing of arrears goes to the Board and is assessed every month.

The ICHO receives capital funding from the Queensland Department of Housing, operating and capital funding is received from FaCSIA, the Queensland Department of Sport and Recreation funds wages and programs for the Sport and Recreation Officer, Brisbane City Council provides support in the form of rates release. All external funding is from annual government grants. QLD09 identified problems with operating on a yearly funding cycle as it makes it difficult to plan over longer periods such as three years. The ICHO considers itself to be under resourced but sees an opportunity to rectify this deficiency by increasing its capacity to self-generate funds. Another difficulty is the ability to research avenues of potential in identifying new funding streams. The ICHO also identified the problem of government programs being offered which did not have the level of commensurate level of funding needed to make them succeed.

The ICHO does not have funding to access new stock. However, QLD09 point out that the business of an ICHO is not always about acquiring new stock, it is about providing access to housing and avenues for accessing housing. For example, there are ongoing difficulties for young people accessing private rentals in the area.

The ICHO summed up its strengths and weaknesses as follows:

Strengths

- ability to chase debtors;
- ability to successfully apply for funding;
- ability to conduct commercial development projects.

Weaknesses

- the Board, as any community-based Board, has limited capacity in terms of commercial development matters;
- the ICHO is not strong in the area of commercial development, but it views such development as important to the ongoing operations and development of the organisation;
- another weakness is those things that are out of our control such as funding/future funding;
- changes in government legislation/policy are also an area of weakness, it seems to the ICHO that the government itself is confused about all of the current changes and it seems that the government does not really know what it wants to do. A big issue for QLD09 is the question of who owns the assets. QLD09 would like to be

able to use their assets in order to develop, for example, the ability to take out mortgages over assets.

The capacity of this ICHO could be improved in the following ways:

- This ICHO anticipates the need to develop commercially in order to continue and expand its operations. The capacity to do so would be improved by people with professional skills sitting on the Board or acting as advisers to the organisation.

NSW05 - a city, medium, multi-function Aboriginal Land Council

The respondent group comprised the Housing sub-committee and the NSW Aboriginal Land Council-appointed administrator. The respondents appeared to be generally well aware of sector reform, and current governance and management issues. Areas of concern were:

- property development dealings have caused solvency issues and loss of registration status with the AHO and withdrawal of housing funding;
- uncertainty over meeting AHO registration standards and re-establishing repairs and maintenance and capital funding;
- housing management of properties is outsourced to Hume Housing Co-operative;
- NSW05 is under external administration by the NSW Aboriginal Land Council;
- uncertainty over the current review of the NSW *Aboriginal Land Rights Act* 1983 and the status of LALC community housing functions into the future (NSW05 aspires to manage their own houses as core business in providing services to its members);
- recent history of poor management by NSW05, issues of low morale, poor financial management and resulting conflicts have led to high turnover of key management staff (it is acknowledged that the interim management team is highly motivated and skilled to turn things around);
- the waiting list (55 applicants) does not reflect the real need (estimated to be much greater than reported, ie, overcrowding in houses and homelessness) as low stock numbers and low turnover has discouraged many members from registering an application for housing;
- the overall poor standard of NSW05's housing stock.

NSW05 respondents summed up their strengths and weaknesses as follows:

Weaknesses

- NSW05 is cash poor;
- no AHO funding to bring houses to appropriate amenity levels;
- NSW05 has liquidity issues and this has impacted on eligibility for AHO funds to manage and maintain houses;
- no incentive to access home purchase schemes (there is no new construction or replacement housing program for the NSW05 region);
- uncertainty over changes to the NSW *Aboriginal Land Rights Act* 1983 (ie, amalgamations and landlord status);
- the housing portfolio does not have the capacity to have a planned maintenance program (rent is not sufficient);

→ no means to reduce long-term waiting list and increase housing stock.

Strengths

- valuable land holdings;
- two sub-committees dealing with key planning issues (housing and business planning);
- strategy to trade out of debt;
- housing portfolio is managed;
- strong commitment from interim Board;
- long-term and strategic focus;
- vision to continue property development and create a future platform for economic sustainability;
- investment money for future cash flow.

Other capacity issues

Poor community attitude/apathy; high wear and tear in houses; tenant behaviour (anti-social); getting involved in arrangements that are not to the benefit of NSW05, eg, Department of Housing (DoH) Office of Community Housing (OCH) head leasing arrangement (once DoH has taken the property back the problem of what to do with the client remains and acquiring poor quality housing under head leasing from DoH/OCH and the associated problem of fixing the houses when no funds are available).

Short-term capacity development needs

- financial management;
- upgrade IT equipment;
- performance review of executive;
- Board and staff development.

Long-term capacity development needs

- employment;
- compliance monitoring;
- planned maintenance program.

AHURI Research Centres

Queensland Research Centre
RMIT-NATSEM Research Centre
Southern Research Centre
Swinburne-Monash Research Centre
Sydney Research Centre
UNSW-UWS Research Centre
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Australian Housing
and Urban Research Institute

Australian Housing and Urban Research Institute
Level 1 114 Flinders Street, Melbourne Victoria 3000
Phone +61 3 9660 2300 Fax +61 3 9663 5488
Email information@ahuri.edu.au Web www.ahuri.edu.au