

2018 AHURI International Study Tour Report: Canada
Short report



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Acronyms and abbreviations used in this report

AHMA	Aboriginal Housing Management Association
AHURI	Australian Housing and Urban Research Institute
BCNPHA	BC Non-Profit Housing Association
CAEH	Canadian Alliance to End Homelessness
CHFBC	Co-operative Housing Federation of BC
CHRA	Canadian Housing and Renewal Association
CMHC	Canada Mortgage and Housing Corporation
HPS	Homelessness Partnering Strategy
MAP	Managed alcohol program
NHI	National Housing Initiative
TCH	Toronto Community Housing

Introduction

Purpose

The 2018 AHURI International Study Tour provided senior Australian housing officials with an in-depth understanding of leading international housing reform initiatives and effective program and service innovations.

Like Australia, Canada is governed through a federal parliamentary democracy and constitutional monarchy, and features expansive remote regions, is facing climate challenges and experiences Indigenous relations issues. It provides interesting parallels and lessons for Australian housing and homelessness policy development. The recent implementation of a national housing strategy provides a useful backdrop to the understanding of Canada's housing policy direction and service provision.

The Canadian housing and homelessness context

Canada's social housing sector in the period since World War II is strikingly similar to Australia's. Social housing (which includes public and community housing) represents just under 5 per cent of all Canadian housing and almost 20 per cent of all rental housing. It is owned and operated by a combination of public providers (provincial/municipal) and community-based non-profit (including co-operative) providers.

Canada's population live in similar tenures and experience similar housing patterns to Australia's, but with subtle differences in areas such as:

- the built form: Canada utilises more multi-unit structures (e.g. apartments, condominiums)
- type of social housing: Canada relies more on community sector housing and less on public housing (which is typically delivered through municipal governments rather than provincial governments)
- private rental ownership: rental properties in Canada are more often institution or corporate owned, in contrast to Australia's unusual 'mum and dad' investor profile.

Launched in early 2018, Canada's National Housing Strategy (NHS) was formed on the basis of the 2017 federal budget and aims to bring together the public, private and non-profit sectors.

There are significant legacy issues relating to Indigenous housing. Three separate treaties exist for the Inuit, First Nations and Métis peoples. Collectively, these groups represent just under 5 per cent of the population; however, as in Australia, they are disproportionately represented in the incidences of core housing need and homelessness. Most Indigenous people live in rural and remote areas, often with little or no economic base. Indigenous housing issues are a federal responsibility (unlike housing generally, where provinces and municipalities lead). Further, this responsibility is split between Indigenous and Northern Affairs Canada and the Canada Mortgage and Housing Corporation (CMHC).

There has been a gradual increase in visible homelessness in Canada since the 1980s, although there is no formal homelessness count (or official government definition). The increase has been reported particularly since the termination of federal

funding for new social housing in 1994. The response to homelessness is largely reliant on non-profit emergency shelters, which have evolved from faith-based missions. Some municipal governments have also built and operate emergency shelters (e.g. Toronto).

Canada Mortgage and Housing Corporation (CMHC)

Established in 1946, the CMHC is a Crown corporation of the Canadian government that is governed by a board and reports to parliament through the Housing Minister. It has been a cornerstone of the Canadian government's delivery of programs and initiatives to support affordable housing supply and home ownership for more than 70 years.

As a government business enterprise (GBE), CMHC's functions include:

- mortgage loan insurance: providing insurance and client services to protect borrowers, lenders and diversity in housing options
- market analysis: providing evidence-based analysis and insights to support decision-making
- securitisation: helping ensure lenders have access to sufficient funds for mortgage lending
- assisted housing: helping Canadians in need gain access to suitable housing they can afford.

CMHC has a dual focus: to facilitate access to housing for all Canadians; and to contribute to the efficiency and stability of Canada's housing finance markets. It achieves this through the provision of: mortgage insurance; seed funding and financing to develop and maintain rental housing; the Investment in Affordable Housing (IAH) scheme; securitisation of mortgage-backed securities; regulatory support and oversight of mortgage products and arrangements; and collection and publication of housing market data, research and information.

As a result of the NHS, launched in 2018, CMHC officials recognise that there is an expectation that the corporation will shift from being a commercially focussed financial institution delivering policy outcomes to a policy-led program-design and funding body.

Canada's National Housing Strategy (NHS)

The NHS aims to bring together the public, private and non-profit sectors, unifying the currently disjointed social housing system and providing more affordable and accessible housing for Canadians.

The 2017 federal budget introduced a funding framework for housing and the NHS, launched in early 2018, added objectives, targets and outcomes to this framework. The strategy identifies over \$40 billion of funding over 11 years, which includes considerable province and territory dollars. Importantly, the NHS is framed as a *national* strategy, not a federal strategy. As such, a significant portion of the funds is subject to the negotiation of bilateral agreements between federal government and each province and territory. These funds, to be provided by the provinces and territories for specific housing programs, constitute \$7.4 billion of the total funding.

Only a minority portion (approximately \$15 billion) of the \$40 billion in funding is 'new' money. The balance is made up of loan funding (to finance renovation and new development), existing funds and potential province/territory cost-sharing funds. Funding is back-end loaded, with much of it coming into the system three to five years

downstream. In the initial years (2018–22), new funding is minimal. Rather, this period is dedicated to building federal–provincial partnerships and bilateral agreements.

Market finance and home ownership

While Australia, with the recent establishment of the NHFIC, is following the United Kingdom’s bond aggregator model, Canada has evolved a range of different methods for financing affordable housing.

Canada’s mesh of affordable housing policies, programs and initiatives are administered by the three levels of government. It would appear that the collective interactions of the various elements have not only built resilience in the affordable housing system but, importantly, created a network of financial supports and enhancements that actively encourage and incentivise institutional investment in affordable housing.

Canada’s complex, interwoven system seems in many ways to meet the brief that for governments to enable large-scale institutional investment in affordable housing, they must play a leading role in the development and provision of arrangements such as bond (securitisation) instruments, financial intermediaries and guarantee enhancements in a manner that delivers long-term low-cost finance. The result of these actions is to significantly reduce risk for investors, thereby enabling them to accept lower yields. CMHC’s success arguably lies in its skill at determining risk exposure in the mortgage insurance market. The organisation is extremely good at this, and returns a profit of 11–13 per cent a year.

An important lesson to learn from Canada’s affordable housing finance model is how positive outcomes can be achieved through cooperation and collaboration between the various levels of government. The Australian system would likewise benefit from enhancing communication between councils, states/territories and federal government, and putting a greater focus on direct federal investment in state government initiatives.

Addressing homelessness

The Alex

The Alex is a community organisation that delivers innovative and accessible health and social solutions. The organisation’s philosophy is that ‘whole health cannot be enjoyed when we are hungry, in chronic pain, disconnected from the community, living in poverty, or if we don’t have a roof over our head.’

The Alex has four housing programs (providing 430 tenancies) to help individuals experiencing homelessness: Homebase, Pathways to Housing, Prelude and Abbeydale Place. Homebase serves the most vulnerable clients, providing intensive support and wrap-around services. Pathways specifically targets homeless individuals who are affected by mental illness or have problems with the justice system, with clients supported by a team of health and justice professionals. In order to attract funding under the now-defunct national HPS (replaced by Reaching Home), these programs had to follow the Housing First model—that is, giving clients a home first and then providing health and social service.

The housing programs have achieved good outcomes and thus far no major changes have been made under the new NHS. Pathways to Housing has a retention rate over 85 per cent and clients show reduced use of emergency medical services and fewer interactions with the justice system. Meanwhile, 63 per cent of Abbeydale clients report abusing substances less frequently after 12 months participation in the program.

A study looking into patterns of exits from Calgary's Housing First programs found that families graduate from programs more quickly than single adults without dependents, and that having a history of addictions does not appear to affect a client's graduation rate. Some cohorts move on more quickly from Housing First programs than others, and factors such as source of income can accelerate departure.

The Alex Community Food Centre is testament to The Alex's holistic, wrap-around approach to the delivery of services—where the case manager knows all the available resources and develops a plan that is intensively managed—each of the four housing programs is intimately connected to the food centre.

Canadian homelessness learnings for Australia

Homelessness sector representatives revealed several important learnings gained over the last two decades, including:

- the need for collaboration across all sections of community and government
- no single program or policy setting is a pancea
- many players hold different pieces of the puzzle
- ending homelessness is an ongoing journey.

Those cities that have come together to solve homelessness have seen the most improvement.

In Vancouver and Calgary, where governance networks include affordable-housing providers, mental health and addiction professionals, Aboriginal community members, representatives of drop-in centres and others with lived experience, homelessness is on the decline. In Toronto, where government-level decision-making was closed to civil-society actors during the period of investigation, homelessness levels remained stagnant'.

To ensure the best outcomes, there is a need for genuine collaboration on design of public policies and funding models. Human services delivery must break out of its silos and become integrated if we are to reduce homelessness. It is important to have choice, diversity and an integrated, adaptive and dynamic sector that can respond to changing needs. Canada's experience should serve as a warning against implementing an inflexible Housing First approach. One size does not fit all, and the focus must remain on outcomes rather than prescriptive programs.

In summary, there are three key lessons for Australia:

- frontline programs that integrate human services delivery achieve better outcomes
- flexible funding arrangements facilitate innovative programs that can better address local need
- where all parts of the system can work together, with clear outcomes, targets and a flexible approach, homelessness will fall.

Social and affordable housing

BC Housing

Currently, BC Housing directly manages around 7,000 social housing dwellings, with the not-for-profit sector managing around 68,000 dwellings. BC Housing has a range of programs and initiatives currently under development or being delivered, including:

- soliciting proposals from not-for-profit providers to operate supportive housing for homeless people, as well as to provide new housing for families, seniors and people escaping domestic and family violence
- providing funding for new modular housing (permanent and temporary), including rapid-response dwellings (generally multi-storey with commercial kitchens).

BC Housing is also *National Housing Act* lender with a \$2.4 billion mortgage portfolio.

A newer part of BC Housing's business is its Supportive Housing program, which incorporates the management of 1,987 shelter spaces operated by not-for-profit organisations, as well as elements of outreach and prevention, and supportive housing (e.g. women's transition accommodation and other supports for people escaping domestic and family violence). BC Housing also funds a range of homelessness outreach programs, homelessness prevention programs and emergency shelters.

Canadian government and Social and affordable housing

The withdrawal of funding and leadership by Canada's federal government and the shifting of responsibility for social housing from federal to provincial governments (and in Ontario the double shift from provincial to municipal governments) resulted in disaggregated and varied responses across the country, with limited growth in social and affordable housing. Whilst there are some examples of provincial/territorial/municipal innovation and commitment to social and affordable housing, these are few and far between. In many provinces and territories, housing is not prioritised and former housing funding has been diverted to other areas.

Disaggregation also resulted in a hugely diverse housing delivery system, made up of large numbers of small providers, with limited professionalisation of the sector. Such a system creates risk for viability, appropriate portfolio management and tenant outcomes.

The absence of high-level policy leadership by the federal government led to a loss of accountability and a deficit of accurate data on country-wide demand for, and supply of, social and affordable housing. This is likely to have consequences for the development and delivery of the appropriate supply responses needed to achieve the ambitious targets of the new NHS.

Other authors have noted that:

Dismantling the social housing supply program also meant that provinces and municipalities had to bear the indirect [and increasing] costs of inadequate housing and homelessness. These include the costs of physical and mental health care, emergency shelters and services and increased policing.

It is clear from the literature and from meeting with a broad range of stakeholders that without the leadership and financial support of the Canadian federal government, there has been very limited investment in affordable housing in recent decades (apart from in a few exceptional places, such as Vancouver). Notwithstanding claims by some that

housing is a provincial (i.e. subnational) responsibility, vastly more subsidised housing gets built when Canada's national government leads than when it does not.

The benefits of federal leadership are evidenced by the success of the country's First Nations housing schemes, for which the continued funding and leadership by the Canadian government has provided stability, and the capacity for development of a strong sector that values and practices delivery of housing programs linked to broader social, health, wellbeing and economic outcomes.

In addition, learnings from Toronto's high-rise asset revitalisation programs, although not nationally applicable, may be useful in some Australian jurisdictions.

First Nations housing

Lu'ma Native Housing Society

There is a notable and encouraging trend in Canada for Aboriginal-led and/or -owned enterprises to be actively engaged in, and sought out for contributions to, localised solutions to Indigenous housing issues. This translates to a clear influence of culture in the provision of housing and accommodation services; however, it also appears to lead to recognition within the sector that reliance on government funding streams alone limit the ability of organisations to innovate and grow.

The Lu'ma Native Housing Society provides a prime example of how First Nations housing associations have evolved to become key players in the Indigenous housing sphere. Created in 1980 to provide affordable housing to Aboriginal families and individuals on low incomes, Lu'ma has progressed from facilitating housing provision to funding and creating their own buildings and services.

The service provides accommodation for 80–100 foster children, across Lu'ma's various assets, and is realising tangible benefits.

Though our primary focus is to build, own and operate affordable housing, we have evolved as a Society and now provide a broad range of services that improve social determinants of health such as: Lu'ma Medical Centre; the Aboriginal Patients' Lodge; Community Voice Mail; the Aboriginal Children's Village; and Aboriginal Youth Mentorship & Housing Program. (Lu'ma Native Housing Society 2019)

The highly commended Aboriginal Patients' Lodge provides Indigenous people from across the province with comfortable apartment accommodation while they are undertaking medical treatment, recovering from illness or surgery, or visiting Vancouver for appointments. The Lu'ma Medical Centre acknowledges and provides traditional medicine and healing for Indigenous people, in addition to modern medical treatment. Lu'ma also provides accommodation for people fleeing family violence.

Lu'ma Aboriginal Children's Village

One of the most impressive programs in Lu'ma's portfolio is the Aboriginal Children's Village, which operates to ensure First Nations children can access the services and supports they need, when they need them.

Indigenous foster youths live at the mixed-use complex with their foster carers. Uniquely, the youth is identified as the 'head tenant'—thus, if there is a relationship breakdown within the family unit, it is the carers who are moved, not the youth. This provides continuity and stability for the youth in terms of accommodation, schooling, neighbourhood and medical care (via the linked medical centre).

The program aims to help youths transition from foster care to independent living, and offers an integrated approach, including: education and skills training, tenancy coaching, employment support, relationship building, cultural activities, family dinners, and health and legal aid services.

Other Lu'ma developments

Lu'ma continues to expand its funding streams to include more non-government sources. The Patients' Lodge, for example, relies on 26 funding partners. In addition, they foster a number of key partnerships, which allow them to maintain autonomy in terms of decision-making (outside of government funding agreements). Such a pathway gives control back to the community, and is an approach that could easily be more formally adopted in Australia. Lu'ma representatives also mentioned the possibility of developing a 'co-op' housing arrangement among Aboriginal enterprises, such that their combined purchasing power could see their limited dollars stretched further, in order to achieve even better outcomes.

Aboriginal Friendship Centres

Friendship Centres have been in place across Canada since the early 1950s and the movement has developed and evolved over the decades. The centres are non-profit community organisations that provide a range programs and services to urban Indigenous peoples, including housing, youth programs, health and employment services and cultural activities.

A move from living on-reserve to living in a city often appears to close the door to the possibility of return. Friendship Centres arose as a place where Indigenous people could continue to nourish their culture and tribal identities. The health and wellbeing outcomes that flow from the centres are likely immeasurable, and the services offered provide important pathways to help Indigenous people establish themselves in the city.

Our visit to the Vancouver Friendship Centre provided further insights into how Aboriginal entities are sourcing finance outside of government funding. A conspicuous example is the social enterprise arts centre and catering company operating within the footprint of the facility. Whilst the centre itself has historically been government funded, that recurrent funding is now supported by enterprises such as these, giving the operating entity a degree of flexibility in their approach.

Within the centre, and entwined in the daily operations of the facility, are services such as the Urban Aboriginal Navigation Team, ACCESS (Aboriginal Community Career Employment Services Society), seniors' rooms, youth support services and cultural event coordination. Scopes of work for future accommodation developments are populated on the community boards, inviting input into the design process—a reflection of the centre's focus on respecting culture and encouraging community control.

Canadian Government and First Nations housing

The Canadian tax system gives provinces a significantly larger say in determining tax-dollars spend, compared with the states and territories in Australia. As such, the influence of national government policy versus provincial and even municipal funding streams to Indigenous housing and homelessness programs provides a point of difference.

Canada experienced a dark social period akin to Australia's Stolen Generations: the Residential Schools era. Over a century, national government policy saw some 150,000 First Nations, Inuit and Métis children removed from their families and sent to residential schools. This social policy has had an understandably detrimental impact on

the Indigenous community. This is evident in the over-representation of Indigenous homelessness, as well as the higher rates of violence and murder faced by Indigenous women. One of the key sub-themes of the current National Inquiry into Missing and Murdered Indigenous Women and Girls is the need to improve access to safe housing along the entire housing spectrum, from emergency shelters to secure permanent housing. Australia's Indigenous populations experience a similarly disproportionate level of disadvantage. Canada's history should act as a caution to Australia that to simply maintain the status quo will only result in further adverse impacts on Indigenous people. In Canada, governments have begun to recognise and acknowledge the mistakes of the past and are working to remedy them using lessons learned.

One of the most effective strategies we observed on the Study Tour was the Housing First approach, which has been widely implemented throughout Canada as a pathway to assist in improving social outcomes, particularly for Indigenous people.

First Nations housing learnings for Australia

The extent of social disadvantage for Indigenous Australians is well documented. Against this backdrop, we currently see reductions in recurrent government funding sources, as well as discord around which tier of government is ultimately responsible for various parts of the problem. True bipartisan support and generational timeline commitment, across all tiers of government, is required. Amid this broader disadvantage, Indigenous homelessness and overcrowding is fundamental, with flow-on affects to health and wellbeing. Governments need to prioritise housing and homelessness and provide solutions that are needs-based, rather than per capita.

Existing and emerging Aboriginal enterprises in Australia would do well to take heed of what is occurring in Canada. First Nations housing providers have thrived by identifying localised solutions and aligning these with social enterprise funding sources built in to their operating environment. The number of successful programs we encountered, each with a strong and visible presence of Indigenous employees, was impressive and heartening. While ongoing, secure government funding becomes harder to secure, not-for-profit organisations who embrace enterprise wrest a degree of control over their own destinies, outside of prescribed government funding arrangements and grants.

Considering the overwhelming success of the First Nations enterprises we visited, Australian governments should be strongly supporting moves towards community control and ownership of Aboriginal housing programs—and encouraging their development by innovative means whenever possible. Social enterprises may also lead to more co-funded arrangements, creating sustainability through expansion into other enterprises, and delivering true social-outcome returns.

In closing: Canada provided us with a great insight into what the future could be like for Australia, for all those who are involved in the Indigenous housing and homelessness space. Whilst the country's system is not perfect, the many positive plans that are in motion suggest they are on a good path. The willingness of all those we met and spoke with to share their experiences was incredibly valuable and much appreciated. The tour has paved the way for future international collaboration.

Key implications of the Canadian housing system

The varied history of the Canadian housing system has seen a range of failures and successes, from which the government has learned and moved forward with increasingly progressive strategies. Those experiences offer important lessons for Australia.

Strengths

- Pre-1992 federal policy settings that built significant affordable housing stock nationally.
- Community health, housing and community service integration.
- The innovative and entrepreneurial approach by many organisations delivering frontline services.
- Tenacious First Nations community organisations delivering wholistic life outcomes.
- Development of a national housing strategy with clear outcomes, targets and a flexible approach.

Cautions

- Post-1992 complicated and uncertain federal, provincial, municipal and government business enterprise GBE funding arrangements.
- Tenuous connection between the homelessness and social housing systems.
- Minimal early-intervention and prevention programs due to dominance of Housing First.
- Targeting of funding to chronicity—meaning people need to be ‘really sick’ to meet program requirements (with scant focus on early intervention or prevention).
- ‘Warehousing homelessness’—operation of enormous shelters (2,000+ beds) where people often stay for extraordinarily long periods.
- Lack of evidence-based decision-making in policy and systems thinking.
- No federal definition of homelessness or regulated monitoring of prevalence.
- Lack of significant new funding in the NHS.
- Absence of a confirmed funding commitments within the NHS.
- The capacity for provinces to levy sales taxes alters their role in the nation’s government systems.

Applications for Australia

Successful programs and strategies that could be replicated and trialled in Australia include:

- innovative tenant allocation—as seen in the Lu’ma Aboriginal Children’s Village
- community health integration (addressing housing, food security, living skills, wellbeing and social connection needs)—as seen in housing programs by The Alex and Lu’ma Native Housing Society
- focus on the social determinants of health—as seen in the integrated services offered by Lu’ma Native Housing Society and The Alex
- Indigenous social enterprise—as seen at the arts centre and catering company at the Vancouver Friendship Centre
- Indigenous organisations supporting Indigenous people—as seen in Canada’s Friendship Centres, which deliver wholistic services and incubate social enterprises
- temporary modular housing—as developed by BC Housing in Vancouver.

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