



PRE-BUDGET SUBMISSION 2020-21

About us

NT Shelter is the Northern Territory's peak body for affordable housing and homelessness. Our members are specialist homelessness services organisations, community housing providers and other stakeholders engaged with the provision of appropriate and affordable housing for all Territorians.

We acknowledge the Traditional Owners and custodians of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their Elders past, present and emerging.

Context

The Northern Territory has the highest rate of homelessness in Australia at 12 times the national average. An estimated 13,717 persons are homeless and demand for services is consistently on the rise, up 25% over the past four yearsⁱ.

The NT faces huge challenges in addressing its housing and homelessness crisis due to its limited fiscal capacity to provide housing infrastructure and services across a wide geographic footprint. For this reason, it is even more important that Commonwealth housing funding is allocated according to need.

There must be a long-term Commonwealth commitment to investment in remote housing in order to address the NT's disproportionate levels of overcrowded housing (88% of total homelessness). This will need to be greater than the current five year commitment. A lack of adequate housing and accommodation infrastructure leads to significant educational, health and employment disadvantage. In remote communities, a lack of housing and services creates substantial "push factors" for relocation to Darwin and regional centres, leading to increased levels of rough sleepers and additional pressures on the health, mental health and justice systems.

More social housing (either public housing or community housing) is desperately needed. The size of the community housing sector in the NT is tiny compared to other states and must be supported in order to stimulate additional supply of social and affordable housing. There is a need for increased supply of housing and accommodation capacity across all parts of the housing system (including overutilized crisis shelters and transitional accommodation programs). Services that help people get their lives back on track need to be properly funded so that unmet demand (which twice as high in the NT compared to other states) is addressed and in order to prevent more people entering into homelessness.

A fairer deal for the Territory on homelessness funding

While the provision of housing is fundamental in ending homelessness, there is a need for adequately funded specialist services that assist those who are homeless or at risk of becoming homeless. For a person in housing crisis, these services are essential in maintaining tenancies and receiving the professional supports they need. When provided, these services get results and mitigate broader system costs in key areas including mental health, domestic and family violence, hospital admissions, educational outcomes, interactions with the justice system and so on.

In 9 cases out of 10, specialist homelessness services are able to maintain a person's tenancy when assistance is providedⁱⁱ. They are effective and ensure that more people across Australia do not enter into homelessness. They are instrumental in securing healthy, functioning and vibrant communities.

In practice, organisations that provide services to people with unstable housing circumstances are overwhelmed in the Northern Territory. Fewer people are getting assisted each year with housing and other supports. Client demand continues to rise unabated, without a commensurate response in funding or servicing, and at a rate well above national trends.

- Demand for homelessness services in the NT has risen by 25% since 2014-15. In the past 12 months alone, demand increased by 3.4% in the NT compared to a rise of 0.4% elsewhereⁱⁱⁱ.
- Funding for the NT is overwhelmingly inadequate and inequitable given the affordable housing and homelessness challenges across the Northern Territory:
 - Almost one half (48.4%) of people seeking help in the NT are unable to be assisted
 - This is twice as high as unmet requests nationally (23%)
 - The per capita rate of demand for services is over three times that of other states and territories and growing (demand in the NT is 390 clients per 10,000 population compared to the national average of 116 per 10,000)
 - Services are restricted to a limited number of urban centres, with many remote and very remote communities not having access to any services. This is at odds with the fact that the majority of homelessness is in those communities. There is therefore a substantial level of unknown demand, additional to the already large volume of unmet demand.
 - In the past 12 months, requests for assistance from young people in the NT presenting alone increased by 24%, compared to a slight reduction nationally
- Under existing National partnership agreements for homelessness and affordable housing (NHHA), funding is principally allocated on a per capita (population) basis without regard to need.
- Accordingly, and as outlined in Table 1 below, the NT received a mere \$19.7 million, or 1.3% of total Commonwealth funding allocated to affordable housing and homelessness of \$1.53 billion^{iv}. When taking into account the actual level of homelessness, a direct comparison to funding provided to Western Australia highlights this anomaly clearly.

The data above is unambiguous and unassailable. It paints a disturbing picture of a funding system that is failing vulnerable people in the Northern Territory at a disproportionate and ever-increasing rate. The situation in both absolute terms and continued trends is alarming, and further undermines efforts to close the gap on Aboriginal disadvantage.

Given the NHHA is in operation until 2023, the size of the Commonwealth contribution to the NHHA must be increased in order to allocate a more appropriate amount to the Northern Territory.

NT Shelter is not the only voice calling for changes to the NHHA. Of note, the Productivity Commission has recommended that additional funding should be provided under that national partnership agreement for clients in the homelessness system with mental health issues (draft recommendation 24.3)⁹.

The next iteration of the NHHA should deliver a model where distribution of Commonwealth funding is driven by the relative needs of each state and territory rather than their population size. Discussions with the states on an alternative distribution formula should begin now. Until a replacement model is negotiated, the Australian government should provide interim additional funding in the form of a supplementary payment that recognizes the sheer level of demonstrated unmet demand and acute housing and service shortfalls in the Territory.

NHHA Allocations to States and Territories

State	Estimated Homeless 2016 Census	Rate per 10,000	NHHA + NAHA (\$ Million)	% of Total	Rank (actual homelessness)
NSW	37,708	50.4	476.5	31.0%	1
Vic	24,818	41.9	395.2	25.7%	2
Qld	21,675	46.1	314.3	20.5%	3
WA	9,004	36.4	163.5	10.6%	5
SA	6,222	37.1	107.5	7.0%	6
ACT	1,593	40.1	26.0	1.7%	8
TAS	1,619	31.7	33.2	2.2%	7
NT	13,721	599.6	19.7	1.3%	4
TOTAL		49.7	1535.8		



Table 1: Time for change. The NT receives a tiny and unreasonable proportion of Commonwealth funding for homelessness services despite its disproportionate and overwhelmingly high homelessness count

The quantum of additional funding needed takes into account the level of actual client demand, the known level of unmet client demand, and the substantial unknown demand from communities with no services at all. The additional funding will make a material difference to housing and homelessness services across the Territory and enable the provision of infrastructure and associated supports to address significant housing disadvantage. It will build local capacity for communities to have greater control over housing delivery, tenancy management, maintenance and services.

Priority 1 – The Council of Australian Governments should increase the quantum of Australian Government funding for Northern Territory Government-provided housing and homelessness services. Funding should be comparable to the level provided to Western Australia, on an interim basis, until the NHHA is renegotiated prior to its expiry in 2023. Whether or not matching NT Government contributions are required to be a matter for negotiation with the Commonwealth having regard to the Territory’s fiscal situation. {Cost = \$140 million per annum}

The need for more social and affordable housing is pressing – particularly in the NT

There remains a critical undersupply of social housing in the NT as evidenced by high rates of homelessness and long wait lists for public housing. In remote Aboriginal communities, 54% of homes are considered overcrowded. The NT faces a number of housing challenges, most significant of all is the demand for housing across key locations.

The above characterization of the Territory’s social housing system is that of the Northern Territory Government itself.^{vi}

Indeed, the Northern Territory has a pressing need for a supply plan to meet the large and growing shortfall in social and affordable housing. There have been a range of estimates by researchers of the size of this shortfall. Research released in early 2019 by the UNSW City Futures Research Centre identifies a current shortage of 9,000 dwellings and a further 8,300 dwellings needed in the NT by 2036.^{vii}

Northern Territory Government modelling suggests that around 8,000 to 12,000 additional dwellings are required across the NT by 2025, approximately 75% of which are estimated to be for social housing^{viii}.

The NT has 12 times the national rate of homelessness. 88.5% of the Territory’s homeless are Aboriginal persons with 83% living in severely overcrowded dwellings^{ix}. By any measure, this remains an unacceptable situation and will not be addressed without a level of investment in new housing supply commensurate with need. To put our remote Aboriginal housing challenge in perspective, one half of the need for additional dwellings required nationally by 2028 are in the Northern Territory alone.

The Northern Territory is the jurisdiction with the lowest capacity to meet these pressures. Again, these are not merely our assertions but those of the independent panel that conducted the review commissioned by the then Minister for Indigenous Affairs into the Remote Indigenous Housing and the Remote Housing Strategy 2008-2018^x.

There are significant shortages of housing right across the housing continuum including, but by no means limited to, a lack of affordable housing for low to moderate income earners. One half of all Territorians are renters, a proportion significantly higher than in other states. However, research shows

that there are almost no rental properties on the NT rental market that are affordable and appropriate for persons on income support payments^{xi}.

Against this backdrop, there is a vital leadership role for the Commonwealth Government in the development and delivery of a National Housing Strategy that secures a supply response to Australia's existing shortfall in social and affordable housing and supports medium and longer term housing supply required to meet projected need. To that end, NT Shelter supports calls by National Shelter and the Community Housing Industry Association (CHIA) for the establishment of a long-term Affordable Housing Growth Fund and an Affordable Housing Infrastructure Booster.

But in addition, an elevated and tailored response to the Northern Territory's pressing and disproportionately high housing and homelessness challenges is required. This is especially the case in relation to the provision of housing in remote communities, and other key regional infrastructure to address Aboriginal housing and homelessness disadvantage.

Funding for Remote Housing

The Northern Territory Government has committed to a \$1.1 Billion investment over 10 years from 2016-2017 through to 2026-27 for remote Aboriginal housing. In addition, it has committed to spending a further \$426 million to deliver serviced land and essential services infrastructure to support new housing^{xii}.

On 30 March 2019, the Northern Territory and Australian governments signed the National Partnership for Remote Housing NT. This Australian Government's contribution under this agreement is \$550 million funding from 1 July 2018 to 30 June 2023.

The National Partnership between the Australian and NT governments, and the funding for Aboriginal housing that flows from it, is absolutely essential. It is critical that the National Partnership delivers real housing outcomes for Aboriginal communities across the Territory. In turn, additional housing and better-quality housing will deliver substantial improvements to the health, wellbeing, and social and economic prospects of many Aboriginal children and their families.

While the National Partnership is critically important, there will undoubtedly be a significant residual level of severe house crowding at 30 June 2023. National infrastructure projects are not wound-up at the halfway mark and social housing, key infrastructure in its own right, must be no exception.

The Australian Government must make adequate provision in the forward estimates for the continuation of the National Partnership for Remote Housing NT out to 2026-27, in order to finish the job that it set out to do in 2008 and eliminate severely overcrowded housing and homelessness once and for all in the Northern Territory. Given the magnitude of the job ahead and the fiscal challenges that a small jurisdiction such as the NT faces, there is no reason why the Australian government should not match the NT Government's contribution on a dollar for dollar basis, including the land servicing component.

Priority 2 – Make provision in the forward estimates for the continuation of the National Partnership for Remote Housing NT out to 2026-27. Match the NT Government's contribution on a dollar for dollar basis, including the land servicing component. {COST = \$152 million per annum for 2023-2024 to 2026-27}

Short-stay visitor accommodation for the community of Katherine

Over the past two years, the Australian government has made some important contributions towards the provision of priority social and economic infrastructure for key regional centres in the Northern Territory.

In May 2019, Deputy Prime Minister Michael McCormack announced \$10 million in funding for a new 70 bed visitor accommodation facility in Darwin^{xiii}. This is an important investment and part of a suite of measures that provide persons travelling to Darwin for family, medical, educational, recreational, sporting or other reasons with a safe and affordable place to stay as an alternative to sleeping rough. Government and local stakeholders are working collaboratively to co-design the facility and ensure the service and operating model are aligned to priority needs and are culturally appropriate.

The Barkly Regional Deal (“the Deal”) is another notable example. Announced on 10 December 2018, the Deal:

“aims to improve the productivity and liveability of the Barkly Region by stimulating economic growth and improving social outcomes, including reducing overcrowding and improving child safety.”^{xiv}

Under the Deal, all three levels of government come together through a community governance framework to identify key economic and social priorities for the region. As part of the \$78.4 million committed for the Deal over the 10 years to 2029, the Australian government will contribute \$5 million to increase housing supply and reduce overcrowding by building a visitor park. The Northern Territory Government will provide a \$4.5 million co-contribution and the Barkly Regional Council will provide in-kind support.

We commend the Australian Government for the part it has played in securing the Deal and working collaboratively with other levels of government to deliver better outcomes for the regions. It demonstrates what can be done when a community is in crisis and needs leadership, vision and action and on a whole-of-government basis.

That being said, it is incumbent on government to provide comparable infrastructure, services and opportunities for communities facing the same challenges. The community of Katherine has approximately 30 times the national rate of homelessness. Upon implementation of the Barkly Regional Deal, Katherine will be the only major regional centre in the Northern Territory without visitor infrastructure.

Katherine has a significant role to play due to its geographic position and role as an important regional hub (see boxed case study below). The people of the Katherine region also need a safe and affordable place to stay when visiting town. In comparison to Darwin, Alice Springs and Tenant Creek, there has been no response for the community of Katherine. This needs to change.

Priority 3 – Commit funding for short-term visitor accommodation for Katherine. {Capital cost = \$5 million + recurrent operational funding \$2 million per annum}

Case Study – Deal or no deal? Time to act as Katherine watches on from the sidelines

As a significant service centre, Katherine is frequently visited from communities to the east and west. With its location on the Stuart Highway, Katherine is also a stopping off point for those traveling north and south. It is a strategically significant crossroads town and, as such, has unique challenges not faced by other NT communities.

As a small town, Katherine does not have the short stay visitor accommodation infrastructure available in other key regional communities and has less capacity to deal with frequent influxes of visitors. This leads to additional overcrowding in Katherine's limited housing and concerns from residents and business owners regarding anti-social behaviour issues from those forced to sleep rough.

According to the NT Department of Health, Katherine's population "is arguably one of Australia's most disadvantaged, with amongst the poorest health and greatest per capita mortality statistics in the country."^{xv} As a health hub for a region larger than the states of Victoria and Tasmania combined, it is evident that Katherine needs to be viewed in the context of a larger area and population than the local government boundaries and resident mainstream population would otherwise suggest.

In the context of hospital visits, and as a percentage of its resident population, Katherine Hospital is twice as busy as the RDH Emergency Department. According to Department of Health statistics, patient admissions for 2017-18 represented 161% of Katherine's estimated resident population compared to 84% in the case of Darwin^{xvi}.

Research undertaken by Menzies School of Health Research has found that frequent attendees at the Katherine Hospital emergency department are 16 times more likely to be homeless than not^{xvii}. This represents an exorbitant cost to the public health system and is preventable if people are housed.

Katherine needs crisis and visitor accommodation located close to town that is accessible and affordable. Such a facility would have a significant impact on the local community.

Given the extremely high levels of homelessness in Katherine, the lack of social and affordable housing, high rates of house crowding, and no visitor accommodation, action needs to be taken as a matter of high priority to provide visitors to Katherine with a safe and affordable place to stay.

The Barkly Regional Deal provides an avenue for three levels of government to work together to provide social and economic infrastructure based on local community needs. This agreement is an example of what can be achieved with whole of government collaboration and commitment.

References and End Notes

- ⁱ The number of clients per 10,000 increased from 312 to 390 over this period. See Australian Institute of Health and Welfare, *Specialist Homelessness Services annual report 2014-15*, web report, (last updated 11 December 2015) and the corresponding 2018-19 annual report (citation ii below)
- ⁱⁱ Australian Institute of Health and Welfare, *Specialist Homelessness Services annual report 2018-19*, web report, (last updated 18 December 2019)
- ⁱⁱⁱ Ibid
- ^{iv} Productivity Commission (2020), *Australian Government real expenditure for the National Housing and Homelessness Agreement (NHHA) and related arrangements*, Table GA.1 and Australian Institute of Health and Welfare, *Specialist Homelessness Services Annual Report 2016-17* and *Specialist Homelessness Services Annual Report 2017-18*, web reports.
- ^v Productivity Commission, *Mental Health Draft Report*, draft recommendation 24.3, October 2019
- ^{vi} Department of Local Government, Housing and Community Development, *A Home for all Territorians - Northern Territory Housing Strategy 2020-2025*
- ^{vii} Dr Laurence Toy and Professor Bill Randolph, UNSW Sydney, City Futures Research Centre, *Filling the Gap: Costing a National Affordable Housing Program*, <https://cityfutures.be.unsw.edu.au/research/projects/filling-the-gap/>
- ^{viii} Department of Local Government, Housing and Community Development (NT Government), op. cit.
- ^{ix} Australian Bureau of Statistics, *2016 Census of Population and Housing*
- ^x Department of the Prime Minister and Cabinet (2018), *Remote Housing Review: A review of the National Partnership Agreement on Remote Indigenous Housing and the Remote Housing Strategy (2008-2018)*, ISBN 978-1-925362-68-8
- ^{xi} Anglicare 2019, *Rental Affordability Snapshot*, <https://www.anglicare-nt.org.au/wordpress/wp-content/uploads/2019/04/RAS-Anglicare-NT-2019.pdf>
- ^{xii} Northern Territory Government, *Our Community. Our Future. Our Homes*. <https://ourfuture.nt.gov.au/>
- ^{xiii} National Party of Australia, *Country Liberals delivering \$10 Million to address homelessness in Darwin*, 10 May 2019 <https://www.michaelmccormack.com.au/media-releases/2019/5/10/country-liberals-delivering-10-million-to-address-homelessness-in-darwin>
- ^{xiv} Department of Infrastructure, Transport, Cities and Regional Development (Australian Government), *Barkly Regional Deal*, <https://www.regional.gov.au/regional/deals/Barkly.aspx> (last updated 5 December 2019)
- ^{xv} Department of Health (NT Government) website (2019), <https://health.nt.gov.au/careers/medical-officers/teaching-hospitals/katherine-hospital>
- ^{xvi} ABS (2016), *Census of Population and Housing* and Australian Institute of Health and Welfare (2018), *MyHospitals* website (archived), www.myhospitals.gov.au/hospital/katherine-hospital.xlsx and www.myhospitals.gov.au/hospital/royal-darwin-hospital.xlsx. Percentages shown are derived by dividing the reported total number of hospital admissions in financial year 2016-17 by the ABS population estimates for Katherine and Darwin respectively.
- ^{xvii} Quilty S., Shannon G., Yao A., Sargent W. and McVeigh M. *Factors contributing to frequent attendance to the emergency department of a remote Northern Territory hospital*, *Medical Journal of Australia* 204 (3), 15 February 2016