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## PRE-BUDGET SUBMISSION 2019-20

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*For a summary of what NT Shelter seeks from Northern Territory Budget 2019-20, and an estimate of incremental costs (where applicable), please refer to the boxed text at the rear of this document.*

### **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.

NT Shelter is supported by the NT Government through the Department of Housing and Community Development.

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.

### **Central Importance of Housing**

The provision of housing is a basic human need. It is a need that remains unmet for many Territorians. In terms of housing disadvantage and homelessness, this is acutely and disproportionately experienced by Aboriginal persons. Safe, affordable and appropriate housing is necessary to underpin efforts to close the gap on Aboriginal disadvantage. There is a large body of research on the non-shelter benefits and avoided costs of providing housing. For every dollar spent by the NT Government on education, health and job-creation initiatives, far greater value-for-money will be realized when appropriate housing is in place. Indeed, inadequate or non-existent housing undermines investment by Government in these areas.

We acknowledge the sizeable fiscal challenges facing the NT, placing further pressure on the Territory Government's capacity to cover existing expenditure commitments, provide services and meet capital and infrastructure needs.

Mindful of this but unapologetic of the need to press for better housing outcomes for many of the Territory's most vulnerable people, we take this opportunity to outline what we see as priorities for affordable housing and homelessness services for the NT Government's 2019-20 NT budget.

### **Context**

Given the projected debt levels for the NT based on current government income and expenditure profiles and the ongoing challenge of addressing the Territory's fiscal imbalance, it is unrealistic to call

for a fundamental “step change” in expenditure by NTG on housing and homelessness, regardless of how compelling the case for this may be.

There has been considerable expenditure and policy focus by the Northern Territory Government on remote housing, homelessness, public housing stimulus and a range of other areas and we commend the Government on this. Indeed, it is pleasing to see broad bipartisan support on the range of housing and homelessness initiatives at the present time. However, despite current levels of investment and policy focus there remain extensive gaps in housing infrastructure and government funded services across the Territory. The indicators of housing disadvantage and homelessness in the Northern Territory are well known and well documented, with a huge mountain to climb before all Territorians are able to access safe, affordable and appropriate housing.

#### **Expenditure on Social Services must be maintained**

We reiterate the position taken in our submission to the NT Government’s *Revenue Discussion Paper* that cuts to social services would, under no circumstances, be a viable option. Current spend on homelessness services and housing infrastructure is far from adequate and unable to meet levels of demand. There are many Territorians who need assistance but are not able to receive it for lack of funding. We maintain that this is an unacceptable situation in Australia in 2019, with funding priorities across all levels of Government requiring a substantial rethink. Unmet demand is particularly acute in the NT relative to the other states and we have provided our advice to NT Government on how this situation can and should be progressed with the Commonwealth Government.

We strongly support the position advanced by NTCOSS and others that cuts to social and community services is not the way to achieve budget sustainability. Social and community services, including services for homeless persons and those at risk of homelessness, are vital for the economic and social development of the NT.

Expenditure on social services must be maintained in order to ensure that disadvantage across the community does not rise. Without this expenditure we will see higher levels of domestic and family violence, ineffective measures to improve early childhood development, increased homelessness and vulnerability, increased community dysfunction and decreased wellbeing generally. The Government would have no prospects of successfully implementing its social reform and housing agenda. For Aboriginal Territorians in particular, the result would be a “widening of the gap” between Aboriginal and non-Aboriginal Australians rather than closing the gap.

#### **A Fairer Deal for the Territory on Homelessness Funding**

The NT Government has yet to acknowledge that specialist homelessness services are significantly under-funded. The evidence in this respect is compelling yet the NTG focus is on sector “re-alignment”. The sector is more than willing to work with Government to secure better outcomes and ensure that public money is spent in the right areas. Building houses in remote communities will not, of itself, alleviate severe overcrowding. Services on the ground are required to work with communities to secure healthy, functioning and vibrant communities. This requires further investment, not merely realignment or reshaping of already overstretched services.

We draw the NT Government’s attention to the following facts:

- NT homelessness is estimated at 13,717 persons, a rate 12 times the national average.

- The demand for homelessness services is on the rise, having increased by 14% over the past two years.
- The Northern Territory Government does not have the financial capacity to meet the huge backlog of housing and homelessness infrastructure. It is the jurisdiction least able to meet short to medium term housing needs of many Territory children and families.
- Under existing National partnership agreements for homelessness and affordable housing (NHHA), funding is allocated on a per capita (population) basis with no regard to actual need.
- The NT receives a mere \$18.8 million (or 1.3%) of total Commonwealth funding for affordable housing and homelessness of \$1.4 billion.
- This is overwhelmingly inadequate and inequitable given the affordable housing and homelessness challenges across the Northern Territory:
  - Almost one half (45.3%) 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 three times that of other states and territories (demand in the NT is 377 clients per 10,000 population compared to the national average of 117 per 10,000)
- Clients living in housing who get supports from specialist homelessness providers maintain tenancies in 9 cases out of 10. This is why it is so important to adequately fund homelessness prevention programmes.

Regrettably, the *per capita* method of distributing funding to the states and territories will remain for a further 5 years under the National Housing and Homelessness Agreement (NHHA). This was a missed opportunity to address the flawed funding allocation model and secure a greater share of Commonwealth funding for the NT. Unfortunately, it locks in a quantum of funding for specialist homelessness service providers in the NT and the level of support they can provide to homeless persons or those at risk of homelessness. This is a poor outcome for many disadvantaged Territorians.

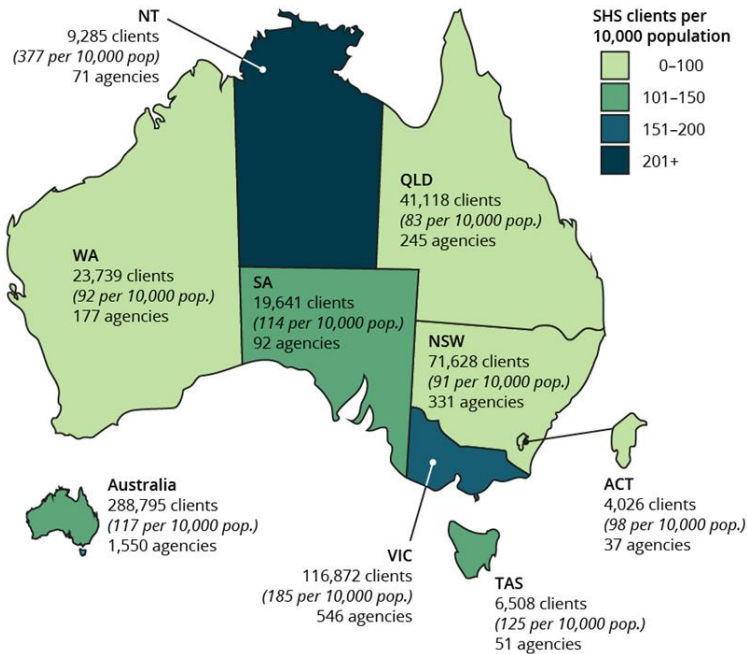
The current Commonwealth Government and the Opposition have promised a review of the NHHA during its term. The NT Government must take full advantage of this opportunity to prosecute the case for more Commonwealth funding.

What NT Shelter seeks from NTG is:

1. Support the introduction of factors other than just population size alone to determine State and Territory funding allocations for homelessness services from the Commonwealth;
2. Negotiate a change to the national partnership agreement distribution method to recognise other, sensible factors to drive funding distributions such as the extent of homelessness per capita, indicators of demand for specialist homelessness services, and the level of unassisted requests; or
3. Given the particularly high level of homelessness experienced in the Northern Territory relative to its population size there is a need for specific funding, additional to the NHHA allocation, to

address high levels of unmet demand for specialist homelessness services. This would be in the form of a supplementary payment from the Commonwealth to the Northern Territory Government. Whether or not matching NT Government contributions are required would be a matter for negotiation with the Commonwealth although the fiscal circumstances in the NT would suggest this should not be a precondition.

Figure FRAMEWORK.2: Specialist homelessness agencies and clients, by jurisdiction, 2017–18



Source: Australian Institute of Health and Welfare Specialist homelessness services annual report 2017–18 (published 14 December 2018)

### **Leverage Commonwealth Funding in Housing and Services**

In view of the key fiscal and economic challenges facing the Northern Territory, as well as recent changes to GST distribution and limitations on own-source revenue collection, it is ever more important for the Northern Territory to secure funding from the Commonwealth when possible. This will require more concerted efforts to identify opportunities to leverage direct and indirect funding streams e.g. those that will be realised through development of the community housing sector (a sector which is underdeveloped in the NT relative to other states and ACT).

To that end, all opportunities to leverage Commonwealth Government funding need to be rigorously pursued by the Treasurer and NT Government more broadly. In respect of housing and homelessness these include:

1. Negotiating a fairer deal for the Territory on homelessness funding in the form of a “supplementary payment” based on demonstrated need (as outlined in the preceding section);
2. Negotiating a regional deal for the Barkly region (and subsequently other regions such as the Big Rivers region) which will deliver Commonwealth funds for investment in, amongst other things, housing infrastructure;

3. Developing the scale and capacity of the community housing sector in the NT so that, amongst other things, a greater distribution of Commonwealth Rent Assistance finds its way to the Territory;
4. Finalising the detail of the Commonwealth’s \$550 million commitment to remote housing over five years;
5. Leveraging other available Commonwealth initiatives and subsidies, where available, which provide incentives to affordable housing supply (e.g. the National Rental Affordability Scheme or successor scheme), critical housing continuum infrastructure such as crisis shelters, and funding under other streams (where available) such as NDIS, SDA housing and youth foyers.

The risks of homelessness from a lack of appropriate accommodation for the aged and disabled is another pressing issue in the NT. The Territory has only half the number of residential facilities per capita as other states and territories. We also note that real recurrent expenditure on aged care services per older person in the NT is lower than in any other jurisdiction, despite the significant levels of disadvantage, the huge extent of the need, and the high costs of service delivery. Older Territorians with medical conditions are increasingly admitted as long-stay patients in public hospitals because of lack of appropriate residential accommodation. We understand that wait-times for aged care facilities can exceed 200 days.

**Low-cost, innovative programs**

In the current economic climate, innovation by organisations and collaboration between organisations is key. It represents a low cost, value for money investment in the sector with better outcomes for clients.

**Case Study: Private Rental Brokerage Programs – A Low Cost Model to Help Reduce Homelessness**

Pathways to the private rental market for persons who are homeless or at risk of homelessness are important, particularly given long wait times for public housing. NGOs can play an important intermediary role by liaising with real estate agents and landlords and reducing risks for owners by introducing potential tenants who are rental ready and able to sustain a tenancy. Many of these tenants would otherwise be unable to access the private rental market due to the absence of a rental history despite their propensity to pay rent promptly and in full, and care for the premises to an appropriate standard.

As closer relationships and trust develops between the real estate sector and NGO staff, the sector is able to help agents and landlords manage problem tenancies (including tenants not referred by the NGO). A further benefit to the private rental market is that genuinely suitable candidates can be put forward by NGOs for “hard to let” tenancies. Everyone wins.

An example of this potential is work being undertaken in Katherine, where existing tenancy support program staff at one NGO have assisted 10 people over the past 12 months into private rental accommodation. Staff are also helping agents with problem tenants and hard to let properties. However, this work is being undertaken in addition to core services and is not sustainable. For as little as 0.5 full time equivalent staff, this initiative could and should be continued as a pilot trial to demonstrate the potential to reduce or avoid homelessness and provide alternate pathways to public housing.

Over the past couple of years there have been some notable successes including transitional accommodation (e.g. Percy Court) and under the Department of Housing and Community Development's innovation funding stream (e.g. *Katherine Doorways Hub* and *My Place*). The Homelessness Response Group (HRG) pilot has also been successful with collaboration amongst multiple service providers and demonstrated benefits for clients.

A modest allocation of funding for continued sector innovation should be supported through a discrete innovation funding stream, overseen by the Department of Housing and Community Development. This would be new, additional funding to that provided under the current 5-year operational funding framework.

### **Agency Collaboration and Coordination**

NT Shelter notes the high level of consultation, collaboration and coordination across several NT Government agencies participating on the Children and Families Standing Committee. From our perspective, this is a simple but effective mechanism to avoid the pitfalls of individual departments and agencies operating in a "silo mentality".

We see similar need and opportunities in respect of housing. While we strongly support line responsibility and accountability of agencies such as DHCD, issues such as housing impact significantly across many other portfolios including Territory Families, Treasury, Aboriginal Affairs, Attorney General and Justice, Education, Health and Corrections. The scale of housing investment and impact on communities is enormous. The decision of when and where to build or replace housing infrastructure materially impacts many aspects of life in the community and what the Government is trying to achieve in its broader human services agenda. Better leverage of consultation and construction programs can also be realised through coordination across government functions.

A practical application of this would be the development of a whole-of-government housing cluster that oversees the forward program for community development (including housing) as part of the LDM process. This could operate in a manner similar to the Children and Families Standing Committee. A practical benefit of this would be better coordinated construction activity (housing and otherwise) in communities to reduce project delivery, consultation and procurement costs.

### **NT Government's Homelessness Strategy and Five-Year Action Plan**

We understand that the NT Government is soon to release its *Homelessness Strategy and Five Year Action Plan*. All identified priorities in the NT Government's 5-year Homelessness Strategy will need to be fully funded, otherwise the credibility of the strategy will be questioned. Ultimately, given the sheer magnitude of challenges across the homelessness divide, it is difficult to see how any new homelessness strategy will be credible without an injection of additional funding.

It is important to note that 71% of the Northern Territory's estimated homeless population live in communities other than Darwin and Alice Springs (i.e. remote or very remote). The majority of these communities are not serviced by specialist homelessness services. We believe that for a homelessness strategy to be effective, funding for services and case management support (not just new houses) needs to be provided to meet demand where the homelessness is most prevalent. Client support also is sensible and important in order to protect the sizeable investment in new housing builds in remote NT.

We urge the NT Government to explore all options available to it to source additional funding in support of our shared objective of ending homelessness.

### **Infrastructure Needs and Funding for Domestic and Family Violence Services**

Approximately forty-seven percent of all people seeking homelessness services reported family and domestic violence as a reason for seeking assistance. Half of all people who sought assistance were under the age of 25 and almost one quarter under the age of 10. Many of these children are fleeing domestic and family violence from communities with severely overcrowded houses.

The NT Government's *Domestic, Family and Sexual Violence Reduction Framework 2018-2028* requires an appropriate housing response given the prevalence of domestic violence as the main driver of homelessness in the NT. The provision of safe, appropriate, and affordable housing for victims of DFSV needs to be a central and key consideration under the Framework:

- (i) Crisis accommodation centres need to be provided with necessary capital to increase capacity and meet demand so that women and accompanying children fleeing danger are not turned away (there is also insufficient capacity for men needing shelter across the NT)
- (ii) In regional centres, sufficient funding needs to be provided to enable outreach DFSV counselling and support in outlying communities
- (iii) Transitional and longer-term accommodation solutions need to be provided for homeless persons including those fleeing domestic violence (recognising that the stay at home programmes, while vital, will not be suitable for everyone)

NT Shelter asks the NT Government to commit to working with the sector to determine a viable short, medium, and longer-term investment plan to address crisis and transitional accommodation infrastructure needs across the Territory. NT Shelter would be pleased to play a coordinating role.

### **Affordable Housing for Key Workers and Low to Moderate Income Earners**

Median rents in regional centres (Alice Springs in particular) continue to represent a significant affordability challenge for low to medium income earners. Incentives to increase the overall stock of affordable housing will increasingly need to be pursued in order to attract key workers and ensure that the Territory can attract and retain the population and skills it needs to drive economic growth and investment.

As is the case in Australia generally, there is a chronic shortage of affordable housing for low to moderate income earners in the NT. An estimated 1 in 4 low to moderate income households is in rental stress (paying 30% or more of their income in rent). In a recent study undertaken by NTCOSS with the assistance of NT Shelter, there was not a single property available to rent in either Alice Springs or Tennant Creek that would have been affordable for a household on income support payments.

NT Shelter supports an increased share of community housing in the social housing mix, achieved through appropriately designed and operated stock transfer initiatives.

The development of the community housing sector in the NT has the potential to unlock Commonwealth funds for social housing by enabling community housing providers (CHPs) to charge higher rents without detrimentally affecting tenants' income. As stated in our submission last year, the experience of other states (e.g. Tasmania and South Australia) suggests that community housing providers, through CRA-enhanced rent revenues, can deliver better outcomes in terms of quality of housing provided, services to tenants, and prospects for renewal and growth in new housing.

The NTG should work closely with the community housing sector in the NT to identify opportunities to build capacity and grow the sector. The NT Government also needs to continue to work closely with the Commonwealth and other states on the delivery of a national housing strategy to oversee the supply of new stock, at scale, of social and affordable housing.

### **Better Pathway Centres and Temporary Short-Term Accommodation**

NT Shelter welcomes the funding provided by the NT Government for the establishment of Better Pathway Centres, Temporary Short-Term Accommodation facilities, extended night patrols and return to country programs in Darwin and Palmerston.

These issues are, of course, by no means confined to Darwin and Palmerston.

Challenges with insufficient accommodation for visitors in Katherine and Tennant Creek are no less acute. Indeed, Katherine was included in the NT Government's *Rough Sleepers Report* undertaken by KPMG and it is therefore somewhat surprising, and anomalous, that no initiatives for Katherine in respect of temporary short-term accommodation have yet been announced.

A better spread of services across the Territory will mean more Territorians are able to access support closer to where they are and where they want to live.

Alice Springs has a temporary, short term accommodation facility in place, operated by Aboriginal Hostels Limited. However, it does not have a Better Pathway Centre. Katherine lacks short term visitor accommodation facilities despite extremely high levels of mobility and rough sleeping. Tennant Creek lacks both.

NT Shelter requests that the NT Government include provision for comparable infrastructure, programs and services for other regional centres in the forward estimates of the Budget.

### **Public Housing Community Building Initiatives**

NT Shelter commends the Government on recent public housing stimulus expenditure. Regular maintenance work and periodic capital improvements to public housing stock are essential in order to provide tenants with safe and secure dwellings with acceptable levels of amenity, as well as protecting the value and longevity of government-owned housing assets.

However, ongoing investment in physical structures alone is not sufficient. In order to achieve safe, vibrant and prosperous communities it is important to embrace value for money initiatives that build community resilience and cohesion. This is particularly important in communities with high levels of social and economic disadvantage, prevalent across the NT and particularly so in public housing estates. Even a modest investment in community building and place making will not only improve amenity but can instill a greater sense of community pride and cohesion. This will also help reduce stigma associated with public housing and result in greater embracement and participation by the broader community.

The NT Government has demonstrated a commitment to addressing anti-social behaviour and providing better pathways for Territorians to get their lives back on track. We ask the NT Government give consideration to funding a low-cost, pilot program that assists local communities in public housing estates build capacity and support its residents to develop a range of important life skills. If done well, this will lead to greater prospects for education, employment, health and wellbeing for our most vulnerable Territorians. We would anticipate that a reasonable estimate of cost under an innovation



pilot model would be in the order of \$250K (e.g. a full-time equivalent community liaison officer plus modest establishment and operational costs).

**Operational Funding for Aboriginal Housing NT**

NT Shelter has endorsed the APO NT Partnership Principles. We strongly support Local Decision Making and other initiatives that commit NTG to work closely with Aboriginal communities to design and implement arrangements for the provision of suitable and culturally appropriate housing. This must include capacity building initiatives that increasingly provide Aboriginal communities with the means to manage, maintain, design, invest in and oversee housing management in their respective communities.

We also support and encourage investment in initiatives for local job creation during and post construction, with maintenance and repairs being undertaken by local Aboriginal corporations and enterprises.

88.5% of all homeless persons across the Northern Territory are Aboriginal persons, many of whom live in severely overcrowded dwellings (83% of all estimated homeless persons). It is important that Aboriginal communities have greater control over their short, medium and longer term housing needs. There is a strong case for a greater voice for Aboriginal people to articulate these needs and aspirations through an Aboriginal controlled housing peak body. NT Shelter restates its support for the establishment of Aboriginal Housing NT (AHNT).

NT Shelter asks that the NT Government work with Aboriginal organisations and their constituents to determine an appropriate level of operational funding to support the creation and sustainability of AHNT and commit recurrent funding accordingly. This would need to be new, additional funding from either the NT Government and/or Commonwealth Government.

## **Summary of NT Shelter's 11 Priorities for NT Budget 2019-20**

1. No cuts to social services, including specialist homelessness services and community housing providers, regardless of pressures on the NT government's short-term structural deficit.
2. All opportunities to leverage Commonwealth Government funding need to be rigorously pursued by the Treasurer and NT Government more broadly. In respect of housing and homelessness these include:
  - (a) Negotiating a fairer deal for the Territory on homelessness funding in the form of a "supplementary payment" based on demonstrated need;
  - (b) Negotiating a regional deal for the Barkly region (and subsequently other regions such as the Big Rivers region) which will deliver Commonwealth funds for investment in, amongst other things, housing infrastructure;
  - (c) Developing the scale and capacity of the community housing sector in the NT so that, amongst other things, a greater distribution of Commonwealth Rent Assistance finds its way to the Territory;
  - (d) Finalising the detail of the Commonwealth's \$550 million commitment to remote housing over five years;
  - (e) Leveraging other available Commonwealth initiatives and subsidies, where available, which provide incentives to affordable housing supply
3. Ongoing NT Government support for low-cost, innovative programs that deliver greater sector coordination and collaboration, including the Katherine Doorways Hub, My Place and the Homelessness Response Group. *(Cost based on current program costs)*
4. Funding equivalent to 0.5 FTE staff for a pilot Private Rental Brokerage program in Katherine to further develop pathways to private rental *(Estimated cost approx. \$75K per annum)*
5. Implementing a whole-of-government housing cluster that oversees the forward program for community development (including housing) as part of the LDM process, similar to the Children and Families Standing Committee. *(Cost equivalent to CFSC costs)*
6. Additional funding to support the NT Government's soon to be released *Homelessness Strategy and Five-Year Action Plan*. *(Incremental cost \$3.5 to \$5 million per annum)*
7. Development of a short, medium and longer term investment plan, in conjunction with the sector, to address crisis and transitional accommodation infrastructure needs across the Territory, particularly in relation to domestic and family violence *(2019-20 Cost = nil)*
8. Actively support the development of the NT's community housing sector by providing opportunities to increase scale and capacity, including stock transfers.

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| 9.  | Provision for comparable visitor and “better pathways” facility infrastructure, programs and services for other regional centres in the forward estimates of the Budget. <i>(Costs comparable to projected Darwin CBD, Darwin northern suburbs and Palmerston costs).</i> |
| 10. | Support public housing community building initiatives by funding a low-cost, pilot program to develop capacity and support residents build life skills <i>(Estimated cost \$250K)</i>   |
| 11. | Provide recurrent operational funding for Aboriginal Housing NT <i>(incremental cost TBC)</i>   |

### **Our Members**

*NT Shelter is proud to work with and represent a range of organisations and individuals who make a significant contribution each day to the lives of people for whom housing is unaffordable or inaccessible. Our members are specialist providers of services relating to housing and homelessness. Their focus is on low to moderate income Territorians who have a wide range of social and affordable accommodation needs, including crisis, transitional, short term, low cost, and supported housing. They also provide professional services to support people who are homeless or at risk of homelessness.*

Alice Springs Women’s Shelter	Disability Advocacy Services	Tangentyere Council
Anglicare NT	Enrich Living Services	Tennant Creek Women’s Refuge
Australian Red Cross	Ironbark Aboriginal Corporation	TeamHEALTH
CatholicCare NT	Julalikari Council Aboriginal Corporation	The Salvation Army
Central Australian Affordable Housing Company	Larrakia Nation Aboriginal Corporation	Venture Housing Company Limited
City of Darwin	Mental Health Association of Central Australia	Yilli Rreung Housing Aboriginal Corporation
Council for Aboriginal Alcohol Program Services	Mission Australia	YWCA Australia Darwin Region
Darwin Community Legal Services	Somerville Community Services	YMCA of the Northern Territory
Dawn House	St Vincent de Paul Society	



***Affordable and appropriate housing for ALL Territorians.***