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Dear Christine

NORTHERN TERRITORY HOUSING STRATEGY – DIRECTIONS PAPER

We welcome the opportunity to provide feedback on the Northern Territory Housing Strategy Directions Paper (“the Directions Paper”).

Consultation and Feedback Process

While there are always opportunities for improved engagement processes with stakeholders, we commend the Department for its consultation schedule both at the commencement of consultant engagement and more recently as part of regional stakeholder consultation sessions on the Directions Paper.

Given the significant feedback and contributions made by stakeholders at those sessions, we understand that there will be substantial amendments (whether in terms of the number of amendments or substantive changes, or both) to the content of the Directions Paper. Alternatively, the feedback provided will be considered in the development of the Housing Strategy itself.

NT Shelter has had an opportunity to participate in two sessions (Alice Springs and Darwin), although we are not privy to feedback and Department / KPMG responses from the other sessions. Given that the input has been considerable and the Housing Strategy is likely to incorporate several amendments from the Directions Paper, we strongly encourage the Department to provide a copy of the final draft of its Housing Strategy, once finalised, to key stakeholders for final feedback prior to the strategy’s official release. We would be pleased to assist in this process, which would be for a very limited window of the Department’s choosing (e.g. one week), and thereby close the loop on stakeholder feedback and ensure any final suggestions which can be accommodated by Government are incorporated and ultimately result in an improved strategy.

Given that the proposed actions identified in the Directions Paper, and other elements of the document have been workshopped in some detail at the consultation sessions and may likely be altered, we will not remark on them in detail here.

Housing Need and Supply

The Directions Paper acknowledges the NT Government’s undertaking to the development of a five year housing strategy (page 4 of 25):

“The Strategy will set a clear vision and strategic objectives for housing in the NT over the next five years and identify the key actions to be implemented to improve outcomes for Territorians.”

Improving outcomes for Territorians in this regard means delivering the required social and affordable housing necessary for “social and community wellbeing” (page 4). The Directions Paper notes that “housing is central to everything” (page 17) and that “a large percentage of the NT population are struggling to access and sustain adequate living conditions” (page 17).

There is a raft of evidence and knowledge about the significant lack of social and affordable housing across the Northern Territory. Long wait lists for urban public housing and high rates of homelessness (overcrowding in particular) are obvious indicators of the lack of supply. 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. These shortfalls are more often than not obvious and self-evident, they are not disputed.

Any credible, impactful housing strategy aimed at “improved outcomes for Territorians” needs to set out the following:

- (a) The extent of the current supply shortfall in social and affordable housing;
- (b) The extent of estimated future need for social and affordable housing (short, medium and longer term horizons);
- (c) Initiatives already in place to address the shortfall;
- (d) NT Government’s plans for new urban and regional builds over the life of the strategy as well as longer range build schedules;
- (e) Identification of the gap between demand (the sum of (a) and (b)) and supply (the sum of (c) and (d));
- (f) What the NT Government is going to do during the life of the strategy to bridge the supply gap. Commitments need to be made in terms of securing finance and supply (as necessary) from other sources including the Commonwealth Government and other potential providers of social and affordable housing.

The Directions Paper, in its current form, is silent on matters (d), (e) and (f) above. There is no commitment in the Directions Paper to any new builds other than the *Remote Housing Investment Program* and current stimulus initiatives that are nearing completion. However, despite the positive impacts this significant 10 year, \$1.1 Billion program will deliver, it will not meet the 5,041 additional three bedroom homes identified by the NT Government as being required by 2028ⁱ.

In simple terms, the Public Housing urban wait lists are stubbornly and unacceptably long. What is the plan to address that? This fundamental question needs to be addressed in the housing strategy.

Moreover, what is the government’s strategy for growing the scale and capacity of the Community Housing Sector and supporting other organisations desperate to secure housing stock for vulnerable clients? The demands on housing from various industry sources representing a wide range of disadvantaged cohorts are palpable and growing.

What is the Supply Shortfall?

The Northern Territory’s current fiscal challenges do not excuse it from identifying the size of the challenge ahead. We need to acknowledge the size of the mountain to climb. Only by putting an estimate to the current and future shortfall can we begin to get broader acceptance of the financing

and supply gap, information absolutely essential for genuine Closing the Gap on Indigenous Disadvantage conversations both at home in the NT and on the national stage.

We note that there has been a range of research undertaken to quantify the current and future housing need, including Rowley and othersⁱⁱ for AHURI who estimated housing need for NT and other jurisdictions out to 2025. Modelling has also been done by Troy and others from the City Futures Research Centre at the University of NSWⁱⁱⁱ. Their research suggests the current unmet and projected social and affordable housing need to 2036 across the NT is an additional 17,600 dwellings. Even if a 50% margin of error was to be factored into their work, an additional 8,800 dwellings over the next 16 years in the Northern Territory are needed.

With numbers of this magnitude, the need for a meaningful strategy setting out clear and credible plans to achieve this shortfall is pressing to say the least.

The Northern Territory Government should be well placed to articulate its own assessment of the current housing shortfall and model the future need. It has already noted the current and future situation in respect of remote housing shortfall to 2028 (referred to above) and there is no apparent reason why it cannot and should not do the same for urban centres too.

NHHA Requirements

In this vein, a central issue is whether or not the Strategy will meet the requirements of the *National Housing and Homelessness Agreement* (“the NHHA”) and additional requirements under Schedule 8 “Northern Territory” pursuant to the NHHA (“the Bilateral Agreement”).

Clause 17 of the NHHA stipulates that the States shall be required to achieve various conditions to be eligible for funding, including:

- (a) for the period set out in clause 18 the State will have a publicly available housing strategy that:
 - i. indicates the level of housing supply needed to respond to projected housing demand, and outlines the reforms and initiatives that will contribute to meeting this need;
 - ii. includes planned or expected levels of social housing; and
 - iii. details how the State will contribute to the housing priority policy areas set out in Schedule A where appropriate to its needs;

For the reasons outlined above, there is no disclosure in the Directions Paper of “the level of housing supply needed to respond to projected housing demand”, nor “the reforms and initiatives that will contribute to meeting this need.”

Furthermore, in our view there is no “planned or expected levels of social housing” outlined for the duration of the five year Housing Strategy.

Prima facie, requirements 17(a) (i) and (ii) do not appear to be met based on the content of the Directions Paper. We trust that the NT Government is cognisant of this and adequately addresses the requirements of the NHHA as it finalises the NT Housing Strategy.

Housing for Health

We are heartened by the inclusion of Housing for Health initiatives in the proposed actions of the Directions Paper. We note that the *Fixing Houses for Better Health* program (a national initiative overseen by FaHCSIA) wound up in 2010. We therefore suggest *Housing for Health* (or similar) as an

alternative description for NT Government initiatives in this area, consistent with similar programs elsewhere.

Our understanding is that the Department of Local Government, Housing and Community Development now has an annual operating budget provision in the order of \$8 million for cyclical, preventative maintenance. This is pleasing, particularly given the remarks in the *Remote Housing Review* of the lack of any evidence of proactive housing maintenance in the Northern Territory.

\$8 million per annum is well short of what is needed to protect the housing assets of NTG across the Territory and it is estimated that a provision in the order of \$100 million per annum would provide a greater and more realistic capacity of maintaining and protecting assets in a satisfactory condition.

A significant portion of this expenditure should be allocated to an extension of *Housing for Health* initiatives beyond the current trial sites. Ultimately it will reduce the cost of urgent breakdown maintenance, improve housing conditions and thereby prevent illness and disease associated with the inability of households to engage in healthy living practices (HLPs). We urge the NT Government to work with Aboriginal Medical Services and other Aboriginal Community Controlled Organisations to discuss the most practical and efficient roll out of environmental health “survey/ fix” approaches to housing maintenance across all communities.

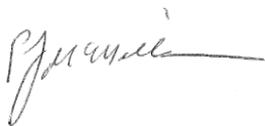
Finally, and importantly, we believe there is a real need for the Department of Health to “step up” and contribute resources to the interrelated area of housing and health. This is not the purview of DLGHCD alone and it is important that housing programs and initiatives are clearly seen within the remit of Health. Of note, the program *Closing the gap: 10 Years of Housing for Health in NSW*^v was funded and operated by NSW Health.

In its 2010 evaluation, the NSW Department of Health observed a 40% reduction in hospital separations for infectious diseases in communities that participated in the *Housing for Health* program compared to communities that didn’t. As the evaluation notes:

“NSW Health contributes the program management costs for Housing for Health as there are a number of benefits to the health service that stem from this investment both directly and indirectly.”

We look forward to a commensurate level of engagement, commitment and funding from NT Health in these important initiatives.

Yours faithfully



Peter McMillan
Executive Officer

ⁱ Schedule E8, *Northern Territory: National Housing and Homelessness Agreement*, page 3 of 12.
http://www.federalfinancialrelations.gov.au/content/npa/other/other/NHHA_NT_BILAT.pdf

ⁱⁱ Rowley, S., Leishman, C., Baker, E., Bentley, R. and Lester, L. (2017) *Modelling housing need in Australia to 2025*, AHURI Final Report 287, Australian Housing and Urban Research Institute, Melbourne,
<http://www.ahuri.edu.au/research/final-reports/287,doi:10.18408/ahuri-8106901>

ⁱⁱⁱ Troy, Dr L., van den Nouwelant, Dr R., and Randolph, B. *Estimating need and costs of social and affordable housing delivery*, City Futures Research Centre, Built Environment, UNSW Sydney.

[file:///C:/Users/EO/Downloads/Modelling_costs_of_housing_provision_FINAL%20\(1\).pdf](file:///C:/Users/EO/Downloads/Modelling_costs_of_housing_provision_FINAL%20(1).pdf)

^{iv} NSW Department of Health, *Closing the gap: 1- Years of Housing for Health in NSW – An evaluation of a healthy housing intervention*, 2010

<https://www.health.nsw.gov.au/environment/Publications/housing-health.pdf>