



**NT Shelter Submission to the
National Housing and Homelessness Agreement Review
18 March 2022**

NT Shelter welcomes the opportunity to provide this submission to the National Housing and Homelessness Agreement Review Issues Paper (“NHHA Review”).

About Us

NT Shelter is the Northern Territory’s peak body for housing and homelessness. We advocate for affordable and appropriate housing for all Territorians, especially those with low incomes, and those particularly vulnerable and disadvantaged in the housing market. NT Shelter strongly supports efforts to safeguard and protect the rights of those people for whom access to affordable and appropriate housing remains elusive.

Preamble

Our submission focuses on just one aspect of the NHHA Review. The financial and governance arrangements that are currently in place are having a deleterious impact on the lives and wellbeing of an increasing number of people in the Northern Territory who are homeless, at risk of homelessness, facing severe rental stress, or living in unsuitable dwellings or living conditions.

All questions set out in the Issues Paper are important and pertinent. However, in the case of the NT, they pale into insignificance compared to the quantum of funding that the Northern Territory receives for housing and homelessness services and the consequences that arise from this.

The purpose of our submission is to demonstrate, in compelling terms, how the operation of the NHHA’s funding allocation egregiously fails a disproportionately high and growing number of people who typically experience the worst housing conditions and outcomes across Australia.

If we manage to stress upon the Productivity Commission that point alone, we will have made a very important contribution to this review and, most importantly, the people who are relying on this being understood and acted on by those who can make a significant difference.

Preliminaries

Part 5 – “Financial Arrangements” of the National Housing and Homelessness Agreement (NHHA) details arrangements for general funding and homelessness funding under the agreement.

For general funding, Clause 47 stipulates that:

“Commonwealth general funding will be allocated to States in accordance with each State’s share of total population. For payment purposes, States’ population shares will be updated annually using Australian Bureau of Statistics population estimates.”

Clause 50, in respect of homelessness funding, provides the following:

“Commonwealth homelessness funding will be allocated to States in accordance with each State’s share of total homelessness based on 2006 Australian Bureau of Statistics Census homelessness estimates.”

At the time the agreement was signed, the estimated national payments to be provided to the Northern Territory were as follows:

	2018-19	2019-20	2020-21
	\$ mil	\$ mil	\$ mil
General	13.5	13.5	13.5
General (SACS)	0.6	0.7	0.8
Homelessness	5.4	5.5	5.6
Homelessness (SACS)	0.2	0.3	0.4
Total	19.7	20.0	20.3

Source: National Housing and Homelessness Agreement, page 12.

71 per cent of the overall amount is comprised of general funding. The NT’s share of the overall population therefore drives the lion’s share of its funding allocation under the funding agreement.

Part 6 – “Governance Arrangements” of the NHHA provides for a review of the agreement by the Productivity Commission (this NHHA Review) as well as amendment at any time by agreement in writing by all parties.

The method of funding by the Commonwealth to the States and Territories, which are contained within the body of the agreement, are therefore a legitimate part of any review by the Productivity Commission. The Commission’s *Issues Paper* does not appear to directly address the question of whether the method of funding allocations under Clauses 47 and 50 are sufficient, equitable or appropriate in respect of achieving the desired outcomes of the Agreement. Notwithstanding this, it is our strongly held and considered view that the financial arrangements set out in those clauses fundamentally disadvantage the Northern Territory in terms of the flow of funding and the ability of

the Northern Territory Government to achieve the necessary and increasingly urgent improvements in housing and homelessness outcomes.

Context

Across Australia there were an estimated 116,000 persons who experienced homelessness on Census night in 2016. In addition to those who are sleeping rough, couch surfing, living in temporary boarding houses, emergency shelters, or in overcrowded dwellings, many more Australians cannot find affordable housing in the private market, and the social housing system is “under-resourced and manifestly unable to meet demand”¹.

The situation in the NT is particularly dire, with a significant and disproportionate level of homelessness and acute housing need. The rate of homelessness sits at 12 times the national average, and year-on-year increased presentations to specialist homeless service providers are being seen, and at a pace far greater than the national trajectory.

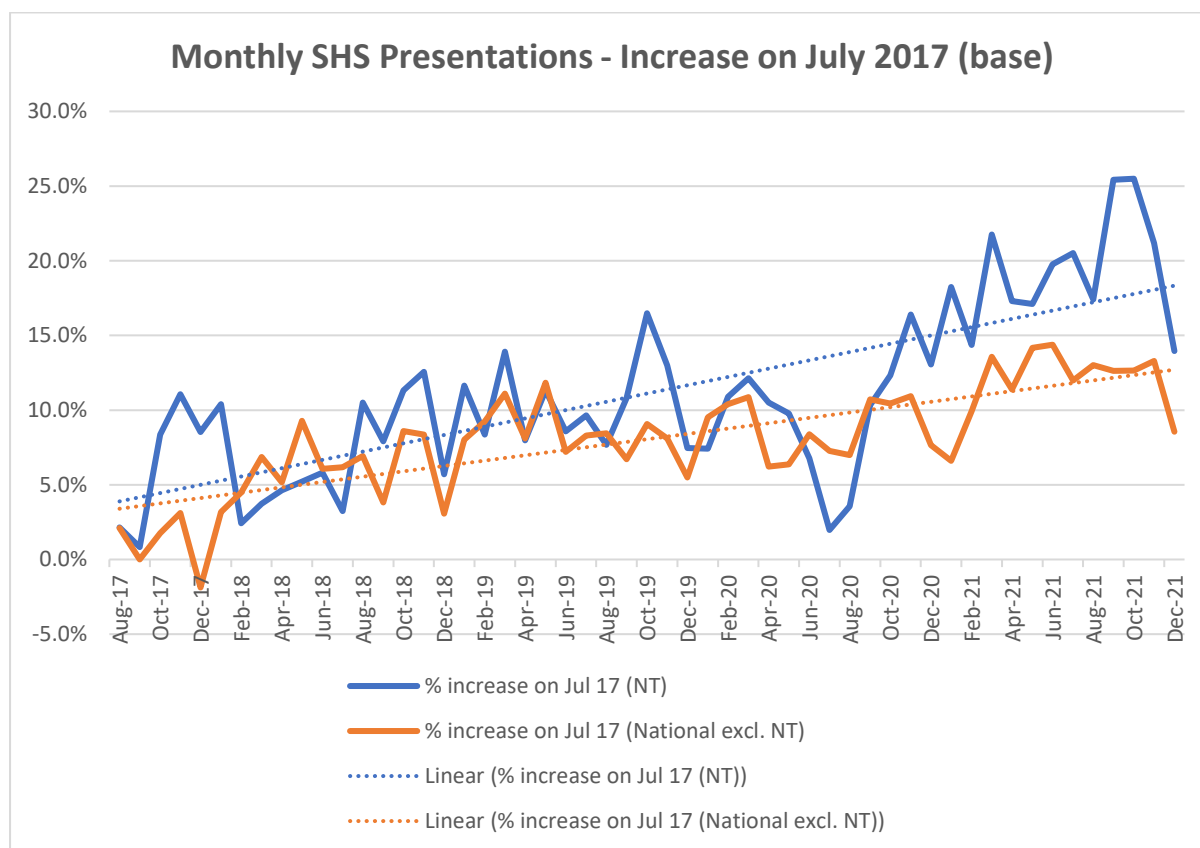


Chart 1: The demand for Specialist Homelessness Services has risen across Australia since July 2017 but at a consistently faster rate in the Northern Territory. Refer Data Table 2 in Appendix.

The Productivity Commission has already stated that Australia’s public housing system is broken². This is particularly the case in the Northern Territory.

¹ Productivity Commission, Social Housing in Australia (Chapter 5), page 171 <https://www.pc.gov.au/inquiries/completed/human-services/reforms/report/02-human-services-reforms-housing.pdf>

² Ibid.

Modelling contained in the Northern Territory Government’s Housing Strategy³ shows a shortfall of 8,000 to 12,000 social and affordable homes required across the NT by 2025, approximately 75% of which are estimated to be for social housing,⁴ reflecting the order of magnitude of the gap between the current level of social housing supply and what is needed.

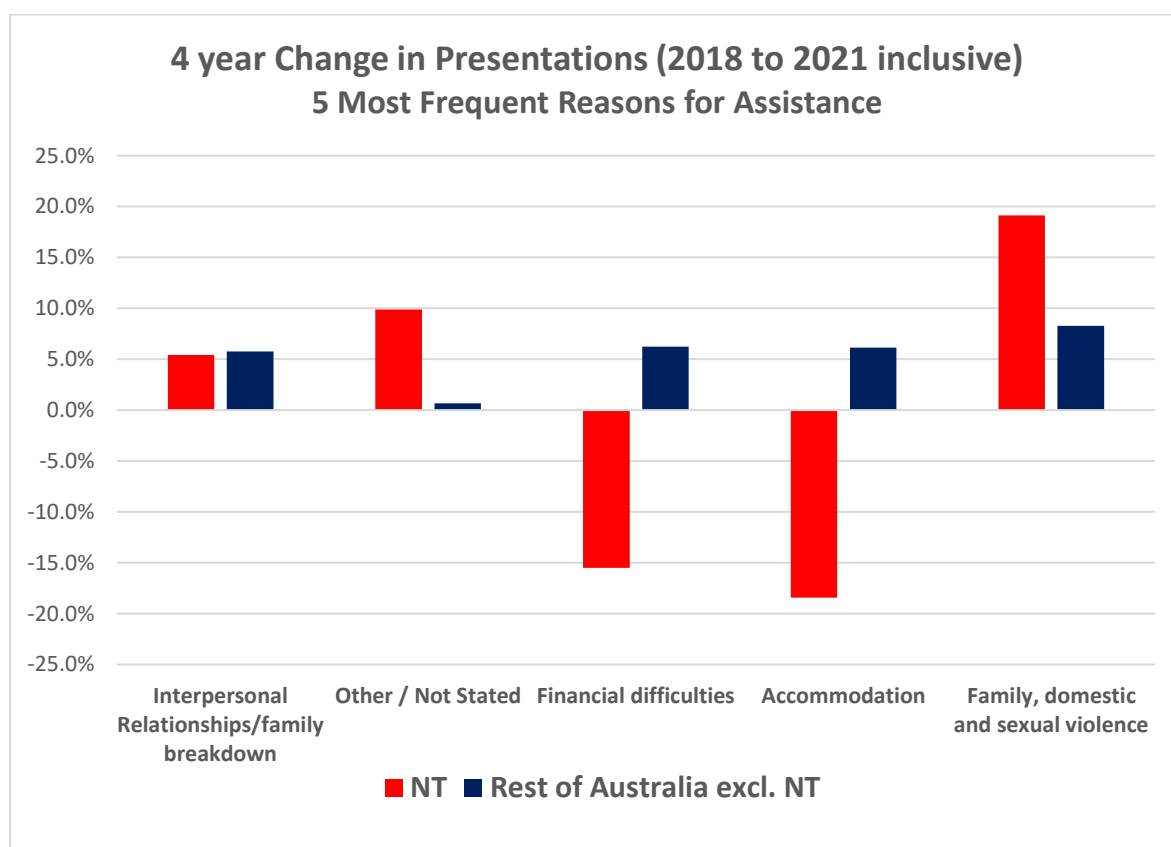


Chart 2: Family, Domestic and Sexual Violence is driving a significant amount of requests for assistance in the Northern Territory and at a rate far higher than for the rest of Australia

Aboriginal persons represent one third of the Territory’s population but are significantly overrepresented at 88.5% of all homeless persons.⁵ A total of 83% of homeless persons in the NT live in severely overcrowded dwellings, requiring four or more additional bedrooms. The majority (71%) are found in remote or very remote communities outside of Alice Springs and Darwin.⁶

Costs of homelessness and benefits of providing housing assistance and homelessness services

Australian Housing and Urban Research Institute (AHURI) reported that in 2010 dollars the average annual costs to these three sectors for a homeless person was \$25,343. The cost of a person with

³ Department of Local Government, Housing and Community Development (NTG), *A Home for all Territorians: Northern Territory Housing Strategy 2020-2025*, https://dlghcd.nt.gov.au/_data/assets/pdf_file/0010/765433/nt-housing-strategy-2020-2025.pdf

⁴ Northern Territory Department of Local Government, Housing and Community Development, *A Home for all Territorians: Northern Territory Housing Strategy 2020-2025*.

⁵ Australian Bureau of Statistics, 2016 Census of Population and Housing: Estimating Homelessness, 2016

⁶ Ibid

stable housing on these same sectors was \$2,588. AHURI also noted that the cost of supporting a homeless person in accommodation was \$4,890.⁷

The provision of housing for homeless persons whose lives are in crisis provide benefits in terms of health cost savings, reduced crime, improved human capital, community pride and social justice, avoided property blighting, volunteering benefits and economies of scale and scope in the last resort housing sector.

The University of Melbourne's Sustainable Society Institute quantified the economic benefits of addressing homelessness for an entire community (Melbourne) as follows:⁸

- For every \$1 invested in housing beds to address crisis homelessness, \$2.70 worth of benefits are generated for the community (a BCR of 2.7 over 20 years).
- The annualised value of all benefits is estimated at \$25,615 per new bed provided.

In our view, it is reasonable to assume that the total "system costs" that are saved by providing housing to persons categorised as homeless, including those living in severely overcrowded dwellings in remote and very remote communities, are likely to be substantially higher. This is due to substantially high costs of providing services and other costs of doing business in remote communities, including access and logistics over great distances. An example is the cost to medivac a patient with rheumatic heart disease from a remote community for emergency surgery, the cost of which is often in excess of \$50,000. Rheumatic heart disease and overcrowded housing are inextricably linked.

In respect of the known impacts between housing and health, it is well established that severely overcrowded housing is one of the most important factors in the transmission of preventable infectious diseases, and increased prevalence of chronic illness within households. This is especially the case for Aboriginal communities in the Northern Territory, where there is a high burden of disease generally. In particular, there is a high incidence of disease associated with poverty and generally not found elsewhere across Australia including, but not limited to, acute rheumatic fever (ARF) and rheumatic heart disease (RHD), trachoma, scabies and otitis media. There is also a higher incidence of other illness which results in disproportionately higher rates of hospital admissions for gastroenteritis and other conditions.

Research reported in the Medical Journal of Australia undertaken by Menzies School of Health Research and others showed that people presenting as frequent attendees at the Katherine hospital emergency department were 16 times more likely to be homeless than not homeless⁹.

It is also well established that homelessness, and a lack of safe, affordable and appropriate housing that places people at risk of homelessness, drives adverse social and economic outcomes associated with domestic and family violence, mental health, adverse education outcomes, higher rates school attendance rates and a lack of educational outcomes. These are, of course, high and ongoing cost burdens on the Northern Territory budget.

⁷ Zaretsky, K., Flatau, P., Clear, A., Conroy, E., Burns, L. and Spicer, B. (2013) The cost of homelessness and the net benefit of homelessness programs: a national study – Findings from the Baseline Client Survey, AHURI Final Report No. 205, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/205>.

⁸ See University of Melbourne, *the Case for Investing in Last Resort Housing*, Issues Paper No. 10, March 2017 https://sustainable.unimelb.edu.au/_data/assets/pdf_file/0010/2740834/MSSI-IssuesPaper-10_Last-Resort-Housing_2017_0.pdf

⁹ MJA 204(3), 15 February 2016, *Factors contributing to frequent attendance to the emergency department of a remote Northern Territory hospital* https://www.mja.com.au/system/files/issues/204_03/10.5694mja15.00648.pdf

As Table 1 below shows, the rate per 10,000 clients for all client groups of interest are higher, and often markedly higher, than the national rate. This is the case for mental health, domestic and family violence, drug and alcohol issues, custodial arrangements, care and protection orders, younger clients, older clients and people with a disability.

Comparison of 2018/19 NT SHS Client Profiles to Other Jurisdictions and the National Average Rate

Client Profile	NT Number of Clients	NT rate	National Average rate	NT vs. National Average rate (number of times NT is greater)
Clients are Aboriginal	7984	968.9	832.0	1.2
Clients have experienced Domestic and Family Violence	4650	188.0	46.6	4.0
Clients have a current Mental Health issue	1046	42.3	34.6	1.2
Young people presenting alone	1367	55.3	17.2	3.2
Clients Leaving Care	281	11.4	2.7	4.2
Children with Care and Protection Orders	414	16.7	3.7	4.5
Clients exiting Custodial Settings	250	10.1	3.8	2.7
Clients with problematic Drug or Alcohol issues	974	39.4	11.2	3.5
Clients aged 55 or older	737	29.8	9.7	3.1
Clients with a Disability	184	7.4	2.9	2.6

Note: All rates are per 10,000 estimated resident population.

Table 1: Extract from Northern Territory Government submission to the Parliamentary Inquiry into Homelessness (Submission 62)

In terms of health, the total burden of disease (DALY rate) in the Northern Territory is 1.4 times the National average. Total burden rates are exceptionally high for kidney and urinary diseases (more than 4.5 times the national rate), blood and metabolic disorders (2.4 times the national rate) and injuries (twice the national rate). Health-adjusted life expectancy at birth (HALE) in 2018 was shortest for both males and females in the Northern Territory (66.2 and 69.5 respectively). Fatal burden rates in the Northern Territory are approximately twice that of Victoria¹⁰.

Current Funding Arrangements

At 1,347,791 km², the Northern Territory Australia's the third largest jurisdiction by landmass. Its population is widely dispersed: almost 50% of Territorians live outside the Greater Darwin region across four regional towns, 73 remote communities and more than 500 homelands and outstations. Due to remoteness and large distances, a lack of sealed roads and other infrastructure, and monsoonal weather in the Top End, it is expensive and logistically challenging to provide services in the Northern Territory relative to other States. The NHHA's financial arrangements mechanisms do not take this into account.

¹⁰ <https://www.aihw.gov.au/reports/burden-of-disease/abds-impact-and-causes-of-illness-and-death-in-aus/summary>

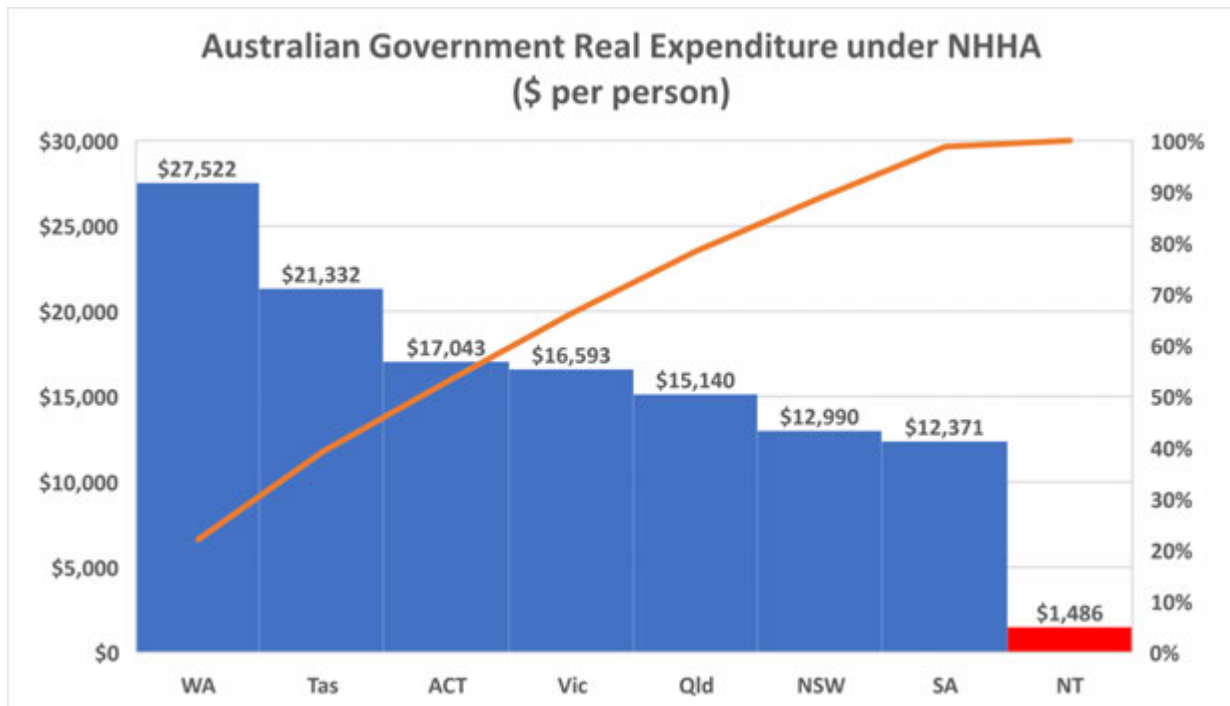


Chart 3: Under the National Housing and Homelessness Agreement, the Northern Territory Government receives merely \$1,486 per person identified as homeless under the 2016 Census.

Table 2 below shows that the three States with the highest numbers of homeless persons receive the highest amount of funding, ranging from \$328 million per year through to \$489 million per year. Coming in fourth, the Northern Territory receives \$20.4 million per year, some \$300 million per annum less than Queensland, and the lowest amount of any State or Territory.

NHHA Allocations to States and Territories (2020-21)

State / Territory	Estimated Homeless 2016 Census	Homeless Rate per 10,000	NHHA Commonwealth Funding Allocation (\$ million)	Ranking (Highest to lowest on homelessness count)	Ranking (Homelessness funding received)
NSW	37,715	50.4	489.9	1	1
Victoria	24,817	41.9	411.8	2	2
Queensland	21,671	46.1	328.1	3	3
Western Australia	6,224	36.4	171.3	6	4
South Australia	9,005	37.1	111.4	5	5
Tasmania	1,622	31.8	34.6	7	6
ACT	1,596	40.2	27.2	8	7
NT	13,727	599.4	20.4	4	8
TOTAL	116,427		1,594.5		

Table 2: Having a lot of homeless people by no means translates to equitable funding

To illustrate what to many people resembles a nonsense, Western Australia received a total of \$171.3 million under NHHA in 2020-2. WA has an estimated 6,224 homeless population. The Northern Territory has over twice as many homeless people but receives only 11.9% of the amount allocated to Western Australia.

Even the ACT, with a homelessness count of 1,596 that dwarfs in comparison with the Northern Territory's 13,727 homeless people, receives \$7 million per annum more than the NT.

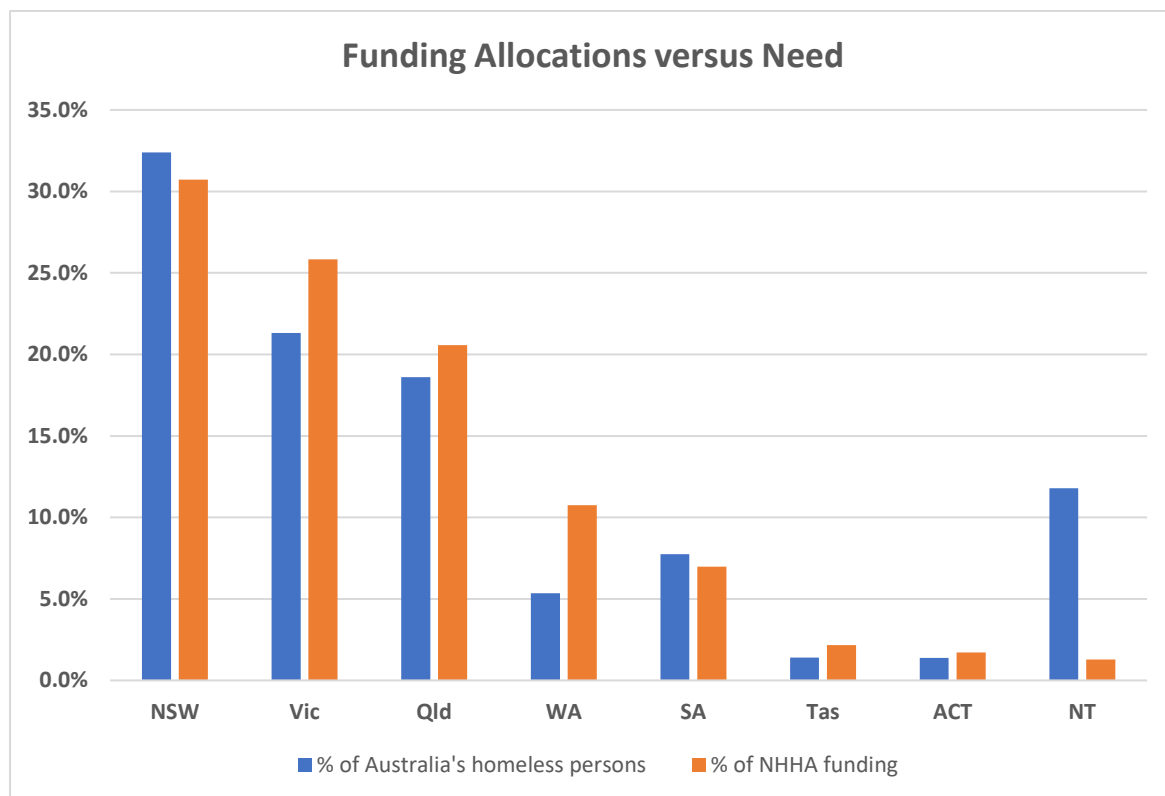


Chart 4: While most States and the ACT receive a percentage of NHHA funding broadly in line with their share of Australia's total homelessness count, the Northern Territory is anomalous. The estimated homelessness population of 13,727 represents 11.8% of the Australian total whereas funding received to address this is 1.3% of Australian Funding.

Financial Contributions by States and Territories Under NHHA

The Northern Territory Government consistently spends more recurrent expenditure on public housing per person in the population than the other States and ACT (see Chart 5).

State and Territory Governments, under the NHHA, are expected to make financial contributions to Specialist Homelessness Services (SHS) too. Chart 6 below shows the "contribution multiplier" – the ratio of respective State and Territory Government funding relative to the Commonwealth funding contribution they receive. The chart reveals that the amount that is contributed varies significantly.

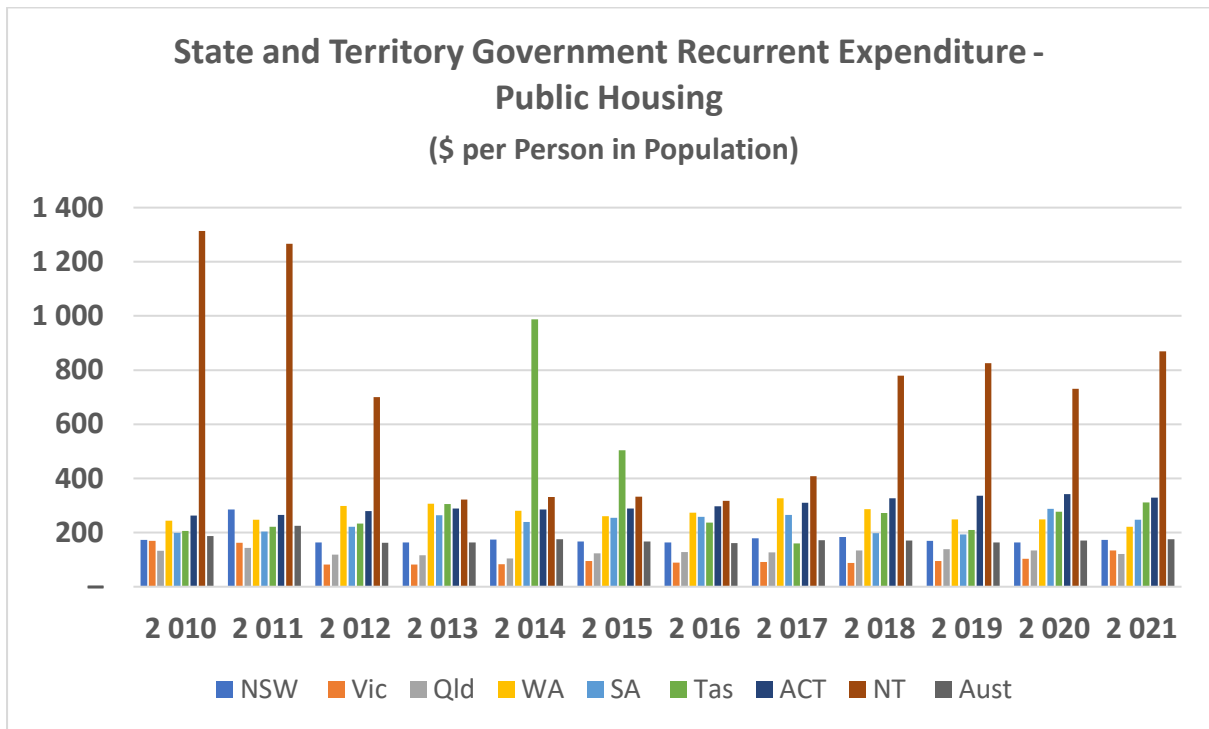


Chart 5: The Northern Territory Government has spent more on public housing per person in the population than any other State or Territory government every year since 2010 with the exception of 2014 (when it came in second). Refer Data Table 1 in Appendix.

Chart 6 also highlights that the Northern Territory needs Commonwealth funding for housing and homelessness services a great deal more than the other States and ACT given it is putting in 2.36 times the amount of funding it receives from the Commonwealth. No other State or Territory comes close.

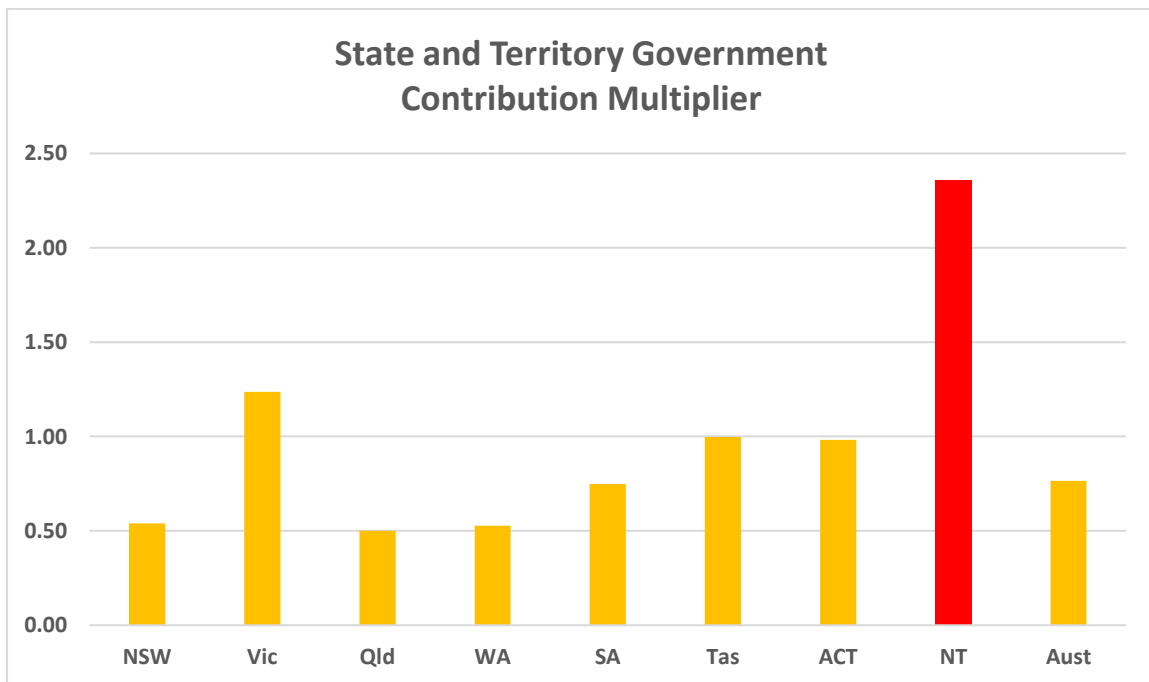


Chart 5: Despite receiving such little Commonwealth funding (or because of it), the Northern Territory Government spent 2.36 times the amount of NHHA allocation it received in 2020-21 on housing and homelessness services. Many states failed to even match their Commonwealth allocations.

“The Northern Territory needs Commonwealth funding for housing and homelessness services a great deal more than the other States and ACT, reflected by the fact that it contributes a far higher proportion of its own funds out of necessity.”

The Impacts of Grossly Inadequate Funding

What does a grossly under-funded system look like on the ground? The effects and impacts are insidious. SHS non-government providers receive a level of funding to provide a modest level of assistance to vulnerable clients who are homeless or at risk of homelessness. However, there is insufficient funding to replicate effective services that are known to be effective across other regions.

In many instances, programs simply do not exist at all in regions across the Northern Territory. Across Australia, the number of clients seeking the assistance of SHS providers per 10,000 population in 2020-21 was 108.3.¹¹ The above chart shows that, in contrast, there were 411.5 clients per 10,000 population in the Northern Territory – 4 times the rate of demand nationally.

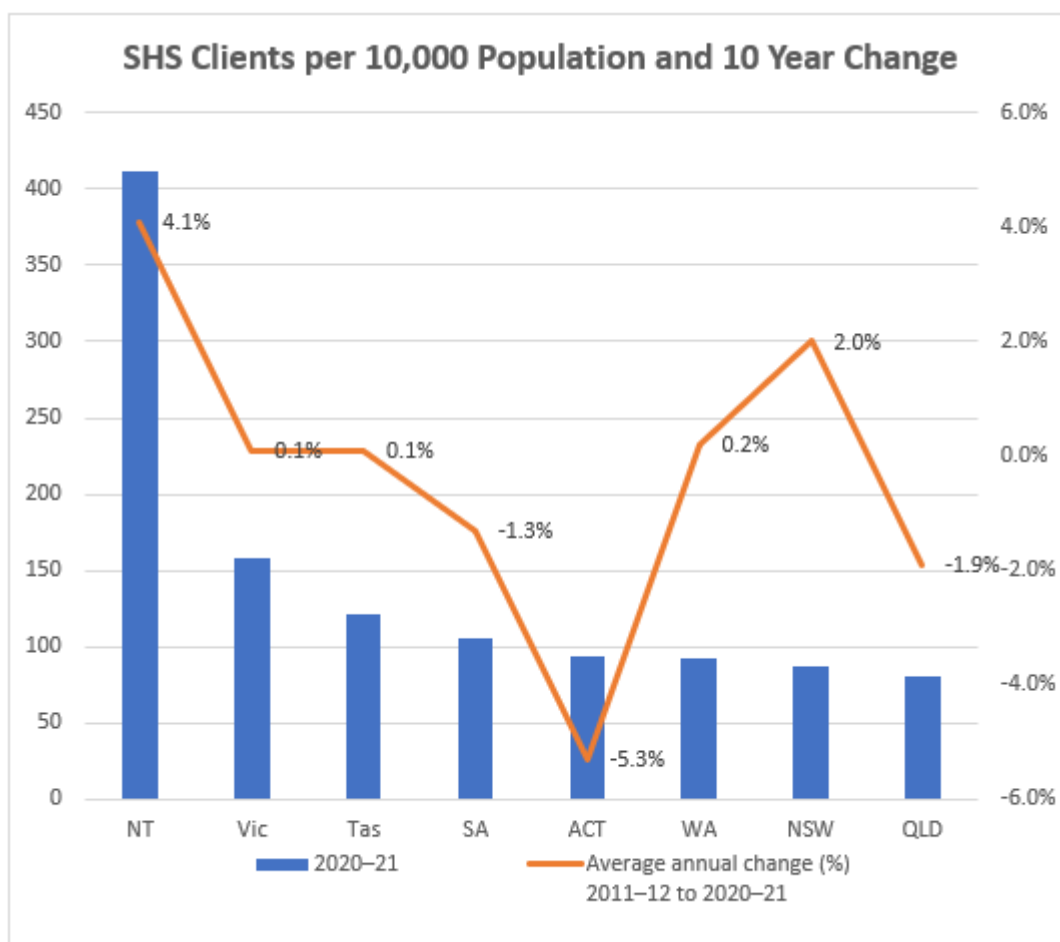


Chart 6: Over the past 10 years, SHS presentations have increased 4.1% each year on average. No other State comes anywhere near the number of clients per 10,000 population.

¹¹ AIHW, Specialist Homelessness Services 2020-21, Supplementary Tables – Historic Tables SHSC 2011-12 to 2020-21, Table HIST.CLIENTS. Note that the above figure includes the NT.

The Northern Territory is the only jurisdiction across Australia that does not have a Common Ground, or Youth Foyer facility. Housing First doesn't exist despite its undeniable success – there is simply no housing to enable such initiatives. These proven, effective accommodation and support services remain a distant dream in the NT.

Another consequence of a poorly funded housing and homelessness system is the pressure on SHS providers and their staff to meet ever increasing demand in a significantly resource constrained environment. Staff in the Northern Territory were run off their feet before, let alone during, COVID-19.

Like other jurisdictions, in 9 cases out of 10, specialist homelessness services providers successfully help clients at risk of homelessness maintain their tenancy¹².

With the costs of homelessness estimated at more than \$26,000 per person (as earlier stated), a relatively small investment in front line case workers and specialist staff means that significant cost reductions from homelessness can be achieved across a wide spectrum of government services.

“a relatively small investment in front line case workers and specialist staff means that significant cost reductions from homelessness can be achieved across a wide spectrum of government services.”

Commonwealth funding in the order of \$20 million each year is spread very thinly. This invariably places extreme challenges as to which programs can be funded and where. In a zero-sum gain environment, although there is a very high need for SHS funded prevention programs, funds cannot be diverted away from funded crisis programs without severe impacts. Budget limitations directly constrain the number of case workers that can be employed and thereby assigned to a program, reducing the number of clients who can be assisted and, consequently, the number of tenancies that can be maintained for those at risk of homelessness.

The inadequacy of homelessness funding to the Northern Territory under the NHHA has other consequences too. Because there is insufficient funding to bolster resources for assertive outreach and tenancy support services, social housing tenants frequently struggle to manage visitors and house crowding. Anti-social behaviour is, sadly, a huge challenge in urban communities in the Northern Territory and threatens the tenancy for families who have waited many years for access to permanent housing. Providing the keys to the house without case worker support is insufficient to sustain many tenancies.

A chronically funded system for housing and homelessness services creates a vicious cycle of outcomes that run counter to those achieved in other States and Territories. Most notably, the number of clients per ten thousand has increased by 4.1% over the past 10 years. All other States and the ACT, apart from New South Wales, have seen demand levels remain unchanged or reduce.

In Darwin for example, homelessness funding is provided for short-stay accommodation services for people sleeping rough. Apart from an AHL hostel in Katherine with limited beds that is constantly running at capacity, there is no short-stay accommodation facility at all, let alone funding for its

¹² Australian Institute of Health and Welfare, *Specialist Homelessness Services Annual Report 2020-21*

operations and services. In the order of 100 Aboriginal people each day who have come to Katherine from outlying communities for medical treatment are sleeping rough as a result.

There is no dedicated SHS accommodation for children in Alice Springs, nor any men’s temporary accommodation in Tennant Creek.

The Services Gaps and Discrepancies across Urban NT

Number of Housing and Homelessness Services¹³	Tennant Creek	Alice Springs	Katherine	Darwin
Short Term Accommodation	-	2	1	4
Medium Term Accommodation	-	6	2	14
Tenancy Support	1	4	2	4
Other	1	2	2	7
Total Funded SHS Programs	2	14	7	29
SHS Funding	\$753,223	\$9.85 Mil	\$2.1 Mil	\$9.81 Mil

Table 3: \$20 million doesn’t go far in the Northern Territory. Gaps in service provision are widespread and assistance needs go unmet.

In addition to services shown in Table 3 above, an additional 31 services for domestic and family violence programs and 2 services that provide support for people leaving correctional services are funded by other Northern Territory Government agencies outside of NHHA funding.

Only two programs in total are funded in Tennant Creek, the regional centre for the Barkly Region. The Barkly has among the highest homelessness rates within the NT and Tennant Creek is a community with a significant housing crisis. Neither program provides short- or medium-term accommodation.

Katherine and Tennant Creek receive less funding for SHS services relative to their rates of homelessness compared to Darwin and Alice Springs. Funds can’t be redirected to those centres without significant detrimental impact to programs in Darwin and Alice Springs that are already overstretched with demand per 10,000 at four times the national level.

It is again relevant to note that the above table applies to urban centres only. The only funded SHS program outside of the Territory’s main urban centres is a support services program that is run by Anglicare-NT in Nhulunbuy.

Reimagining and Redesigning a Fairer Funding Model

“The lines of borders on maps are artificial constructs, as unnatural to us as they are to birds flying overhead. Our first impulse is to ignore them.”

- Mohsin Hamid

¹³ The NT Government also funds a support services program in Nhulunbuy (not included in these figures)
NT Shelter Submission to NHHA Review

It's difficult to understand the justification for NHHA allocations to States and Territories being so heavily loaded to their respective population levels. If anything, higher population levels that drive increased consumer and business demand and investment will typically drive larger, more prosperous economies, with greater wealth and lower relative levels of homelessness and housing disadvantage relative to population.

A population driven distribution model would make more sense in the case of the NHHA if settlement patterns and levels of economic prosperity were similar across Australia. If Greater Darwin was the same size of Greater Perth, the funding allocation to the Northern Territory would be far greater.

As the case of the Northern Territory shows, a State or Territory's population size can be inversely proportional to the proportion of the population are homeless.

We strongly believe that a homeless person's prospects of accessing housing or homelessness services should not be predicated by where they live in Australia. In particular, historic State and Territory boundaries should not lead to different cross-border opportunities and potential outcomes.

The continued allocation of housing and homelessness funding to States and Territories according to a per capita method, not cognisant of need, would continue a misallocation of resources based on an approach that is not based on evidence, is arbitrary, lacks justification and, for the people of the Northern Territory at least, is injurious and highly detrimental.

The following table shows what the amount of annual funding to each State and Territory in 2020-21 would be if their allocation was based entirely on their estimated homelessness count. This is more logical as the NHHA's stated purpose is *"to improve housing outcomes across the housing spectrum, including outcomes for Australians who are homeless or at risk of homelessness"* (NHHA page 2).

Table 4: NHHA Funding Allocations Based on Share of Total Homelessness Population

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Estimated Homeless Population	37,715	24,817	21,671	6,224	9,005	1,622	1,596	13,727	116,427
% of Australia's homeless persons	32.4%	21.3%	18.6%	5.3%	7.7%	1.4%	1.4%	11.8%	100%
Current NHHA funding 2020-21 (\$ mil)	489.9	411.8	328.1	171.3	111.4	34.6	27.2	20.4	1,595
Revised funding (% of \$1,594 Million)	516.4	339.8	296.7	85.2	123.3	22.2	21.9	187.9	1,595
Difference (\$ mill)	26.5	-72.0	-31.4	-86.1	11.9	-12.4	-5.3	167.5	-

It is not a stated outcome of the NHHA that State and Territories with the largest population should receive the most money from the Commonwealth. However, there was presumably an implicit but unstated assumption that the States with the most people would, as a matter of course, have the biggest housing and homelessness challenges. Such an assumption was and remains erroneous and does not hold up against the evidence.

Regardless of the reason for this method of allocation and whether or not it was justifiable or made sense at the time, there is no good reason to perpetuate it. This is especially true if the continued operation of the same method results in outcomes that have been and are likely to remain adverse

and contrary to the stated aims and objectives of the NHHA. In the case of the Northern Territory, it is abundantly clear to us that this holds true.

As can be seen from Table 4, the Northern Territory would of course stand to benefit significantly from an altered funding model. Some might consider a jump in annual funding from \$20 million to something in the order of \$188 million per annum unrealistic and perhaps fanciful. But is it?

Our experience is that after visitors to the Northern Territory see first-hand what housing disadvantage, homelessness, severe overcrowding, and poverty really looks like, few begrudge the Northern Territory receiving a marked increase in the funding it receives given the overwhelming challenges it faces.

“Some might consider a jump in annual funding from \$20 million to something in the order of \$188 million per annum unrealistic and perhaps fanciful. But is it?”

Support from Other Quarters

NT Shelter, the Northern Territory Government and the City of Darwin are in agreement that the level of funding provided under the NHHA is inadequate and that the next iteration of the NHHA needs to deliver a model where distribution of Commonwealth funding is driven by the relative needs of each State and Territory rather than their population size.

These organisations provided submissions and appeared before the *House of Representatives Standing Committee on Social Policy and Legal Affairs’ Inquiry into Homelessness in Australia* in 2020.

The Final Report¹⁴ of the Committee included the following recommendation:

Recommendation 9

2.382

The Committee recommends that the Australian Government, in consultation with state and territory governments, develop a needs-based funding methodology to be applied to future inter-governmental housing and homelessness funding agreements, to be completed no later than June 2022.

Other peak bodies such as National Shelter have endorsed this view and we understand will make representations to this NHHA Review to reiterate it.

¹⁴https://www.aph.gov.au/Parliamentary_Business/Committees/House/Social_Policy_and_Legal_Affairs/HomelessnessinAustralia/Submissions

What Difference Would Additional Funding Make?

Any additional NHA funding for the Northern Territory will of course make a difference.

Assuming that funding for capital works is funded from other sources, the ongoing operational costs met by a greater quantum of NHA funding would enable existing services to be strengthened and expanded, an extension of successful, evidence-based programs to other regions, the provision of additional, desperately needed short- and medium-term beds, and the establishment of assistance in regions not currently receiving SHS funded services at all.

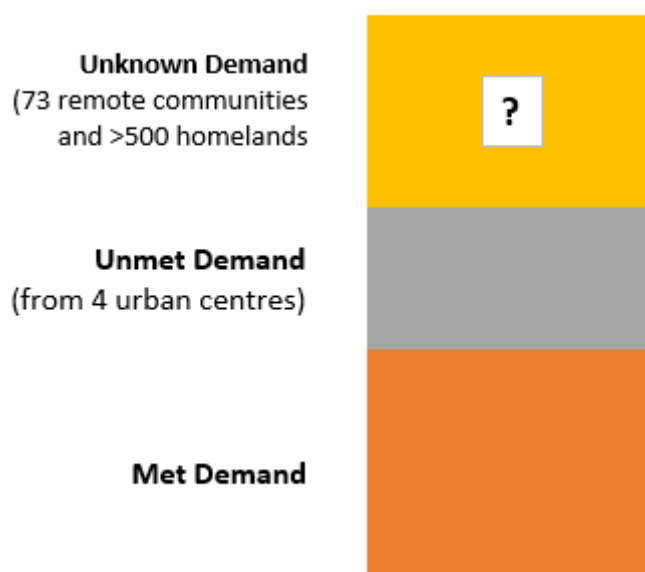
We estimate that a doubling of the current level of NHA funding to \$40 million per year would enable inroads to be made towards the delivery of a sustainable, effective accommodation and tenancy support footprint in urban centres in the Northern Territory. Additionally, it would allow more serious consideration of housing first approaches and an emphasis on prevention for the first time.

Funding over that amount, probably in the vicinity of \$100 million per annum, would enable a service footprint to be established in some of the other 73 remote communities, potentially using a hub and spoke model. This would enable Aboriginal Community Controlled organisations to have more control over services that are required and delivered in a remote housing context.

There may even be some capacity to meet ongoing operational costs of a Youth Foyer model, Common Ground or similar model in urban centres.

There is insufficient SHS funding for urban centres in the Northern Territory. There is no funding for the 73 remote communities and more than 500 homelands and outstations referred to earlier.

What we do know is that there are a lot of unassisted requests and unmet demand in the urban centres of Darwin, Katherine, Tennant Creek and Alice Springs. What we don't know is what the level of underlying pent-up demand for services might be in the 573 communities with no services on the ground at all. This is what might be referred to as "*unknown demand*", additional to the quantified unmet demand.



Funding Allocations are Highly Correlated to Outcomes

The chart below shows the average daily number of unassisted requests from people seeking housing and homelessness services in 2021 as a proportion of each State and Territory's share of estimated residential population (ERP). The Northern Territory has 1% ERP (and receives 1.3% of housing and homelessness allocations) but has 7.24 times the number of unassisted requests per capita.

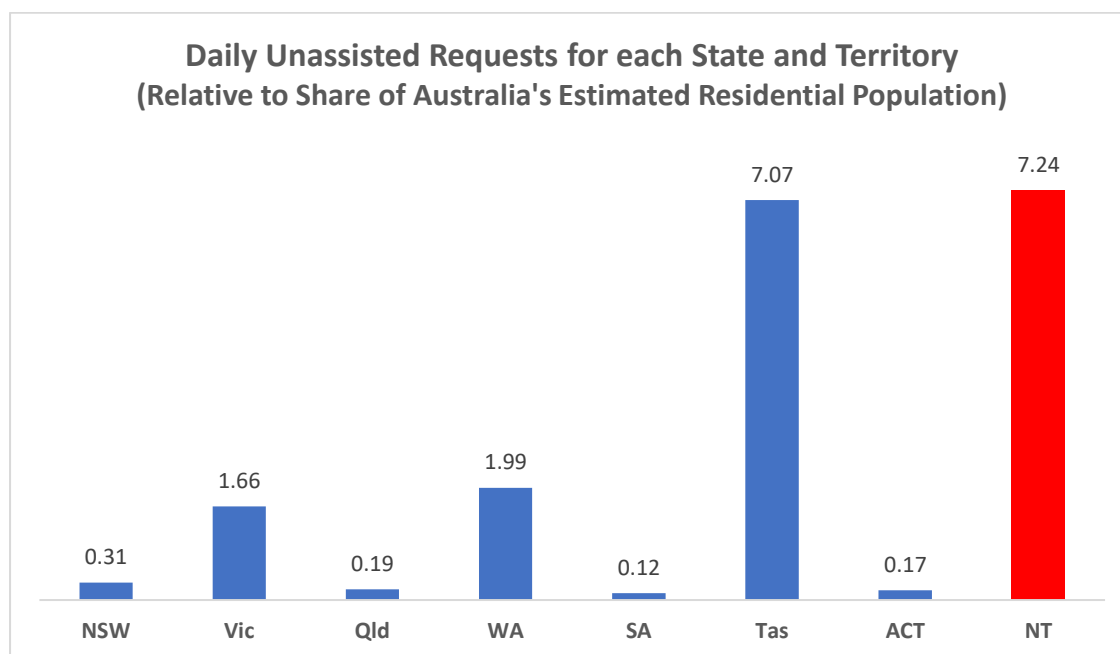


Chart 7: \$20 million doesn't go far in the Northern Territory. Gaps in service provision are widespread and assistance needs go unmet.

It is clear to us that a significant step-up in the level of investment in both physical housing infrastructure and support services is desperately needed in the Northern Territory. An altered funding allocation model that provides a fairer funding deal for the Northern Territory would be a real game-changer.

When taking into account:

- (a) The level of Northern Territory government investment in housing and homelessness relative to its population size and fiscal environment,
- (b) The high-cost burden incurred across a wide array of areas of public expenditure as a consequence of overcrowded housing and rough sleeping,
- (c) The benefits to productivity and economic participation through having a locally skilled, trained and healthy workforce located *in situ* with new industry growth opportunities in resources, tourism and others;

Any increase in NHHA funding allocated to the NT will reduce costs to new projects of FIFO workers, improve productivity, grow local capacity and skills, and provide a pathway to economic growth. It will also be far fairer and more equitable from a social justice and human rights perspective too.

A Case Study of Enormous Return from Modest Investment: Assertive Outreach Staff

Darwin and other urban centres across the Northern Territory experience regular challenges with high mobility of Aboriginal visitors from communities, generally but by no means always as visitors. These inflows are extremely difficult to predict and result in significant fluctuations of people sleeping rough in and around our city and regional centres.

In Darwin, in addition to Larrakia Nation which runs a number of community connection, day and night patrol, and return to country programs, there are three dedicated staff across two organisations that provide assertive outreach services to rough sleepers. These staff provide vital welfare checks on rough sleepers, build trust and relationships with rough sleepers, and connect them to services where possible. These staff are “first responders” who help get people without money back to their home communities or connected to the assistance they need before falling into chronic homelessness.

There are no funded SHS assertive outreach programs in other major urban centres including Alice Springs, Katherine and Tennant Creek. COVID-19 exposed the severe vulnerability of rough sleepers, with little known about their numbers, their location or their needs. In comparison, the established albeit under-resourced network of assertive outreach staff were able to engage with rough sleepers, ascertain their needs, and provide timely intelligence and advice to inform effective pandemic responses.

Northern Territory Government Strategy and Fiscal Capacity to Support It

The Northern Territory Government’s homelessness strategy, *Pathways Out of Homelessness*¹⁵, provides a framework for addressing homelessness through prevention and early intervention. The strategy, by its own admission, focuses on urban and regional centres only. It has five priority actions:

1. Strengthening interagency responses and support to reduce exits into homelessness from out of home care, health services and correctional settings
2. Streamlining and strengthening preventative support to people at risk of homelessness
3. Improving Department of Local Government, Housing and Community Development policy and practices to better respond to homelessness and the risk of homelessness
4. Increasing access to and supply of private rental, affordable and social housing
5. Working with the Specialist Homelessness Services sector to strengthen service response for people who are homeless or at risk of homelessness.

NT Shelter supports the Northern Territory Government’s efforts to improve homelessness and housing outcomes for Territorians. We also note, as stated earlier, that it contributes far more of its own money relative to NHHA contributions received than all other States and the ACT. It’s net recurrent expenditure on public housing is also consistently higher on a per person basis than all other States and the ACT. This is no mean feat for a jurisdiction that has the greatest level of overcrowded housing and the smallest fiscal capacity to address it.

¹⁵ https://dhcd.nt.gov.au/_data/assets/pdf_file/0007/434068/Pathways-out-of-Homelessness-Discussion-Paper.pdf

Indeed, the Independent Chair of the Fiscal Strategy Panel that prepared a report to the Northern Territory Government¹⁶, stated that:

“The Territory faces serious financial challenges and is currently in the unsustainable position of borrowing to fund recurrent activities and interest costs”.

The Northern Territory is the jurisdiction with the lowest revenue raising capacity while experiencing high costs of service delivery associated with highly dispersed population over a large geographical area. Its fiscal imbalance is very significant. The Commonwealth Grants Commission’s recommendations are highly relevant and applicable in respect of housing and homelessness, raising the low fiscal capacity of the Northern Territory via an equalisation process.

There is an argument to be made that without a distribution of Commonwealth NHA funding based on the principles of Horizontal Fiscal Equalisation, or an alternate means of relieving the Northern Territory of its disproportionate fiscal burden, that consideration will need to be given to the responsibility for housing and homelessness passing to the Commonwealth, similar to the approach of a nationally funded health and welfare system.

NT Shelter broadly supports the strategy but has concerns. We are concerned by any efforts to “strengthen” service responses that amount to a *realignment* of services as opposed to additional *investment* in services. A focus on prevention and early intervention is worthy, but not at the expense of the cessation or reduction of existing services.

We maintain that there is a need to be realistic about what can be changed and achieved while ever the current funding framework remains as it is. The Northern Territory Government has increased expenditure in recent years to establish a short-term visitor and homelessness services centre in Darwin. Beyond that, there is little likelihood of a material increase in NT Government provided funding into the specialist homeless services arena.

Concluding Remarks

By almost any measure, the homelessness situation in the Northern Territory has become increasingly dire over time, and typically at odds with the trajectory in the other States. There is only one conclusion that can be drawn from this: the current funding model produces an allocation to the Northern Territory Government which is not only meagre and inadequate to address need but overwhelmingly unreasonable and unfair.

For too long, many families experiencing homelessness across the Northern Territory have received less favourable treatment and opportunities for better housing outcomes than their counterparts in other states as a result of a funding model which, if not changed, will increasingly be viewed as an artifice.

The allocation of \$20 million out of a total of \$1.6 Billion each year from a per capita funding model to the jurisdiction that has 12 times the national rate of homelessness and more than 54% of its Aboriginal population living in overcrowded housing is akin to giving a child \$1.30 in silver coins from a \$100 note. It amounts to nothing more than loose change and needs to be called out as such.

The National Partnership Agreement on Housing and Homelessness cannot achieve its stated outcomes and objectives, at least in the Northern Territory, if funding is determined by State and

¹⁶ <https://treasury.nt.gov.au/dtf/financial-management-group/budget-repair-office/fiscal-strategy-panel-final-report>

Territory population size. Funding needs to go to where it is needed most. Far more imagination and effort needs to be put in to determine how funding is more appropriately allocated, ensuring that anomalous and unintended consequences are properly addressed. We trust that this submission has highlighted some of those anomalies.

We don't seek to commandeer funding away from other States which we expect would fervently defend their current level of Commonwealth funding under the NHHA or argue for more.

In reality, the overall quantum of funding under NHHA needs to increase, with a fair and reasonable proportion of this directed to the Northern Territory. Alternatively, an additional specific purpose payment (or similar) will be needed for the NT to have any chance of addressing its particular needs and circumstances.

If unaddressed, the lack of funding for housing and homelessness programs will inevitably result in more children being denied the same educational, health and well-being outcomes that other children enjoy. It will contribute to, exacerbate, and lock in poverty and disadvantage for the next generation of our children, many of whom are Aboriginal persons. Families separated a matter of miles by interstate borders alone should not be dealt different cards when it comes to opportunity.

We thank the Productivity Commission for the opportunity to put this submission to it for consideration as part of its important review of the NHHA.

Regards

Peter McMillan
Executive Officer

attach.

Data Tables

Data Table 1: Recurrent Expenditure on Public Housing (\$ Per Person in the Population)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
2 010	173	170	133	244	199	206	262	1 314	187
2 011	286	163	144	247	203	222	265	1 266	225
2 012	163.58	81.81	118.96	297.83	221.19	233.34	279.65	700.66	161.85
2 013	163.51	82.03	115.94	306.21	263.44	304.89	289.27	321.47	163.25
2 014	174.38	82.61	104.09	279.93	239.30	987.55	285.33	331.50	175.03
2 015	166.97	94.38	123.00	260.23	254.92	503.41	288.17	332.95	167.55
2 016	163.38	89.04	127.38	273.64	258.12	236.71	297.59	316.59	161.59
2 017	178.68	91.54	126.43	326.56	265.25	159.80	309.98	408.02	171.63
2 018	183.06	87.58	133.72	286.57	197.81	272.08	325.99	779.93	170.58
2 019	169.70	94.97	138.02	248.36	193.16	209.15	336.34	825.96	163.75
2 020	163.71	102.85	134.44	248.34	288.02	277.30	341.95	730.42	170.07
2 021	172.88	134.06	121.40	220.94	247.57	311.42	328.36	869.09	174.73

Source: Report on Government Services – Part G “Housing”, various years.

Data Table 2: SHS Clients per 10,000 Population and 10 Year Change (All Clients)

State/ Territory	Data type	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Average annual change (%) 2011-12 to 2020-21
NT	Clients (per 10,000 ERP)	284.6	295	294.7	314.9	332.3	373.9	375.1	390.4	417.5	411.5	4.1%
Vic	Clients (per 10,000 ERP)	155.6	163.6	173	174.4	174.8	178	184.9	174.7	174.8	157.6	0.1%
Tas	Clients (per 10,000 ERP)	120.2	109.1	129.1	142.7	152.6	150.5	124.6	125.4	120.5	121.5	0.1%
SA	Clients (per 10,000 ERP)	118.9	128.8	129.6	125.2	122.9	121.3	113.9	113.1	109.6	105.2	-1.3%
ACT	Clients (per 10,000 ERP)	152.2	142.5	139.3	128.3	117.5	113.8	97.7	90.6	97.2	93.1	-5.3%
WA	Clients (per 10,000 ERP)	90	88.3	86.2	91.4	95.3	96.3	92.2	95.9	95.1	91.9	0.2%
NSW	Clients (per 10,000 ERP)	72.2	71.1	69.9	64.3	91.5	96	91	92.2	87	86.5	2.0%
QLD	Clients (per 10,000 ERP)	94.9	94.1	94	93.7	89	85.5	83.4	86	84.6	79.7	-1.9%

Source: Australian Institute of Health and Welfare, Specialist Homelessness Services 2020-21, Supplementary Tables – Historic Tables SHSC 2011-12 to 2020-21, Table HIST.CLIENTS