

## CHAPTER 7

---

### HOUSING

1. This Chapter outlines the major features of housing for Indigenous people, including the programs and funding, some recent changes, and approaches to measuring need. The related function of infrastructure is covered in the next Chapter.

2. Functioning housing is pivotal to sustaining social and economic wellbeing for all Australians, and is particularly important to Indigenous Australians. Improving housing for Indigenous people, who often do not have the same access to housing as others, is closely linked to desired improvements in overall well-being and socio-economic status.

3. Our work focussed on how governments assist Indigenous people, who are in need, to obtain permanent housing. This included consideration of home ownership schemes, rent assistance, the provision of public housing, State-managed Indigenous-specific housing and community housing. Housing services for Indigenous people are unique in Australia in that community managed housing is a significant element of total housing provision and is often the only form of housing available to Indigenous people in rural and remote areas.

4. Our focus on permanent housing does not suggest that other forms of housing are unimportant. Our work has shown that for many Indigenous people, some form of temporary accommodation (through Aboriginal hostels, other hostels and crisis centres) is often needed. We provide a brief overview of this aspect of housing at the end of the Chapter.

#### HOUSING CHARACTERISTICS AND CIRCUMSTANCES OF INDIGENOUS PEOPLE

##### *Tenure*

5. Table 7-1 uses data from the 1996 Census to compare the tenure arrangements of Indigenous households with those of non-Indigenous people.

6. ***Home ownership.*** After years of dispossession, high unemployment and underemployment, and little hereditary wealth, it is not surprising that home ownership is much less common among Indigenous households (31 per cent) than among non-Indigenous

households (70 per cent). However, the Indigenous rate has increased from 25 per cent in 1986. As shown in Table 7-2 the Indigenous home ownership rate varies greatly between regions, with higher rates in urban regions and very low rates in many remote regions.

**Table 7-1** TOTAL HOUSEHOLDS BY TENURE, 1996

Tenure	Indigenous		Non-Indigenous	
	No	%	No	%
Owned/buying	29 403	30.8	4 240 251	70.2
Private rental	25 773	27.0	1 192 529	19.7
Public rental	22 353	23.4	302 755	5.0
Community rental	10 121	10.6	22 019	0.4
Total Renting	58 274	61.0	1 517 303	25.1
Other/Not stated	7 833	8.2	286 819	4.7
Total	95 483	100.0	6 044 373	100.0

Source: Jones, R, *Indigenous Housing 1996 Census Analysis - Indigenous Housing and Living Environments*, ATSIIC, Canberra, 1999, p21 and p118.

**Table 7-2** PERCENTAGE OF INDIGENOUS DWELLINGS OWNED OR BEING PURCHASED 1996

ATSIC Region	ATSIC Region	ATSIC Region	ATSIC Region
%	%	%	%
Hobart 55.5	Wagga Wagga 31.8	Mt Isa 21.8	Derby 9.8
Wangaratta 45.5	Darwin 30.8	Cairns 21.5	Kununurra 9.4
Ballarat 41.5	Roma 28.3	Geraldton 20.5	Katherine 9.1
Sydney 37.3	Rockhampton 28.1	Broome 17.7	Tennant Creek 8.8
Brisbane 36.3	Narrogin 27.7	Port Augusta 17.7	Aputula 7.1
Coffs Harbour 35.7	Bourke 27.6	Alice Springs 17.6	Warburton 3.7
Queanbeyan 34.3	Kalgoorlie 27.2	Ceduna 16.3	Cooktown 2.8
Perth 33.8	Tamworth 27.2	Torres Strait 13.7	Jabiru 2.5
Adelaide 32.6	Townsville 22.1	South Hedland 13.3	Nhulunbuy 0.4

Source: 1996 Census Indigenous profile data.

7. **Rental.** Indigenous people rely heavily on rented accommodation, with 61 per cent of all Indigenous households renting compared to 25 per cent of non-Indigenous households. Of those Indigenous households who rent:

- (i) 43 per cent rent privately<sup>1</sup>;
- (ii) 39 per cent rent publicly<sup>2</sup>; and
- (iii) 18 per cent rent from community managed housing organisations.

8. Table 7-3 shows that the type of rental varies between States. In the Northern Territory, only 11 per cent rent privately compared to over 50 per cent in Victoria, Tasmania and the ACT. Public rental is most common in Western Australia and South Australia, and community rental is most common in the Northern Territory. Variations are more pronounced between regions, as some remote regions have very high levels of community rental housing. More detailed regional data is contained in the Supporting Material for the Report.

**Table 7-3** INDIGENOUS HOUSEHOLDS<sup>(a)</sup>, BY RENTAL TYPE, 1996

Type of rent	NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Total	Number of households
	%	%	%	%	%	%	%	%	%	No
Private rental	49.8	58.9	49.2	27.9	28.5	56.4	11.1	54.7	42.7	21 671
Public rental	39.1	33.3	29.5	51.8	61.0	40.5	35.8	39.7	38.8	19 661
Community rental	11.1	7.8	21.3	20.3	10.5	3.1	53.1	5.6	18.5	9 375
Social housing <sup>(b)</sup>	50.2	41.1	50.8	72.1	71.5	43.6	88.9	45.3	57.3	29 036
All rental housing as a proportion of all housing	58.6	51.0	63.8	65.6	64.4	37.8	73.1	57.5	60.6	
Community housing as a proportion of social housing	22.0	19.0	42.0	28.2	14.6	7.0	59.7	12.3	32.3	

(a) This data relates to family and group households only, and does not include lone person households.

(b) Social housing is the total of public and community rental.

Source: Jones, R, *Indigenous Housing 1996 Census Analysis - Indigenous Housing and Living Environment*, ATSI, 1999, p22.

### ***Housing Characteristics***

9. The 1996 Census and other data collections identify the following important aspects of Indigenous housing.

- (i) Indigenous people experience more overcrowding - nationally, there were 3.7 people in Indigenous households, compared to 2.7 for

<sup>1</sup> The high level of private rental indicated by the Census data is supported by recent data from the 1999 Australian Housing Survey conducted by ABS (see, ABS, 1999 Australian Housing Survey, Aboriginal and Torres Strait Islander Results, ABS Catalogue no. 4712.0, Canberra January 2001). Both sets of data indicate that about 27 per cent of all Indigenous households live in homes that are rented from private owners.

<sup>2</sup> The Census does not distinguish between mainstream public housing and government managed Indigenous housing.

non-Indigenous households, and there were significant regional variation (from 8.4 per household in Nhulunbuy to 2.8 in Hobart).

- (ii) Close to 7 per cent of Indigenous households consisted of 10 or more people, compared to 0.1 per cent of non-Indigenous households<sup>3</sup>.
- (iii) About 2 per cent of Indigenous households lived in improvised dwellings (the largest numbers were found in the rural and remote regions of the Northern Territory). On average, these households consisted of 4.9 people, which was much larger than non-Indigenous households in the same type of accommodation, which had 2.0 people.
- (iv) Indigenous people represent 2 per cent of the total population but over 14 per cent of Supported Accommodation Assistance Program (SAAP) clients<sup>4</sup>.
- (v) 13.1 per cent of all Indigenous households were determined to be in 'before housing poverty'<sup>5</sup> compared to 4.5 per cent of non-Indigenous households. Similarly with 'after housing poverty'<sup>6</sup>, the figures were 16.4 per cent and 8.6 per cent respectively. The regions with the highest poverty rates were Sydney, Coffs Harbour and Brisbane<sup>7</sup>.
- (vi) The 1999 *Community Housing and Infrastructure Needs Survey* (CHINS) shows that nearly 30 per cent of dwellings managed by community housing organisations required major repair or replacement.
- (vii) The large increases in Indigenous family formation increases the demand for housing. Nationally, the number of Indigenous households increased by 41 per cent from 1991 to 1996. The regions with the highest increases were Brisbane (75 per cent), Coffs Harbour (68 per cent), Queanbeyan (64 per cent), Roma (57 per cent) and Perth (56 per cent).

**10. Indigenous people rely much more heavily than others on renting, especially public housing and community housing. Initiatives to promote home ownership are needed if this situation is to be changed.**

---

<sup>3</sup> Australian Institute of Health and Welfare *The Health and Welfare of Australia's Aboriginal and Torres Strait Peoples*, Canberra, 1999.

<sup>4</sup> Australian Institute of Health and Welfare, *SAAP National Data Collection Annual Report 1999-2000*, Australian Institute of Health and Welfare, Canberra, 2000.

<sup>5</sup> 'Before housing poverty' refers to a household whose income before paying housing costs is less than the poverty line.

<sup>6</sup> 'After housing poverty' refers to a household whose income is reduced below the poverty line by its housing costs.

<sup>7</sup> Jones, R., *Indigenous Housing 1996 Census Analysis – Indigenous Housing and Living Environments*, ATSIIC, Canberra, 1999, pp41-47.

11. **Overcrowding and poor quality housing is more prominent in rural and remote regions, while housing affordability is a greater problem in urban regions.**

## **POLICY, PROGRAMS AND FUNDING**

12. Responsibility for providing housing assistance to Indigenous people is shared between mainstream public housing and Indigenous-specific housing programs. The Supporting Material for the Report provides more detail on the range of programs that operate in the housing area.

13. Governments support Indigenous households who are tenants, or who require rental properties, in three ways:

- (i) rent assistance to those in private rental properties and in some cases tenants of community housing;
- (ii) providing public housing, including both mainstream public housing and that managed under Indigenous housing programs; and
- (iii) assisting with the provision of Indigenous community housing — housing managed by Indigenous Housing Organisations (IHOs).

The key Commonwealth and State Government programs are shown in Figure 7-1 and are also outlined below.

### ***Mainstream Housing Programs***

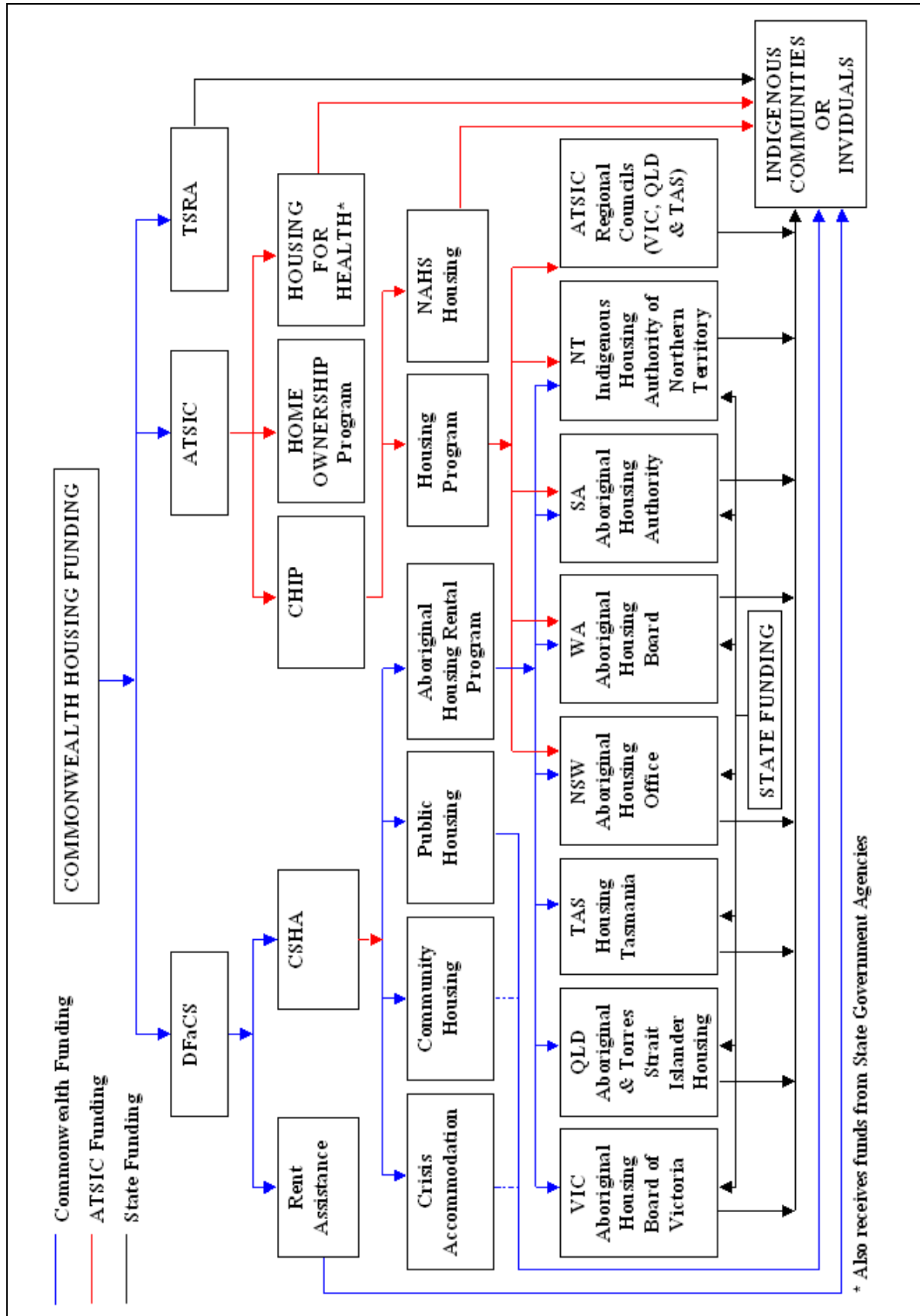
14. ***Rent Assistance.*** Rent assistance is provided as an income support supplement. It is demand driven and based on the amount of rent paid. To be entitled to rent assistance the recipient must meet the eligibility criteria which reflect rent paid, income and family size. Annual Commonwealth expenditure on rent assistance is around \$1.6 billion, with close to one million recipients each fortnight. It is estimated that 16 622 Indigenous income units<sup>8</sup> receive rent assistance each fortnight, resulting in expenditure of about \$25 million a year. The regional distribution of rent assistance broadly reflects the distribution of Indigenous households in the private rental market.

15. Rent assistance can also be paid to tenants of Indigenous community housing if rents charged are higher than the eligibility limits. The extent of this is not clear, but it is not likely to be common because the rents charged are often too low to qualify.

---

<sup>8</sup> An income unit may comprise a single person or a couple. Figures are for Rent Assistance recipients as at 14 June 2000 and were supplied by the Department of Family and Community Services.

Figure 7-1 COMMONWEALTH AND STATE HOUSING PROGRAMS, 2000



16. **Commonwealth-State Housing Agreement (CSHA).** Under the CSHA, which applies until 2003, funds are distributed to the States on an equal per capita basis<sup>9</sup>, but no State is allocated less than \$7.3 million. The Commonwealth contributed \$936 million under the CSHA for 1999-2000; the States provide about \$364 million. Most of the funding is used to manage existing housing stock or provide new public housing. There were about 340 000 households living in public housing in Australia in June 2000<sup>10</sup>.

17. The strategy of the Commonwealth for the CSHA has been to focus on outcomes. The aim was to reach agreement with the States on strategic directions and allow them greater freedom over the provision of assistance. The guiding principles of the agreement include a statement that housing assistance should be provided to those with the greatest needs, but they do not identify any particular target group. As Indigenous people have much lower average household income than non-Indigenous people, they are a priority group for mainstream housing in all States.

18. A complete picture of Indigenous access to public housing is not available because the recording of Indigenous households living in mainstream public housing was only recently made a part of the data collection processes. At this stage, data deficiencies make it impossible to be certain about the extent of Indigenous people's access to mainstream programs and we cannot assess the full impact of initiatives intended to improve the cultural sensitivity of the programs.

19. There are currently variations in the scope of administrative data collections made by the Commonwealth and the State housing authorities. However, the work of the National Indigenous Housing Data Management Group (NIHDMG) should facilitate the development of a National Minimum Data Set (NMDS) for Indigenous housing. This will improve the consistency and comparability of housing and other data relating to Indigenous people, and should also help to ensure compatible use of regional boundaries. It is important that data collection issues continue to be addressed so that decision makers can ensure that mainstream and Indigenous-specific programs work together to meet the housing needs of Indigenous people.

### ***Indigenous-specific Housing Programs***

20. The Indigenous-specific housing programs are three ATSIIC programs (the Home Ownership Program, the Community Housing and Infrastructure Program (CHIP) and the Housing for Health initiatives); and the Aboriginal Rental Housing Program (ARHP), an identified element of the CSHA.

21. **Home ownership program.** The ATSIIC Home Ownership Program provides loans specifically for Indigenous families. The program is mainly self funded with income from loan repayments and discharges, some bank interest and additional funds transferred from CHIP. In 1999-2000, from a total of 836 applications, 440 home loans were provided to Indigenous families<sup>11</sup>. In general, these loans are targeted at low income

---

<sup>9</sup> Clause (4)(3) of the CSHA 1999.

<sup>10</sup> *Productivity Commission Report on Government Services 2001*, p756.

<sup>11</sup> ATSIIC Annual Report 1999-2000.

families who have the capacity to repay a long term loan, but who generally have difficulty accumulating the deposit and obtaining finance from traditional institutions. Some State governments also have schemes that help Indigenous people to purchase their own home, but the numbers of loans are very small.

22. These schemes have contributed to an increase in home ownership from low levels and are important to promoting growth of assets among Indigenous people and reducing intergenerational poverty. However, the schemes have two limitations. First, demand is high and funding is limited. Options should be explored to increase access to housing finance, including through the private sector. Second, the schemes are effectively confined to urban areas because it is not possible to finance housing on community land. Innovative approaches are necessary to break down this barrier. This has been done in Canada through encouraging and supporting housing lending products on Aboriginal land through arrangements that link the community housing body, the family and the financier.

23. **CHIP.** The ATSIC CHIP program has several sub-programs that provide housing. They include community housing (funded through Regional Council budgets), the National Aboriginal Health Strategy (NAHS)<sup>12</sup> and the ATSIC Army Community Assistance Program (AACAP). The figures for CHIP in Table 7-4 are an estimate of the total housing funds from all of these programs.

24. There are different allocation processes for these programs.

- (i) The funds for the community housing program are allocated by the ATSIC Board to Regional Councils on the basis of indicators of need derived from a survey conducted in the late 1980s and more recent indicators of overcrowding and affordability.

In States where bilateral agreements exist and those agreements provide for the pooling of housing funds, the Regional Council allocations are paid to the Indigenous housing body and allocated to regions and communities on the basis of decisions of that body. For example, the Aboriginal Housing Office in New South Wales allocates the pooled funds to regions on the basis of unmet housing need<sup>13</sup>, adjusted for differences in regional housing costs, and provides each region with \$330 000 to address the backlog of repairs and maintenance in community housing.

In States where pooling of resources does not occur, ATSIC regional councils generally allocate the CHIP funds among communities after considering submissions from community organisations outlining their housing requirements. The Regional Council allocations generally reflect four criteria — need; management capacity and community support; economies of scale; and future self-sufficiency.

---

<sup>12</sup> NAHS is discussed in some detail in Chapter 8.

<sup>13</sup> The unmet housing need is determined by the number of additional bedrooms required in each region to provide all Aboriginal people with housing which is not overcrowded.



- (ii) The allocation process for NAHS funds is described in the Infrastructure Chapter. Funds are targeted to communities with the greatest needs. The list of priority projects prepared for NAHS is also used to allocate AACAP.

25. **Housing for Health.** ATSIC has allocated about \$3.6 million to fixing houses in the Better Health Project for 1999-2000 and 2000-2001. Some states also fund similar projects. This initiative uses a 'survey and fix' approach to assessing and repairing Indigenous housing as part of a process for informing future policy and procedures relating to maintenance. A similar number of houses was examined in five States (1000 houses in total) and communities to be examined were decided in consultation with ATSIC and State housing bodies.

26. **ARHP.** Under the CSHA, ARHP funds are allocated among the States on a basis approved by the Minister<sup>14</sup>. The current allocation is based on a 1987 survey and has not changed since 1989. It is shown in Table 7-4. Over recent years, the States have been allocating additional funds to Indigenous-specific housing. These are also shown in the table.

27. From 1996, the Commonwealth has directed that the ARHP funds should be used on housing where existing markets do not operate — mostly in rural and remote areas. As a result, housing has been increasingly provided through community organisations.

**Table 7-4** COMMONWEALTH INDIGENOUS-SPECIFIC HOUSING EXPENDITURE, CHIP AND ARHP, 1999-2000<sup>(a)</sup>

	NSW	Vic	Qld	WA	SA	Tas	NT	Nat <sup>(b)</sup>	Aust
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Commonwealth Funding									
CHIP <sup>(c)</sup>	21.4	5.6	25.7	24.9	7.4	1.7	37.8	3.3	127.8
ARHP	17.8	3.6	25.2	15.9	8.3	0.7	19.5		91.0
Total CHIP & ARHP	39.2	9.2	50.9	40.8	15.7	2.4	57.3	3.3	218.8
Per cent	17.9	4.2	23.5	18.6	7.2	1.1	26.2	1.5	100.0
ARHP – State contribution <sup>(d)</sup>	15.8	14.0	42.3	7.2	3.0	0.0	4.3		86.5
Total funding	55.0	23.2	93.2	48.0	18.7	2.4	61.6	3.3	305.4
Share of total funding (per cent)	18.0	7.6	30.5	15.7	6.1	0.8	20.2	1.1	100.0

(a) The ACT does not receive ARHP funds and expenditure in the ACT under CHIP is included in the New South Wales figure. Expenditure of about \$3.6 million under Housing for Health is excluded from the table.

(b) Expenditure on national projects and research by ATSIC Central Office.

(c) CHIP funding in Queensland includes funds paid to the Torres Strait Regional Authority.

(d) Data for 1998-99.

Source: ATSIC Annual Report 1999-2000. DFACS.

<sup>14</sup> Clause 4 (11) CSHA 1999.

28. Rental housing is funded and managed in two ways.
- (i) Public rental housing, which is housing owned and managed by the relevant State housing agency and identified specifically for Indigenous tenants. Rents are paid to the relevant agencies. It is more often located in major urban centres and country towns.
  - (ii) Community housing, which is owned and managed by Indigenous Community Councils or IHOs. It is most often located in rural and remote communities. Rents are paid to the housing organisations.

The relative significance of each varies between States.

### ***Bilateral Housing Agreements, State Indigenous Housing Bodies and Co-ordination***

29. Bilateral agreements are in place in most States, and are outlined in Table 7-5. In three States, New South Wales, South Australia and the Northern Territory<sup>15</sup> there is an Indigenous housing body in place to deliver programs. The bilateral agreements that led to the formation of these bodies were negotiated between, and signed by, ATSIC, the Minister for Family and Community Services and State governments. They include provision for joint planning and lead to notional or actual policy of resources available from the ARHP, the community housing element of ATSIC's CHIP program and additional funds provided by the State governments. In Victoria, there is a State housing body that administers ARHP housing. These agreements and resource allocation processes are covered in more detail in the Supporting Material.

**Table 7-5** SUMMARY OF BILATERAL HOUSING AGREEMENTS, BY STATE

State	Coverage	Date signed	Duration of agreement
New South Wales	Housing and related infrastructure	July 1998	3 years duration, reviewed after 2 years.
Queensland			
Queensland (excluding TSRA) Agreement (a)	Housing and infrastructure	March 2001	To be reviewed after 3 years of operation
TSRA Agreement	Housing and infrastructure	January 2000	4 year period in line with CSHA
Western Australia (b)	Housing and related infrastructure	December 1997	Review due early 2001
South Australia (c)	Housing	February 1999	Review due in 2002
Northern Territory	Housing and related infrastructure	June 1995	Reviewed in February 1999

(a) The Queensland Bilateral Agreement is in the process of being finalised and signed.

(b) Western Australia also has a Remote Areas Essential Services Program – Infrastructure (RAESP).

(c) South Australia also has an Essential Services Infrastructure Agreement.

Source: Various sources, including the Department of Family and Community Services.

<sup>15</sup> The Aboriginal Housing Office in New South Wales, The Aboriginal Housing Authority in South Australia and the Indigenous Housing Authority Northern Territory.

30. Figure 7-1 indicated that there are several agencies and a number of programs addressing different aspects of housing. This creates an important requirement for co-ordination between them. One of the important features of the bilateral agreements is improved co-ordination and planning of Indigenous-specific programs, particularly community housing funds and ARHP. While the NAHS program is outside the bilateral agreements, there is a growing tendency for housing bodies and the NAHS program managers to co-ordinate their activities. Concerns were expressed to us about how well integrated smaller programs, such as Housing for Health, are with the other housing programs and improving co-ordination across programs is essential.

### ***Community Housing***

31. In broad terms, an Indigenous Housing Organisation (IHO) is any Indigenous organisation that owns, manages or provides support services for Indigenous community housing. These organisations often have several roles including asset and tenancy management, community management, the provision of community welfare, and in some cases, municipal services<sup>16</sup>.

32. The provision of housing through IHOs began in the mid 1970s, due primarily to demand for publicly funded housing in rural and remote areas. These organisations have grown over time and expanded into urban areas.

33. The 1996 Census shows that about one in five Indigenous households live in a community managed house. The extent of community housing is important as, over many years, ATSIC and a number of State governments have provided most Indigenous-specific housing in this way. Moreover, governments are increasingly directing funds to this form of housing in rural and remote regions where private markets and public rental housing generally do not operate.

34. The 1999 CHINS indicates that the 1996 Census data significantly underestimates the extent of community housing. CHINS indicates that there were 20 270 houses under Indigenous community management, whereas the Census data estimated community housing at less than 10 000<sup>17</sup>. Table 7-6 shows the latest count of community housing stock. It shows that the remote ATSIC regions have the largest numbers.

35. Table 7-7 indicates that of the 707 IHOs, 31 per cent manage fewer than 30 houses. There are doubts about whether small IHOs are viable in the long term. **ATSIC and State housing bodies are improving the sustainability and viability of the community housing sector through the development of new management models.**

---

<sup>16</sup> Spiller Gibbins Swan Pty Ltd, *Validation of the Report: Financial Viability of Aboriginal and Torres Strait Islander Housing Organisations*, for the CSWGIH, July 1998.

<sup>17</sup> The difference may be partly due to Census respondents incorrectly identifying their tenure as public housing. It may also be partly due to construction since the Census.

**Table 7-6** NUMBER OF PERMANENT DWELLINGS <sup>(a)</sup> — MANAGED BY COMMUNITY HOUSING ORGANISATIONS, 1999

ATSIC Region	No.	ATSIC Region	No.	ATSIC Region	No.	ATSIC Region	No.
Cooktown	1372	Tamworth	713	Rockhampton	531	Geraldton	227
Jabiru	1366	Port Augusta	649	Tennant Creek	516	Kalgoorlie	225
Aputula	1353	Mt Isa	640	Queanbeyan	438	Ballarat	202
Nhulunbuy	1133	Townsville	617	Alice Springs	362	Wangaratta	187
Katherine	1033	Derby	606	Broome	347	Ceduna	181
Torres Strait	1023	Kununurra	580	South Hedland	321	Adelaide	170
Coffs Harbour	959	Roma	575	Brisbane	307	Narrogin	134
Wagga Wagga	870	Cairns	567	Sydney	294	Hobart	123
Bourke	755	Warburton	537	Darwin	260	Perth	97

(a) 1561 community houses were unoccupied at the time of the survey.

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999.

**Table 7-7** INDIGENOUS HOUSING ORGANISATIONS, NUMBERS OF DWELLINGS, 1999

	NSW	Vic	Qld	WA	SA	Tas	NT	Aust
Total housing organisations	235	25	127	133	48	3	136	707
Total dwellings owned or managed	4 029	389	5 632	3 074	1 000	123	6 023	20 270
Average number of dwellings per IHO	17	16	44	23	21	41	44	29
Number managing less than 30 dwellings	36	2	60	32	14	1	76	221
Percentage with less than 30 dwellings	15.3	8.0	47.2	24.1	29.2	33.3	55.9	31.3

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999.

36. IHOs are generally funded by rent collections and housing grants, mostly for construction and purchase of new housing. Grants for new housing are made to IHOs through the Regional Councils or the Indigenous housing bodies in each State, depending on funding arrangements within bilateral agreements.

37. ***Regional funding for Indigenous-specific programs.*** How funds for housing are allocated varies depending on the policy and program approaches, and the service delivery mechanisms in the States and regions.

38. Total funding for Indigenous-specific housing has increased from about \$150 million in 1990-91 to about \$305 million in 1999-2000. The main changes have been:

- (i) the injection of new funds through NAHS — which increased by \$40 million a year from 1991-92, a further \$20 million a year from 1994-95 and AACAP added another \$5 million a year from 1996-97

— collectively about \$40 million a year is for housing, with the balance for infrastructure; and

- (ii) increased funding provided by State governments through the ARHP (very small amounts in 1990-91 to over \$86 million in 1998-1999).

39. A greater proportion of these housing funds are now directed to the more remote regions where there are fewer housing options. This has been achieved because:

- (i) new funding made available in the early 1990s was used for NAHS, which covered large scale projects in rural and remote areas; and
- (ii) changes were made in the way AHRP funds are allocated within a State (including a direction that funds be spent where alternative housing does not exist), balanced by an increasing level of additional funding provided by State governments.

40. The estimated average annual expenditure per household for total Indigenous-specific housing funds (NAHS, CHIP housing, ARHP<sup>18</sup> and State funds), based on figures for 1996-97 to 1998-99, is shown in Table 7-8. The table shows that the remote and rural regions receive the highest per capita expenditures and the urban areas the lowest.

**Table 7-8** ESTIMATED HOUSING EXPENDITURE (a) FOR NAHS, CHIP AND ARHP FUNDS — AVERAGE EXPENDITURE PER HOUSEHOLD, 1996-97 TO 1998-99

ATSIC Region	ATSIC Region	ATSIC Region	ATSIC Region
\$'000	\$'000	\$'000	\$'000
Torres Strait	24.4	Port Augusta	8.3
Nhulunbuy	22.4	Mt Isa	7.5
Jabiru	13.4	Ceduna	6.1
Warburton	13.1	Cooktown	5.6
Kununurra	12.5	Broome	4.9
Apatula	11.9	Kalgoorlie	4.9
Katherine	10.7	South Hedland	3.6
Derby	10.3	Cairns	3.5
Tennant Creek	9.3	Alice Springs	3.0
		Roma	2.9
		Townsville	2.9
		Geraldton	2.4
		Tamworth	2.4
		Rockhampton	2.2
		Ballarat	2.2
		Bourke	2.1
		Wangaratta	1.8
		Narrogin	1.6
		Queanbeyan	1.6
		Darwin	1.5
		Wagga Wagga	1.3
		Coffs Harbour	1.0
		Sydney	0.8
		Brisbane	0.8
		Perth	0.5
		Adelaide	0.5
		Tasmania	0.4

(a) The expenditures shown in this table are estimated from the States' response to a Commission request for data and ATSIC database files. For most States, the housing regions are different from ATSIC regions and the Commission has apportioned expenditure on the basis of the information provided or from other sources such as Indigenous housing agencies strategic plans. Figures include State own source funding.

<sup>18</sup> The regional allocation of ARHP funding included in the figures is less reliable than the other components because regional dissections were not available for all States for each year.

41. Table 7-9 shows that rural and remote regions also generally receive the highest proportion of the total funds spent, although there are exceptions that reflect resources spent in regions with larger Indigenous populations.

**Table 7-9 ESTIMATED EXPENDITURE FOR HOUSING FROM NAHS, CHIP AND ARHP FUNDS, PROPORTION OF TOTAL FUNDS**

ATSIC Region	ATSIC Region	ATSIC Region	ATSIC Region
	%	%	%
Torres Strait	9.3	Sydney	3.6
Cairns	5.1	Coffs Harbour	3.3
Nhulunbuy	5.1	Kununurra	3.2
Jabiru	4.9	Ballarat	3.1
Mt Isa	4.5	Tamworth	3.0
Townsville	4.3	Roma	3.0
Katherine	3.9	Rockhampton	3.0
Apatula	3.9	Wagga Wagga	2.9
Port Augusta	3.7	Brisbane	2.9
		Derby	2.9
		Wangaratta	2.7
		Cooktown	2.0
		Warburton	2.0
		Queanbeyan	1.9
		Tennant Creek	1.8
		Bourke	1.6
		Broome	1.4
		Darwin	1.4
		Kalgoorlie	1.3
		South Hedland	1.3
		Geraldton	1.2
		Alice Springs	1.2
		Perth	1.1
		Narrogin	1.1
		Ceduna	1.1
		Tasmania	0.9
		Adelaide	0.8

Source: Responses to the Commonwealth Grants Commission data request, September 2000.

42. **There are a number of different ways the needs of Indigenous people for housing are being addressed. There have been strong moves to better co-ordinate, plan and target Indigenous-specific funding through the:**

- (i) **development of formal agreements with the States to jointly plan and co-ordinate programs and, in some cases, to create Indigenous housing bodies that are responsible for service delivery;**
- (ii) **move to the development of new management models for community housing; and**
- (iii) **targeting of specific funding to rural and remote regions.**

43. **Data are not available to ascertain whether mainstream housing services are accessed equitably by Indigenous people in urban and rural regions where this form of housing is more common. The small amount of mainstream funding allocated to remote regions in the past suggests these funds do not generally target areas where the depth of Indigenous need is greatest.**

## HOUSING NEED AND MEASUREMENT

44. A first step in measuring need is to determine what needs we should measure. There are needs for new housing, upgrading and maintaining existing houses, and for supporting IHOs.

45. **New housing.** Much of the current focus in Indigenous housing is on how to measure the need for new housing. The main indicators of need for new housing are associated with homelessness, household overcrowding and housing related poverty. Together these indicators identify the need for additional housing.

46. Considerable research has been done by the Commonwealth State Working Group on Indigenous Housing (CSWGIH) and ATSIC on measuring the need for additional housing arising from homelessness, overcrowding and housing related poverty<sup>19</sup>. Needs arising from homelessness and overcrowding are usually measured in terms of the additional bedrooms required by households to achieve a standard level of occupancy. Details of these measures are in the Supporting Material for the Report.

47. This need could be addressed in a number of ways, including through home purchase, improved access to the private rental market and the public rental processes, and through an expansion of the community housing sector.

48. **Upgrading.** Another important aspect of need for Indigenous housing is the requirement for upgrading to existing housing to bring it to a fully functioning standard. This aspect of need applies to all forms of Indigenous housing. Under prudent asset management policies, upgrading of housing stock would be planned and incorporated into ongoing approaches for the provision of all types of publicly managed housing to maximise the life of houses. While State housing bodies may have the financial capacity to plan for upgrades, this does not seem to be the case for IHOs.

49. The recent CHINS indicated that the community housing stock is often in a poor condition. The data indicate that almost 6000 dwellings owned or managed by IHOs are in need of major repair or replacement. Dwellings that require major upgrading or replacement require immediate attention because these dwellings are often overcrowded and non-functional. As a consequence, the occupants' health and safety can be in jeopardy. Much of the present need for major upgrades reflects past practices of not having an ongoing program of maintenance.

50. **Ongoing maintenance and other recurrent support.** Until recently, funding for Indigenous-specific housing emphasised the building of new houses without any clear consideration of the ongoing costs of maintaining the housing — the build and abandon approach<sup>20</sup>. There is now recognition of the need for regular and ongoing maintenance for

---

<sup>19</sup> See Jones, R., *Indigenous Housing 1996 Census Analysis – Indigenous Housing and Living Environments*, ATSIC, 1999 and Jones R, Neutze, M., Sanders W, *Measures of Indigenous Housing Need and Resource Allocation in the ARHP and CHIP*, August 1998.

<sup>20</sup> Spiller Gibbon Swan Pty Ltd, *Validation of the Report: Financial viability of Aboriginal and Torres Strait Islander housing organisations*, Melbourne, 1998.

all forms of Indigenous housing. As with upgrades, this aspect of need is of particular relevance to community housing. Although the requirement for maintenance is generally incorporated into ongoing approaches for managing housing by State agencies, it is not always the case for community housing.

51. The Healthy Housing programs that are funded by both ATSIC and State agencies explicitly recognise the need to provide assistance with maintaining houses and the need to make safe a high proportion of community dwellings across Australia. In addition, some States assist IHOs with maintenance by providing a set amount per dwelling, subject to the IHOs making efforts to collect a fair rent.

52. Studies have indicated that, even with optimal rent collection processes and improvements in housing management practices, many IHOs were unlikely to be sustainable unless action was taken to improve their viability<sup>21</sup>. The implications of this are: that without a strategic approach to maintaining the houses and the organisations that manage them, houses will last for a much shorter period.

53. IHOs were not able to fully meet their ongoing costs because:

- (i) people accommodated have low incomes — thus rent collections can, at best, be similar to public housing and insufficient to cover maintenance costs, insurance and other recurrent costs of housing; and
- (ii) the costs of providing maintenance in rural and remote areas are higher than in urban areas.

54. The rent collected and amount spent on maintenance varies between States. Table 7-10 provides information from the CHINS survey on maintenance expenditure and rent collections for IHOs. The average annual expenditure per dwelling was just over \$1900, although it varied considerably from just over \$1000 in South Australia to over \$2400 in Queensland.

**Table 7-10** IHOs — NUMBER OF DWELLINGS, MAINTENANCE EXPENDITURE AND RENT, 1999

		NSW	Vic	Qld	WA	SA	Tas	NT	Aust
Dwellings owned or managed	(no.)	4 029	389	5 632	3074	1 000	123	6 023	20 270
Expenditure on maintenance	(\$'000)	5 895	861	13 877	4 326	1 096	225	12 755	39 035
Av annual maintenance per dwelling	(\$)	1 463	2 213	2 464	1 407	1 096	1 829	2 118	1 926
Rent collected	(\$'000)	8 283	972	13 887	4 972	913	326	7 146	36 499
Average weekly rent per dwelling	(\$)	39.54	48.05	47.42	31.10	17.56	50.97	22.82	34.63

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999, Regional Profile.

<sup>21</sup> Spiller Gibbon Swan Pty Ltd, *Validation of the Report: Financial Viability of Aboriginal and Torres Strait Islander Housing Organisations*, for the CSWGIH, July, 1998.



55. While the majority of the running costs (excluding maintenance) of IHOs should be sourced from their rent collections, there may be a requirement for specific funds to cover training and other ongoing developmental support for some IHOs. However, this element of need could not be included in allocation processes before reform of the sector is completed.

56. We have concluded that measuring housing need should cover both capital and recurrent need.

- (i) **Capital need** — for the construction or purchasing of dwellings and for the upgrading of existing dwellings.
- (ii) **Recurrent need** — for assistance with maintenance and for administrative support for housing organisations.

57. Table 7-11 outlines the ways needs for capital and recurrent funding could be measured; what are generally considered the most useful indicators; how they might be measured; and the main sources of data.

**Table 7-11** HOUSING NEEDS <sup>(a)</sup> — INDICATORS

Expenditure type	Indicator	Measurement	Main data source
Capital	Homelessness	Additional bedroom requirements for families and other adults in improvised dwellings	Census
Capital	Overcrowding	Additional bedroom requirements for overcrowded households	Census
Capital	Affordability or poverty	Households in poverty <sup>(b)</sup>	Census
Capital upgrade	Housing condition	Dwellings in need of major repair/replacement	CHINS
Recurrent	Maintenance	Number of dwellings	CHINS
Recurrent	Organisational sustainability	Dwellings managed	CHINS

(a) In addition to the above indicators, regional cost allowances would need to be made for capital and an allowance should be included for management and administrative support for capacity building.

(b) Includes households in before and after housing poverty. The estimation of households in after housing poverty is based on a 'norm' rent, which reflects the amount that Indigenous tenants need to pay for adequate rental housing, and is limited to dwellings that are rented privately or being purchased. For households in public and community rental, rents are set at levels that governments consider the occupants are able to afford. Consequently, people living in public and community rental are not reflected in the affordability indicator.

58. Each of these measures would give an estimate of total need in each region and in Australia. To get measures of relative need, which we have used to rank regions, the measures would be expressed in terms of average need per household in each region.

59. We examined the possibility of a combined indicator for application to the total pool of funds by combining measures of need (for new housing, upgrades, maintenance and recurrent support of housing organisations). This work confirmed the more detailed work done on multi-measure indicators in health, namely that the funding outcomes could vary greatly depending on the judgements made about choice of indicators and their relative weighting. For this reason, we have approached the allocation of funds by assuming they would be divided into separate pools based on explicit decisions about the priority of each type of need, and then allocating for each pool on the basis of the relevant needs indicators.

### ***Capital Housing Need***

60. ***New Construction or Purchase.*** As noted in earlier Chapters, consideration of needs is usefully done in two stages:

- (i) consideration of the average need per household in each region; and
- (ii) consideration of the total number of households.

61. Doing this enables decisions on the allocation of funds after consideration of both where the average need (or depth of need) is greatest and where the number of households is largest. Capital needs have been measured in terms of additional bedrooms required to overcome homelessness and overcrowding. Table 7-12 contains a summary of the data, including the average need per household in each ATSI region (the average number of additional bedrooms per household required to overcome homelessness and overcrowding).

62. The table also shows the relative need for each region, obtained by comparing the average number of additional bedrooms required for each Indigenous household in each region with the average number of bedrooms required for all Indigenous households in Australia. Thus, for example, the average requirement for additional bedrooms by each Indigenous household in the Nhulunbuy region is 13.3 times the national average requirement.

63. Table 7-12 suggests that the average need per household arising from overcrowding and homelessness is much greater in remote areas than it is in the more urbanised ATSI regions. The table also shows the percentage share of total need in each region — obtained by combining average need per household with the total number of households in each region. It is important to note that all the data used in the calculations are from the 1996 Census and thus do not reflect any housing construction since then.

64. ***Affordability.*** Two approaches to measuring the affordability of housing are generally considered:

- (i) the ratio approach — which assumes that housing is affordable if no more than a given percentage of income is used to pay for it; and

**Table 7-12 CAPITAL HOUSING NEED — BEDROOM REQUIREMENTS FOR HOMELESSNESS AND OVERCROWDING, 1996**

	Percentage of all households	Bedrooms needed	Share of total bedroom need	Average bedroom need per household	Average needs index
	%	No.	%	No.	
<b>New South Wales</b>					
Sydney	12.06	1 336	3.88	0.12	0.32
Queanbeyan (includes ACT)	3.14	326	0.95	0.11	0.30
Binaal Billa (Wagga Wagga)	5.79	702	2.04	0.13	0.35
Murdi Paaki (Bourke)	1.91	701	2.04	0.38	1.07
Kamilaroi (Tamworth)	3.29	524	1.52	0.17	0.46
Many Rivers (Coffs Harbour)	8.44	1 136	3.30	0.14	0.39
<b>Victoria</b>					
Binjurr (Wangaratta)	3.84	359	1.04	0.10	0.27
Tumbukka (Ballarat)	3.73	440	1.28	0.12	0.34
<b>Queensland</b>					
South East Queensland (Brisbane)	9.66	1 111	3.23	0.12	0.33
Goolburri (Roma)	2.67	623	1.81	0.24	0.68
Central Queensland (Rockhampton)	3.42	794	2.31	0.24	0.68
Townsville	3.90	1 518	4.41	0.41	1.13
Cairns and District	3.80	1 614	4.69	0.44	1.23
Gulf and West Queensland (Mt Isa)	1.56	998	2.90	0.67	1.86
Peninsula (Cooktown)	0.94	1 282	3.72	1.43	3.96
Torres Strait	0.99	1 168	3.39	1.24	3.43
<b>Western Australia</b>					
Perth Noongar	5.27	869	2.52	0.17	0.48
Kaata-Wangkinyinyi (Narrogin)	1.74	386	1.12	0.23	0.64
Yamatji (Geraldton)	1.23	412	1.20	0.35	0.97
Ngarda-Ngarli-Yarndu (South Hedland)	0.97	530	1.54	0.57	1.58
Kullari (Broome)	0.73	526	1.53	0.76	2.10
Malarabah (Derby)	0.72	874	2.54	1.27	3.53
Wunan (Kununurra)	0.67	948	2.75	1.47	4.09
Western Desert (Warburton)	0.40	743	2.16	1.96	5.42
Wongatha (Kalgoorlie)	0.71	344	1.00	0.51	1.41
<b>South Australia</b>					
Patpa Warra Yunti (Adelaide)	4.23	507	1.47	0.13	0.35
Wangka-Willurrara (Ceduna)	0.45	244	0.71	0.57	1.58
Nulla Wimila Kutju (Port Augusta)	1.15	560	1.63	0.51	1.42
<b>Tasmania</b>					
Tasmania	5.46	315	0.92	0.06	0.17
<b>Northern Territory</b>					
Yilli Rreung (Darwin)	2.36	802	2.33	0.36	0.99
Jabiru	0.94	2 641	7.67	2.94	8.17
Miwatj (Nhulunbuy)	0.59	2 692	7.82	4.80	13.31
Garrak-Jarru (Katherine)	0.94	2 108	6.12	2.34	6.50
Yappakurlangu (Tennant Creek)	0.49	1 016	2.95	2.16	6.00
Papunya (Apatula)	0.84	2 735	7.95	3.41	9.46
Alice Springs	0.98	539	1.57	0.58	1.60
<b>Australia</b>	<b>100.00</b>	<b>34 423</b>	<b>100.00</b>	<b>0.36</b>	<b>1.00</b>

Source: Jones, R, *Indigenous Housing 1996 Census Analysis - Indigenous Housing and Living Environment*, ATSIIC, Canberra, 1999.

- (ii) the residual income approach — which assumes that housing is affordable if, after paying for housing costs, the household has sufficient income to pay for the non-housing goods and services they need<sup>22</sup>.

65. We have illustrated affordability by reference to a residual income approach<sup>23</sup>. We have based the indicator on households in poverty before and after taking account of housing costs<sup>24</sup>. Since, rents for public and community housing are set at levels that governments consider the occupants can afford, the affordability measures shown in the table have been limited to households in private rental property and dwellings that are being purchased. As such, this measure provides insights into needs for additional public or community housing that may arise because people cannot afford private alternatives.

66. Table 7-13 shows that the regions with a proportionally higher number of households who experience the greatest average levels of housing related poverty include Coffs Harbour, Brisbane, Roma and Darwin. In absolute terms, the Brisbane, Coffs Harbour and Sydney regions have the highest number of households affected by before and after housing poverty.

**Table 7-13** INDEX OF AFFORDABILITY — BASED ON BEFORE AND AFTER HOUSING POVERTY, 1996

ATSIC Region	Index	ATSIC Region	Index	ATSIC Region	Index	ATSIC Region	Index
Coffs Harbour	1.6	Perth	1.2	Bourke	0.3	Alice Springs	0.1
Brisbane	1.5	Queanbeyan	1.1	Port Augusta	0.2	Tennant Creek	0.1
Roma	1.4	Cairns	1.0	Kalgoorlie	0.2	Broome	0.0
Darwin	1.4	Townsville	1.0	Mt Isa	0.1	Cooktown	0.0
Rockhampton	1.3	Narrogin	1.0	Derby	0.1	Kununurra	0.0
Wagga Wagga	1.3	Adelaide	1.0	Torres Strait	0.1	Warburton	0.0
Tamworth	1.2	Sydney	0.9	Ceduna	0.1	Jabiru	0.0
Wangaratta	1.2	Hobart	0.8	Katherine	0.1	Nhulunbuy	0.0
Ballarat	1.2	Geraldton	0.8	South Hedland	0.1	Aputula	0.0

Note: Indigenous Australian index equals 1.00.

Source: Jones, R. *Indigenous Housing Analysis 1996 Census Data – Indigenous Housing and Living Environments*, ATSIIC, Canberra, 1999, p24, Table 3.6 and p92, Table 7.14.

<sup>22</sup> Jones R, Neutze, M., Sanders W, *Measures of Indigenous Housing Need and Resource Allocation in the ARHP and CHIP*, August 1998, Attachment A of Department of Family and Community Services Submission, April 2000.

<sup>23</sup> The ratio approach also has merit and it is used widely in practice - under the CSHA, rents are based on a percentage of the tenant's income.

<sup>24</sup> As outlined in the Supporting Material to this Report, other approaches to measuring affordability needs are considered in the literature. Before housing poverty occurs when a household's income is insufficient to cover non-housing need. After housing poverty occurs when a household's income, after paying housing costs, is reduced below its non-housing need. Housing costs are limited to a 'norm' rent, which reflects the amount that Indigenous tenants need to pay for adequate rental housing.

67. **Building costs.** Decisions on the distribution of Indigenous-specific funds must also allow for cost differences between regions. They must also reflect an understanding of the potential of different ways of addressing needs in each region, and their effectiveness. Decisions on how funds are allocated are best made by Indigenous housing boards in each State, after considering all the relevant influences and deciding on the approach to equity they will follow.

68. Table 7-14 classifies ATSI regions according to whether building costs are high, medium or low. Differences between regions in building costs have not been taken into account in the needs figures shown in the previous tables (which were measured in terms of the numbers of additional bedrooms required). However, they do affect the relative requirement for funds and must be taken into account in any allocation process.

69. Funding allocation decisions should take account of all aspects of the need for new housing we have outlined above. These measures (or variations of them) are used in the planning approaches adopted by ATSI and State housing bodies.

70. Data from the 2001 Census and the corresponding CHINS, together with the better administrative data that are becoming available, will allow the measures of relative needs to be updated, refined and used in making decisions.

**Table 7-14** RELATIVE BUILDING COSTS FOR ATSI REGIONS, 1999 CHINS

	High cost regions	Medium cost regions	Low cost regions
New South Wales		Queanbeyan, Tamworth, Bourke	Coffs Harbour, Wagga Wagga, Sydney
Victoria			Ballarat, Wangaratta
Queensland	Torres Strait, Cooktown, Mt Isa		Cairns, Townsville, Rockhampton, Roma, Brisbane
South Australia		Port Augusta	Adelaide, Ceduna
Western Australia	Broome, Kununurra, Warburton, Derby	South Hedland, Geraldton, Kalgoorlie	Perth, Narrogin
Tasmania			Hobart
Northern Territory	Katherine, Jabiru, Aputula, Tennant Creek, Nhulunbuy	Darwin, Alice Springs	

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSI, Canberra, 1999. Data Dictionary, p 124.

### **Capital Need — Major Upgrades**

71. An estimate of the number of dwellings in each region requiring major upgrades provides a simple measure of the need associated with housing condition.

However, there is a range of other issues that should also be taken into account by the relevant agency when they are considering the actual housing need. In some cases, upgrades may be appropriate, but in others new construction may be more appropriate.

72. Our focus has been on the need for upgrades to housing managed by IHOs. This is mainly because we do not have any data on the condition of Indigenous housing managed by State housing bodies. But also because States have access to funds for ongoing upgrading and maintenance through rent collections and can address these priorities using existing budget processes.

73. Regions that have a high proportion of community housing stock in need of upgrades or replacement are the regions that have the highest relative need. As with needs for new housing, the allocation of funds for upgrades must also take account of differences between regions in building costs.

74. Table 7-15 shows an index of relative needs for upgrades based on the proportion of IHO dwellings that require a major upgrade in each region, relative to the Australian proportion.

**Table 7-15** INDEX OF NEED FOR HOUSING UPGRADES, 1999

ATSIC Region	Index	ATSIC Region	Index	ATSIC Region	Index	ATSIC Region	Index
Kununurra	1.6	Sydney	1.2	South Hedland	1.1	Coffs Harbour	0.5
Derby	1.4	Torres Strait	1.2	Darwin	1.0	Roma	0.5
Port Augusta	1.4	Alice Springs	1.2	Townsville	1.0	Wagga Wagga	0.5
Jabiru	1.3	Kalgoorlie	1.2	Ballarat	0.8	Queanbeyan	0.5
Warburton	1.3	Rockhampton	1.2	Aputula	0.8	Wangaratta	0.4
Mt Isa	1.3	Adelaide	1.2	Brisbane	0.8	Tennant Creek	0.4
Cairns	1.3	Cooktown	1.1	Katherine	0.7	Hobart	0.3
Perth	1.3	Nhulunbuy	1.1	Ceduna	0.7	Geraldton	0.2
Bourke	1.2	Tamworth	1.1	Broome	0.7	Narrogin	0.1

Note: The index is calculated as the proportion of IHO dwellings requiring a major upgrade in each region relative to the Australian average proportion of IHO dwellings requiring a major upgrade. On average across Australia, 29 per cent of IHO dwellings require a major upgrade.

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999.

75. Table 7-16 shows each region's share of the total number of IHO dwellings that require a capital upgrade or replacement.

**Table 7-16** SHARE OF IHO DWELLINGS REQUIRING MAJOR UPGRADE OR REPLACEMENT, 1999

ATSIC Region	ATSIC Region	ATSIC Region	ATSIC Region
	%	%	%
Jabiru	8.99	Mt Isa	4.16
Cooktown	7.62	Tamworth	3.82
Torres Strait	6.27	Katherine	3.80
Nhulunbuy	6.17	Cairns	3.68
Aputula	5.13	Warburton	3.53
Bourke	4.65	Rockhampton	3.17
Kununurra	4.64	Townsville	2.97
Port Augusta	4.38	Coffs Harbour	2.54
Derby	4.31	Alice Springs	2.18
		Wagga Wagga	2.13
		Sydney	1.81
		South Hedland	1.71
		Roma	1.42
		Kalgoorlie	1.35
		Darwin	1.28
		Broome	1.24
		Brisbane	1.16
		Queanbeyan	1.06
		Adelaide	0.97
		Tennant Creek	0.92
		Ballarat	0.78
		Ceduna	0.66
		Perth	0.61
		Wangaratta	0.41
		Geraldton	0.22
		Hobart	0.19
		Narrogin	0.05

Note: The total number of dwellings requirement major upgrade or replacement is 5865.

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999.

### ***Recurrent Housing Need***

76. As with upgrading, our measure of maintenance needs has concentrated on community houses. The number of community houses in each region is a simple measure of the need associated with housing maintenance. On this basis, each region's share of the total maintenance need is shown in Table 7-17.

**Table 7-17** PROPORTION OF MAINTENANCE NEED IN EACH REGION

ATSIC Region	ATSIC Region	ATSIC Region	ATSIC Region
	%	%	%
Cooktown	6.77	Tamworth	3.52
Jabiru	6.74	Port Augusta	3.20
Aputula	6.67	Mt Isa	3.16
Nhulunbuy	5.59	Townsville	3.04
Katherine	5.10	Derby	2.99
Torres Strait	5.05	Kununurra	2.86
Coffs Harbour	4.73	Roma	2.84
Wagga Wagga	4.29	Cairns	2.80
Bourke	3.72	Warburton	2.65
		Rockhampton	2.62
		Tennant Creek	2.55
		Queanbeyan	2.16
		Alice Springs	1.79
		Broome	1.71
		South Hedland	1.58
		Brisbane	1.51
		Sydney	1.45
		Darwin	1.28
		Geraldton	1.12
		Kalgoorlie	1.11
		Ballarat	1.00
		Wangaratta	0.92
		Ceduna	0.89
		Adelaide	0.84
		Narrogin	0.66
		Tasmania	0.61
		Perth	0.48

Note: The figures in the table show the number of IHO dwellings in each region expressed as a percentage of the total number of IHO dwellings in Australia.

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999.

### **Resource Allocation**

77. After each aspect of need has been measured, resource allocation requires priorities to be assigned to each element of need. That is, decisions on how the funds available should be allocated between the need for additional housing, for upgrading, for maintaining existing housing, and for supporting IHOs. This decision will depend partly on a range of issues, including the quantity of funds available from each source (the various government grant programs, rent collections and other income) and any constraints funding agencies place on the use of those funds.

78. Of particular relevance are any expectations funding agencies have relating to the level and use of rent collections. In particular, considerations of fairness imply that the level of support to IHOs for maintenance and other recurrent purposes would be determined on the basis that they apply a standard rent policy and adopt sound management policies. Organisations that adopt above (or below) standard policies should retain the benefits (bear the costs) of their actions.

79. The implementation of a resource allocation approach that includes a strong emphasis on the housing need indicators discussed above should also be:

- (i) based on agreements between the key stakeholders (funders, service providers and clients);
- (ii) part of a well developed policy framework (for example there should be incentives for improved performance and no disincentive for additional efforts from State governments);
- (iii) fully explained to all relevant parties; and
- (iv) implemented in a long term context. (The very nature of housing construction and the need for maintenance across Australia requires long term planning and commitment. Use of a five year funding period would allow allocations to be synchronised with the availability of Census data.)

80. **Funding decisions need to reflect the appropriate balance between different aspects of housing need — new construction, upgrading, ongoing maintenance and housing organisation support. This requires judgement about the relative needs between and within regions. The measurement of housing need has improved greatly over the past decade and should continue to do so over the coming years. We have found that:**

- (i) **as a result of detailed analysis of Census data and improvements in other data, agencies and housing bodies now have, and use, detailed measures to assess housing need;**
- (ii) **the availability of data from the 2001 Census and 2001 CHINS, plus improving administrative data, will further assist in the better targeting of housing funds; and**



- (iii) **the current distribution of Indigenous-specific funds broadly accords with needs (that is, a larger share of these funds are allocated to regions that have the greatest need).**

## **TEMPORARY ACCOMMODATION**

81. Temporary accommodation is an important form of housing assistance for Indigenous people, who tend to rely on temporary accommodation to a greater extent than non-Indigenous people. This is because:

- (i) Indigenous people are often low income earners and thus at risk of becoming homeless;
- (ii) cultural reasons and climate often require them to move; and
- (iii) there is often a need to travel long distances to access other services, for example medical services.

82. There are two national programs that provide temporary accommodation and related services:

- (i) the mainstream program — the Supported Accommodation Assistance Program (SAAP); and
- (ii) an Indigenous-specific program — Aboriginal Hostels Limited (AHL).

### ***Supported Accommodation Assistance Program***

83. The SAAP program was established in 1985 to consolidate a number of Commonwealth and State government programs providing assistance to people who were homeless or victims of domestic violence. The program is funded by both levels of government to a total of \$245.5 million in 1999-2000.

84. SAAP agencies provide assistance on a number of levels, including crisis accommodation, day support, outreach support and telephone referral services.

85. The SAAP National Data collection for 1999-2000 showed that:

- (i) there were 1207 SAAP agencies that provided services to over 90 000 clients, with 157 000 support periods;
- (ii) there were 86 Indigenous managed agencies and another 43 agencies targeting Indigenous clients (see Table 7-18);
- (iii) Indigenous people were about 14 per cent of SAAP clients compared to only 2 per cent of the general population; and

- (iv) approximately twice as many Indigenous females used SAAP services as Indigenous males.

**Table 7-18** SAAP AGENCY DETAILS BY STATE, 1999-2000

SAAP Agencies	NSW(a)	Vic	Qld	WA	SA	Tas	NT	Total
Managed by Indigenous people	32	11	28	8	3	0	4	86
Targeting Indigenous clients	49	14	27	28	7	0	4	129
With more than 25 per cent Indigenous support periods	37	6	24	37	7	1	14	126
<b>Total</b>	<b>423</b>	<b>327</b>	<b>188</b>	<b>118</b>	<b>80</b>	<b>41</b>	<b>30</b>	<b>1207</b>

(a) ACT included in NSW.

Source: Australian Institute of Health and Welfare, *SAAP National Data Collection Annual Report 1999-2000*, Australian Institute of Health and Welfare, Canberra, 2000. DFACS Data.

### ***Aboriginal Hostels Limited (AHL)***

86. AHL was incorporated in 1973 as a company wholly owned by the Commonwealth. It provides low cost temporary accommodation for Indigenous people through a network of hostels. The company owns and operates some hostels and contracts community organisations to run others (known as Community Support Hostels) under AHL instructions. It has an Indigenous Board of Directors and is largely staffed and managed by Indigenous Australians.

87. AHL hostels provide for people who are: transient; transient for medical reasons; homeless; undergoing substance misuse rehabilitation; on prison release and diversion; undertaking tertiary education and training, primary or secondary education; and in aged care.

88. In 1999-2000, there were 133 hostels providing over 3000 beds with an annual average occupancy rate of 68.5 per cent.<sup>25</sup>

89. AHL aims to locate its hostels in areas identified as having greatest needs. To do this it conducts occasional research. AHL regularly evaluates the needs and performance of hostels by monitoring occupancy rates.

### ***Temporary Dwellings***

90. The CHINS data provide details of the number of people living in temporary dwellings (see Table 7-19). The survey defined a temporary dwelling as a structure used as the place of residence, but which does not meet the building requirements to be considered a

<sup>25</sup> AHL Annual Report 1999-2000.

permanent dwelling. Types of structures include caravans, sheds without internal walls, humpies, dongas and other makeshift shelters. The data showed that:

- (i) there were 2281 occupied temporary dwellings in discrete Indigenous communities in Australia;
- (ii) there were 7954 Indigenous people living in these temporary dwellings (about 3.5 people per dwelling); and
- (iii) most people living in temporary dwellings required permanent housing.

**Table 7-19** TEMPORARY DWELLINGS, CHINS 1999

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Occupied temporary dwellings	112	4	479	577	135	0	0	974	2281
People living in temporary dwellings	266	5	1546	1990	349	0	0	3798	7954
Ave no. of people per dwelling	2.4	1.3	3.2	3.4	2.6	0	0	3.9	3.5
Percentage of people in temporary dwellings who need permanent housing	97.7	60.0	98.5	93.8	58.8	0	0	92.0	92.4

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999.

91. The provision of temporary accommodation reflects both the short term need for this form of accommodation and the long term need for additional housing.

92. The SAAP and AHL data are, however, of limited use when assessing comparative regional need as much of the data reflects where services are located rather than an overall picture of need. This does not preclude the use of data from both SAAP and AHL by State housing bodies or joint planning groups.

93. The provision of different forms of temporary accommodation for Indigenous people is an important aspect of total housing need. However, data are limited and the extent to which needs are met is difficult to assess. Nevertheless, measures of the current use of services can help better plan each service.

## CONCLUSIONS

94. The main conclusions we have reached in relation to housing are as follows.

- (i) Indigenous people rely much more heavily than others on renting, especially public housing and community housing. Initiatives to promote home ownership are needed if this situation is to be changed.

- (ii) Overcrowding and poor quality housing is more prominent in rural and remote regions, while housing affordability is a greater problem in urban regions.
- (iii) ATSIC and State housing bodies are improving the sustainability and viability of the community housing sector through the development of new management models.
- (iv) There are several different ways the housing needs of Indigenous people for housing are being addressed. There have been strong moves to better co-ordinate, plan and target Indigenous-specific funding through the:
  - development of formal agreements with the States to jointly plan and co-ordinate programs and, in some cases, to create Indigenous housing authorities that are responsible for service delivery;
  - the development of new management models for community housing; and
  - targeting of specific funding to rural and remote regions.
- (v) Data are not available to ascertain whether mainstream housing funds are accessed equitably by Indigenous people in urban and rural regions where this form of housing is more common. The small amount of mainstream funding allocated to remote regions in the past suggests these funds do not generally target areas where the depth of Indigenous need is greatest.
- (vi) Funding decisions need to reflect the appropriate balance between different aspects of housing need — new construction, upgrading, ongoing maintenance and housing organisation support. This requires judgement about the relative needs between and within regions. The measurement of housing need has improved greatly over the past decade and should continue to do so over the coming years. We have found that:
  - as a result of detailed analysis of Census data and improvements in other data, agencies and housing bodies now have, and use, detailed measures to assess housing need;
  - the availability of data from the 2001 Census and 2001 CHINS, plus improving administrative data, will further assist in the better targeting of housing funds; and
  - the current distribution of Indigenous-specific funds broadly accords with needs (that is, a larger share of these funds are allocated to regions that have the greatest need).