

## CHAPTER 4

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### INDIGENOUS COMMUNITY HOUSING

1. In broad terms an Indigenous Housing Organisation<sup>1</sup> (IHO) is an Indigenous organisation which owns, manages or provides support services for Indigenous community housing. It may also be a multi-functional, community services organisation, which has a housing related function. These organisations often have several roles including asset and tenancy management, community management, community welfare, and, in some cases, municipal services<sup>2</sup>.

2. This Chapter provides information and data relating to IHOs. It provides the following basic information<sup>3</sup> about IHOs:

- (i) the number of IHOs;
- (ii) the number of permanent dwellings<sup>4</sup> owned or managed by IHOs;
- (iii) condition of dwellings;
- (iv) amount spent on maintenance;
- (v) source of funds including rent collected; and
- (vi) issues associated with the viability for IHOs.

3. The main data source for this information is 1999 CHINS<sup>5</sup>.

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<sup>1</sup> Also known as Indigenous Community Housing Organisation (ICHO) — Spiller Gibbins Swan Report on the Viability of ICHO or as Aboriginal Housing Organisation (AHO).

<sup>2</sup> Spiller, Gibbins Swan *Validation of the Report: Financial Viability of Aboriginal and Torres Strait Islander housing Organisations*, for the CSIHWG, July 1998.

<sup>3</sup> The CHINS data covers a range of variables for IHOs, however only a small number are covered in this chapter.

<sup>4</sup> Attachment B to this Section provides information about vacant dwellings and reasons for vacancy.

<sup>5</sup> *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIC, Canberra, 1999. The Survey was conducted from August to October of 1999. The survey collected information from both Indigenous housing organisations and discrete communities, with a complete enumeration of organisations and communities located in urban and sparsely settled areas in all States and Territories. A discrete Indigenous community refers to a geographic location, bounded by physical or cadastral (legal) boundaries, and inhabited or intended to be inhabited predominantly by Indigenous people, with housing or infrastructure that is either owned or managed on a community basis.

4. The Indigenous community housing stock is a major asset in many communities. Over the years, funds have been provided to IHOs for the purchase or construction of housing. This has given Indigenous communities some control and input into design, management and maintenance of housing. The funds have been provided by ATSIC, under the CHIP, and from ARHP funds which have been directed to this sector by State agencies responsible for Indigenous housing.

### **Community Organisations**

5. According to CHINS there were 707 IHOs managing 20 270 dwellings across Australia in 1999. Table 4-1 contains State by State data on the total number of reported IHOs, total dwellings managed, and the average number of dwellings per IHO. New South Wales has 235 IHOs followed by the Northern Territory which has 136. In terms of dwellings, the Northern Territory has the largest stock with over 6 000 dwellings then Queensland with 5 632 and then New South Wales with 4 029 dwellings.

**Table 4-1** INDIGENOUS HOUSING ORGANISATIONS NUMBER OF ORGANISATIONS AND DWELLINGS, 1999

	NSW	Vic	Qld	WA	SA	Tas	NT	Aust
Total housing organisations	235	25	127	133	48	3	136	707
Total no. dwellings owned or managed	4 029	389	5 632	3 074	1 000	123	6 023	20 270
Proportion of all dwellings (%)	19.9	1.9	27.8	15.2	4.9	0.6	29.7	100.0
Average no. of dwellings per IHO	17	16	44	23	21	41	44	29
Number managing > 30 dwellings	36	2	60	32	14	1	76	221
IHO managing > 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.

6. Many of the urban<sup>6</sup> IHOs are situated in the eastern States, whereas discrete IHOs are predominantly located in the northern regions of Australia (north of Western Australia and Queensland and Northern Territory).

7. Table 4-2 shows the number of IHOs by ATSIC region. New South Wales has the highest number of organisations and they are mainly in rural ATSIC regions. The New South Wales Aboriginal Housing Office is using the work of the CSWGIH on the viability of IHOs to develop models for community based housing management that are effective and achieve economies of scale. The more metropolitan ATSIC regions such as Brisbane, Perth, Adelaide and Hobart have fewer IHOs.

<sup>6</sup> Urban housing organisations are defined in CHINS as an organisation managing housing outside discrete Indigenous communities, with no housing stock in a discrete community.

**Table 4-2** NUMBER OF INDIGENOUS HOUSING ORGANISATIONS 1999<sup>(a)</sup>

ATSIC Region		ATSIC Region		ATSIC Region		ATSIC Region	
	No.		No.		No.		No.
Coffs Harbour	62	Kununurra	22	Cooktown	16	Darwin	12
Wagga Wagga	56	South Hedland	22	Ballarat	15	Brisbane	11
Tamworth	45	Warburton	21	Rockhampton	15	Wangaratta	10
Aputula	33	Torres Strait	20	Kalgoorlie	15	Perth	10
Bourke	31	Roma	19	Geraldton	15	Broome	10
Port Augusta	30	Mt Isa	17	Sydney	14	Tennant Creek	8
Queanbeyan	27	Alice Springs	17	Derby	14	Adelaide	6
Jabiru	26	Nhulunbuy	17	Townsville	13	Narrogin	4
Katherine	23	Cairns	16	Ceduna	12	Hobart	3

(a) Total number of IHOs was 707.

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

### *Community Dwellings*

8. Table 4-3 brings together the data on IHOs and dwellings and shows the average number of dwellings managed by IHOs in each region. ATSI regions in the Northern Territory and Queensland have the highest numbers of permanent dwellings managed by IHOs — Cooktown, Jabiru, Aputula, Nhulunbuy, Katherine and the Torres Strait regions all have over 1 000 dwellings.

9. The Australian average is 29 dwellings but the lowest average is 13 in Ballarat region; the next lowest is 15 dwellings in the regions of Coffs Harbour, South Hedland, Geraldton, and Ceduna. Regions that have high average numbers of dwellings per IHO are in the Northern Territory (in Nhulunbuy and Tennant Creek IHOs manage, on average, over 60 dwellings each) and Queensland (in the Cooktown region IHOs manage an average of over 80 dwellings each).

**Table 4-3** REPORTED NUMBER OF IHOs, PERMANENT DWELLINGS AND AVERAGE NUMBER OF DWELLINGS PER IHO, 1999

ATSI Regions	IHOs	Permanent dwellings	Proportion of all dwellings	Average number of dwellings per IHO
	No	No	Per cent	No
Sydney	14	294	1.5	21
Queanbeyan (includes ACT)	27	438	2.2	16
Binaal Billa (Wagga Wagga)	56	870	4.3	16
Murdi Paaki (Bourke)	31	755	3.7	24
Kamilaroi (Tamworth)	45	713	3.5	16
Many Rivers (Coffs Harbour)	62	959	4.7	15
<b>Total New South Wales</b>	<b>235</b>	<b>4029</b>	<b>19.9</b>	<b>17</b>
Binjurr (Wangaratta)	10	187	0.9	19
Tumbukka (Ballarat)	15	202	1.0	13
<b>Total Victoria</b>	<b>25</b>	<b>389</b>	<b>1.9</b>	<b>16</b>
South East Queensland (Brisbane)	11	307	1.5	28
Goolburri (Roma)	19	575	2.8	30
Central Queensland (Rockhampton)	15	531	2.6	35
Townsville	13	617	3.0	47
Cairns and District	16	567	2.8	35
Gulf and West Queensland (Mt Isa)	17	640	3.2	38
Peninsula (Cooktown)	16	1372	6.8	86
Torres Strait	20	1023	5.0	51
<b>Total Queensland</b>	<b>127</b>	<b>5632</b>	<b>27.8</b>	<b>44</b>
Perth Noongar	10	97	0.5	10
Kaata-Wangkinyinyi (Narrogin)	4	134	0.7	34
Yamatji (Geraldton)	15	227	1.1	15
Ngarda-Ngarli-Yarndu (Sth Hedland)	22	321	1.6	15
Kullari (Broome)	10	347	1.7	35
Malarabah (Derby)	14	606	3.0	43
Wunan (Kununurra)	22	580	2.9	26
Western Desert (Warburton)	21	537	2.6	26
Wongatha (Kalgoorlie)	15	225	1.1	15
<b>Total Western Australia</b>	<b>133</b>	<b>3074</b>	<b>15.2</b>	<b>23</b>
Patpa Warra Yunti (Adelaide)	6	170	0.8	28
Wangka-Wilurrara (Ceduna)	12	181	0.9	15
Nulla Wimila Kutju (Port Augusta)	30	649	3.2	22
<b>Total South Australia</b>	<b>48</b>	<b>1000</b>	<b>4.9</b>	<b>21</b>
Tasmania	3	123	0.6	41
<b>Total Tasmania</b>	<b>3</b>	<b>123</b>	<b>0.6</b>	<b>41</b>
Yilli Rreung (Darwin)	12	260	1.3	22
Jabiru	26	1366	6.7	53
Miwatj (Nhulunbuy)	17	1133	5.6	67
Garrak-Jarru (Katherine)	23	1033	5.1	45
Yappakurlangu (Tennant Creek)	8	516	2.5	65
Papunya (Apatula)	33	1353	6.7	41
Alice Springs	17	362	1.8	21
<b>Total Northern Territory</b>	<b>136</b>	<b>6023</b>	<b>29.7</b>	<b>44</b>
<b>Australia</b>	<b>707</b>	<b>20270</b>	<b>100.0</b>	<b>29</b>

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

**Condition of Dwellings**

10. The condition of dwellings owned or managed by IHOs were categorised in CHINS by the extent of repairs required in the following way<sup>7</sup>:

- (i) 'minor or no repairs' — include repairs such as repainting, new floor covering, replacement of gutters and downpipes, window replacement, bathroom renovation, or kitchen bench and cupboard replacement;
- (ii) 'major repairs' — include repairs such as major cracks in slab, major walls tiled or missing, sections of timber floor missing or rotted, or kitchen and bathroom requiring replacement; and
- (iii) 'replacement' — includes houses where, for example, the frame was severely damaged by white ants or rust, or the majority of the roof was damaged or broken.

11. **Building costs.** CHINS also used costs of repairs to determine the categorisation of dwelling condition using: low, medium or high cost ranges. Table 4-4 shows the cost ranges applied to the dwelling condition categories.

**Table 4-4** DWELLING CONDITION AND BUILDING COSTS RANGES, 1999

Dwelling Condition	Low cost areas(a)	Medium cost areas(a)	High cost areas(a)
Minor or no repairs	up to \$20 000	up to \$27 000	up to \$33 000
Major repairs	\$20 000 to less than \$60 000	\$27 000 to less than \$80 000	\$33 000 to less than \$100 000
Replacement	\$60 000 or more	\$80 000 or more	\$100 000 or more

(a) Cost areas were based on relative building costs provided in *Rawlinsons Australian Construction Handbook 1999* (Perth, Rawlhouse Publishing).

Source: *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIIC, Canberra, 1999. Data Dictionary p123.

12. The low, medium and high cost areas were defined according to ATSIIC regions based on relative building costs provided in *Rawlinsons Australian Construction Handbook 1999*. Table 4-5 shows ATSIIC regions and their cost categories. High cost regions tend to be in located in rural and remote areas of Queensland, Western Australia and the Northern Territory. Low cost areas tend to be in regions that have a larger regional centre or near capital cities, where labour and materials tend to be more easily accessible.

13. Table 4-6 shows the number of dwellings requiring major repair or replacement by ATSIIC region. Regions with the highest proportion of dwellings requiring repair or replacement were in Western Australia — the Kununurra and Derby regions had over 40 per cent of dwellings requiring major repair or replacement. Over 30 per cent of all

<sup>7</sup> *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIIC, Canberra, 1999. Data Dictionary p123.

IHO dwellings that needed major repairs or replacement were in Queensland and over 28 per cent were in the Northern Territory.

**Table 4-5** ATSIC REGIONS AND THE REGIONS RESPECTIVE COST CATEGORIES GROUPED BY STATE, 1999

State	High cost	Medium cost	Low cost
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
Western Australia	Broome, Kununurra, Warburton, Derby	South Hedland, Geraldton, Kalgoorlie	Perth, Narrogin
South Australia		Port Augusta	Adelaide, Ceduna
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 ATSIIC, Canberra, 1999. Data Dictionary, p124.

### ***Asset Management — Repairs and Maintenance***

14. The Report on *Identification of Strategic Asset Management Best Practice for Indigenous Housing Organisations*<sup>8</sup> noted that repairs, maintenance and upgrading constitute three different levels of activity (for which financial provision must be made):

- (i) routine or ‘on demand’ repairs — otherwise known as “fix when broke”. It is the standard maintenance of fixing broken doors, taps, cisterns, stoves and unblocking drains done on all rental housing;
- (ii) cyclical maintenance — this involves regular inspection and repair of dwellings at fixed time intervals and is the locus of much good practice. ... In the private sector, it is often only done when a tenant vacates; in the social housing sector, there are now well established routines, procedures and manuals for cyclical maintenance; and
- (iii) upgrading or rehabilitation — may be capital expenditure on improving the quality of a dwelling or it may be rehabilitation expenditure to overcome the long term depreciation of the dwelling structure.

<sup>8</sup> Spiller Gibbins Swan (2000) *Identification of Strategic Asset Management Best Practice for Indigenous Housing Organisations, Main Report*, CSWGIH, August, pp65-66.

**Table 4-6 DWELLINGS REQUIRING MAJOR REPAIR & REPLACEMENT, 1999**

	Dwellings	Major Replacement repairs	Total repair & replacement	Proportion of dwelling within region	Proportion of all IHO dwellings	
	No.	No.	No.	No.	%	
Sydney	294	67	39	106	36.05	1.81
Queanbeyan (includes ACT)	438	59	3	62	14.16	1.06
Binaal Billa (Wagga Wagga)	870	88	37	125	14.37	2.13
Murdi Paaki (Bourke)	755	221	52	273	36.16	4.65
Kamilaroi (Tamworth)	713	184	40	224	31.42	3.82
Many Rivers (Coffs Harbour)	959	116	33	149	15.54	2.54
<b>Total New South Wales</b>	4029	735	204	939	23.31	16.01
Binjurrú (Wangaratta)	187	22	2	24	12.83	0.41
Tumbukka (Ballarat)	202	30	16	46	22.77	0.78
<b>Total Victoria</b>	389	52	18	70	17.99	1.19
South East Queensland (Brisbane)	307	58	10	68	22.15	1.16
Goolburri (Roma)	575	56	27	83	14.43	1.42
Central Queensland (Rockhampton)	531	135	51	186	35.03	3.17
Townsville	617	124	50	174	28.20	2.97
Cairns and District	567	159	57	216	38.10	3.68
Gulf & West Queensland (Mt Isa)	640	145	99	244	38.13	4.16
Peninsula (Cooktown)	1372	348	99	447	32.58	7.62
Torres Strait	1023	244	124	368	35.97	6.27
<b>Total Queensland</b>	5632	1269	517	1786	31.71	30.45
Perth Noongar	97	25	11	36	37.11	0.61
Kaata-Wangkinyinyi (Narrogin)	134	0	3	3	2.24	0.05
Yamatji (Geraldton)	227	5	8	13	5.73	0.22
Ngarda-Ngarli-Yarndu (Sth Hedland)	321	78	22	100	31.15	1.71
Kullari (Broome)	347	38	35	73	21.04	1.24
Malarabah (Derby)	606	190	63	253	41.75	4.31
Wunan (Kununurra)	580	188	84	272	46.90	4.64
Western Desert (Warburton)	537	155	52	207	38.55	3.53
Wongatha (Kalgoorlie)	225	27	52	79	35.11	1.35
<b>Total Western Australia</b>	3074	706	330	1036	33.70	17.66
Patpa Warra Yunti (Adelaide)	170	51	6	57	33.53	0.97
Wangka-Wilurrara (Ceduna)	181	25	14	39	21.55	0.66
Nulla Wimila Kutju (Port Augusta)	649	163	94	257	39.60	4.38
<b>Total South Australia</b>	1000	239	114	353	35.30	6.02
<b>Total Tasmania</b>	123	8	3	11	8.94	0.19
Yilli Rreung (Darwin)	260	66	9	75	28.85	1.28
Jabiru	1366	387	140	527	38.58	8.99
Miwatj (Nhulunbuy)	1133	225	137	362	31.95	6.17
Garrak-Jarru (Katherine)	1033	136	87	223	21.59	3.80
Yappakurlangu (Tennant Creek)	516	30	24	54	10.47	0.92
Papunya (Apatula)	1353	266	35	301	22.25	5.13
Alice Springs	362	106	22	128	35.36	2.18
<b>Total Northern Territory</b>	6023	1216	454	1670	27.73	28.47
<b>Australia</b>	<b>20270</b>	<b>4225</b>	<b>1640</b>	<b>5865</b>	<b>28.93</b>	<b>100.00</b>

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

15. Details of the dwellings that require major upgrades and replacements are in Table 4-6. This section provides data for expenditure on maintenance as reported in the 1999 CHINS. In the following tables average maintenance expenditure is a derived item calculated by dividing the total maintenance expenditure reported for all organisations by the total number of dwellings owned or managed by all organisations<sup>9</sup>.

16. Table 4-7 shows the total maintenance expenditures and average maintenance expenditure by region. The national average was close to \$2 000 per dwelling. The highest expenditure per dwelling was in Nhulunbuy with close to \$4 000. Whereas, in the Apatula, Tamworth, Warburton, Perth, Derby, Port Augusta, Ceduna and Darwin regions expenditures were below \$1 000. Because this comparison is based on only one year's data the average expenditure per dwelling in each region may have been affected by whether a region had undertaken major repairs or only conducted minor repairs.

### ***Source of Funds***

17. The IHOs receive funds from a number of sources including:

- (i) housing grants for new housing, upgrades and in some cases for organisational support;
- (ii) rents;
- (iii) business enterprises; and
- (iv) other sources.

18. IHOs are generally funded by rental collections and housing grants. ATSIIC and State housing bodies predominantly provide housing grants to IHOs through the Regional Councils or the Indigenous housing agencies in each State depending on funding arrangements within bilateral agreements. Other sources include funds provided by Indigenous Land Councils, the Supported Accommodation Assistance Program and Aboriginal Hostels Limited. The number of housing grant providers that provided funds to IHOs were reported in the 1999 CHINS. In some cases IHOs received grants from two or three providers in other cases some IHOs received no funds in 1999.

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<sup>9</sup> *Community Housing and Infrastructure Needs Survey*, produced by ABS on behalf of ATSIIC, Canberra, 1999. Data Dictionary, p34.



**Table 4-7** TOTAL AMOUNT OF MAINTENANCE, FOR ALL PERMANENT DWELLINGS, 1998-1999

ATSIC Region	Total maintenance	Average maintenance per dwelling
	\$'000	\$
Sydney	465	1 582
Queanbeyan (includes ACT)	604	1 379
Binaal Billa (Wagga Wagga)	1 751	2 013
Murdi Paaki (Bourke)	795	1 053
Kamilaroi (Tamworth)	707	992
Many Rivers (Coffs Harbour)	1 573	1 640
<b>Total New South Wales</b>	<b>5 895</b>	<b>1 463</b>
Binjurrú (Wangaratta)	574	3 070
Tumbukka (Ballarat)	287	1 421
<b>Total Victoria</b>	<b>861</b>	<b>2 213</b>
South East Queensland (Brisbane)	869	2 831
Goolburri (Roma)	1 117	1 943
Central Queensland (Rockhampton)	1 307	2 461
Townsville	1 688	2 736
Cairns and District	1 108	1 954
Gulf and West Queensland (Mt Isa)	1 968	3 075
Peninsula (Cooktown)	2 810	2 048
Torres Strait	3 010	2 942
<b>Total Queensland</b>	<b>13 877</b>	<b>2 464</b>
Perth Noongar	95	979
Kaata-Wangkininyi (Narrogin)	394	2 940
Yamatji (Geraldton)	285	1 256
Ngarda-Ngarli-Yarndu (Sth Hedland)	359	1 118
Kullari (Broome)	428	1 233
Malarabah (Derby)	593	979
Wunan (Kununurra)	1 321	2 278
Western Desert (Warburton)	526	980
Wongatha (Kalgoorlie)	325	1 444
<b>Total Western Australia</b>	<b>4 326</b>	<b>1 407</b>
Patpa Warra Yunti (Adelaide)	348	2 047
Wangka-Wilurrara (Ceduna)	139	768
Nulla Wimila Kutju (Port Augusta)	609	938
<b>Total South Australia</b>	<b>1 096</b>	<b>1 096</b>
<b>Total Tasmania</b>	<b>225</b>	<b>1 829</b>
Yilli Rreung (Darwin)	105	404
Jabiru	2 919	2 137
Miwatj (Nhulunbuy)	4 446	3 924
Garrak-Jarru (Katherine)	2 636	2 552
Yappakurlangu (Tennant Creek)	780	1 512
Papunya (Apatula)	1 350	998
Alice Springs	519	1 434
<b>Total Northern Territory</b>	<b>12 755</b>	<b>2 118</b>
<b>Australia</b>	<b>39 035</b>	<b>1 926</b>

(a) These figures are based on the financial year 1998-1999 prior to the collection of data.

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

19. In the 1998 Report on the *Viability of Indigenous Housing Organisations* Spiller Gibbins and Swan found that housing organisations are constrained in setting rent level by:

- (i) the very low incomes of the people occupying community housing — many Indigenous people are low income earners, thus it is not possible to set rents to totally cover all recurrent costs;
- (ii) the cultural differences in the way houses are viewed and used; and
- (iii) the poor standard of many community houses — houses managed by IHOs tend to be overcrowded having higher than average number of occupants which results in considerable ‘wear and tear’.

20. The *Asset Management Report*<sup>10</sup> noted that the deficits<sup>11</sup> of IHOs are often concealed or met through a variety of ways. In some case funds that are technically for capital purpose are used for recurrent proposes. In other cases approaches or submissions are made to various State or local government agencies for funding assistance for maintenance, or IHOs seek contract work. But in many cases the least urgent activities such as preventative repairs or necessary upgrades are delayed or never carried out because of insufficient funds. The report noted that for IHOs to be viable and sustainable the IHOs deficit should be explicitly recognised and funds allocated for the components which are currently ignored or under-funded.

### ***Rent Collection***

21. The CHINS data contains information regarding rent collection (the total rent collected by each housing organisation and the average weekly rent) by ATSI region. Average weekly rent was derived as the total rent collected in the financial year divided by the number of dwellings owned or managed by the housing organisations, and then dividing again by 52.

22. Table 4-8 shows that the average rents collected were highest in the ATSI regions of Brisbane (\$85.94) and Narrogin (\$77.50) followed by Townsville (\$71.09). The pattern of rent appears to be that rents are lower in rural and remote regions and higher in the metropolitan areas on the eastern seaboard and surrounding Perth. The national average weekly rent was around \$35.00.

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<sup>10</sup> Spiller Gibbins Swan, *Identification of Strategic Asset Management Best Practice for Indigenous Housing Organisations, Main Report*, CSWGIH, 2000, p21

<sup>11</sup> Deficits refer to the recurrent funding shortfall between income and the required expenditure on assets. Generally a deficit results in maintenance not being done and this has a compounding effect on the depreciation [downgrading] rate. Source: Spiller Gibbins Swan (2000), p72.

**Table 4-8** ESTIMATED AVERAGE WEEKLY RENT COLLECTED BY IHOs, 1998-1999

ATSI Region	ATSI Region	ATSI Region	ATSI Region
Highest			Lowest
\$	\$	\$	\$
Brisbane	85.94	Mt Isa	44.89
Narrogin	77.50	Roma	44.38
Townsville	71.09	Coffs Harbour	43.55
Sydney	66.59	Wangaratta	41.96
Cairns	64.31	Queanbeyan	41.89
Ballarat	53.69	Rockhampton	40.74
Tasmania	50.97	Kalgoorlie	40.43
Geraldton	49.56	Tamworth	38.62
Wagga Wagga	45.03	Broome	36.74
		Cooktown	35.57
		Torres Strait	34.85
		Perth	32.32
		South Hedland	31.93
		Jabiru	31.82
		Derby	31.07
		Katherine	27.44
		Darwin	24.33
		Alice Springs	22.05
		Nhulunbuy	21.83
		Adelaide	20.02
		Kununurra	18.67
		Tennant Creek	18.52
		Port Augusta	17.13
		Bourke	17.07
		Warburton	16.94
		Ceduna	16.79
		Apatula	12.58

(a) Australian average is \$34.71.

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

## VIABILITY OF INDIGENOUS HOUSING ORGANISATIONS

23. Much of the information and data that are available about Indigenous housing is the result of the collaborative work of CSWGIH. This group has commissioned a number of studies including work on improving the capacity of Indigenous housing organisations<sup>12</sup>; and achieving healthy and sustainable housing<sup>13</sup>.

24. The DFACS first submission<sup>14</sup> to the Commission's Inquiry noted that this sector has a critical role in delivering housing to Indigenous people. The main issues facing Indigenous community housing organisations are as follows.

- (i) The large number of housing organisations managing small numbers of stock — A recent study<sup>15</sup> suggests that economies of scale were achievable by organisations managing between 40 to 150 dwellings. However, distance related costs could be increased if larger organisations have to cover greater areas.
- (ii) The need for adequate recurrent funding to ensure sector viability — Until recently, most programs emphasised building new houses without any strategic consideration for the ongoing costs to maintain

<sup>12</sup> Spiller Gibbins Swan, (2000) *Identification of Strategic Asset Management Best Practice for Indigenous Housing Organisations, Main Report*, CSWGIH.

<sup>13</sup> Healthhabit, *The Nation Indigenous Housing Guide, Improving the living environment for safety, healthy and sustainability*, 1<sup>st</sup> edition, September 1999, CSWGIH Commonwealth of Australia 1999.

<sup>14</sup> DFACS Initial Submission, April 2000, Attachment 1: Indigenous Housing p.6.

<sup>15</sup> Communications with staff of the New South Wales Aboriginal Housing Office, December 2000.

these new dwellings; often referred to as the ‘build and abandon’ approach to housing.

- (iii) Achieving a balance between capital and recurrent costs — Spiller, Gibbins and Swan 1998 Report strongly suggested that ‘the capital funding approach needs to be re-evaluated if the ICHO<sup>16</sup> sector is to become sustainable’. Improving the quality of existing housing stock and maintaining it at an appropriate level, is just as pertinent as increasing the IHO stock size.

25. Figure 4-1 brings together the main barriers to effective asset management of IHOs<sup>17</sup>. Similar information on the need to build capacity of Indigenous communities was received by the Commission during its Inquiry.

**Figure 4-1** BARRIERS TO EFFECTIVE ASSET MANAGEMENT

- **Social stability** — in some communities there is often a legacy of major disruption of traditional social structures as a result of European settlement.
- **Community support** — some Indigenous communities have no tradition of making collective decisions quickly. The decision making process that is followed requires extensive discussion by all involved.
- **Skills** — To maintain permanent housing in a serviceable condition it is necessary to undertake certain basic asset management practices. Indigenous housing faces a range of constraints and complications from the high costs associated with remote locations to issues of social stability. A strategy for improving skills in housing management and other areas must face the problem of literacy and numeracy problems in some communities.
- **Economies of Scale** — Economies of scale are difficult to achieve in Indigenous housing. Diversity of needs and the remoteness of settlement pose major cost problems for the sector. There are examples of successful bulk buying and of regional organisation that provide asset management services. However, a range of models should be considered to improve economies of scale because approaches that work in one community may not necessarily transfer to other communities.
- **Funding** — Adequacy of funding for an individual IHO may be assessed by reference to housing need. In addition to capital costs there are recurrent costs associated with administering and maintaining the assets. Rent must be gained but in most situations will not cover costs leaving a requirement for external funding. Funding policies should aim to optimise the capital/recurrent split to achieve the maximum number of adequate standard dwellings in the shortest possible time.
- **Health** — Poor environmental conditions contribute to health problems in Indigenous communities.

Source: Spiller Gibbins Swan, *Identification of Strategic Asset Management Best Practice for Indigenous Housing Organizations, CSWGIH, 2000*, pp7-10.

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<sup>16</sup> ICHO means Indigenous Community Housing Organisations, or IHO.

<sup>17</sup> Spiller Gibbins & Swan, *Identification of Strategic Asset Management Best Practice for Indigenous Housing Organisations, Main Report, CSWGIH, August 2000* p7-10.

***Approaches to Assisting the Viability of IHOs***

26. ***The New South Wales AHO — Recurrent Funding Project.*** During 1999-2000 the AHO undertook a consultation strategy on the development of regional models for recurrent administrative/operational funding. AHO has allowed \$2 million for the development of these initiatives as part of its moves to provide incentives for streamlining the delivery of housing management services<sup>18</sup>. In the Murdi Paaki ATSIC Region, Murdi Paaki Housing (MPH) manages over 350 houses, however its main purpose is to provide management services to individual housing providers and training.

27. ***AHO – Establishment of the Regional Aboriginal Housing Committees (RAHCs).*** RAHCs were established during 1999-2000 to advise on the development of an Aboriginal Housing Plan and to contribute to policy development and the maintenance of effective links with key regional stakeholders. These committees provide for local level input and sharing of information with the AHO Board. For example, the committees have extensive involvement in the resource allocation process

28. ***Repairs and Maintenance.*** In 1999-2000, AHO<sup>19</sup> allocated \$4.6 million to address the backlog of repairs and maintenance for houses managed by IHOs. This amount included \$2.3 million that was allocated to the regional pilot of the Housing for Health (HealthHabitat) method. The HealthHabitat approach focuses on the health, safety and functioning of dwellings within Aboriginal communities through surveying individual houses and then providing closely supervised upgrading and maintenance work as a means to improve the community health.

29. ***Regional housing bodies.*** In Queensland, many IHOs have formed regional Indigenous housing bodies. These bodies provide a range of management and project services. In the Rockhampton region, the Regional Council established a regional Indigenous housing body whereby all the local IHOs have joined together and management functions come under the one body<sup>20</sup>.

30. ***Management Support Program (MSP), Western Australia.*** This program provides recurrent funding for housing repairs and maintenance. The program is designed to help communities take control of their destiny through self-managing their housing needs. Community members receive accredited training to do the necessary repairs and maintenance to dwellings. The program is designed to develop management skills. Formal traineeships are established for members of the work teams.

31. In 2000-2001, 30 Aboriginal communities in Western Australia<sup>21</sup> will receive funding from the \$6.4 million allocated under this program<sup>22</sup>.

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<sup>18</sup> NSW Aboriginal Housing Office, *Implementation Report on the Bilateral Agreement*, October 2000.

<sup>19</sup> NSW Aboriginal Housing Office, *Aboriginal Housing Strategic Plan Supplement*, 1999-2000.

<sup>20</sup> Aboriginal and Torres Strait Islander Commission, *Annual Report 1999-2000*, Canberra, 2000.

<sup>21</sup> According to CHINS there are some 285 communities in Western Australia.

<sup>22</sup> Western Australia's response to the Commonwealth Grants Commission IFI data request, September 2000.

32. **South Australia.** The Regional Councils have had some success in improving rent collection by tying recurrent funds to matching rent payments. For example, up to \$1 500 may be made available if \$1 500 in rent is collected annually<sup>23</sup>.

33. **Minimum standards for housing management.** In the Northern Territory, a report conducted by Runcie and Bailie<sup>24</sup> found that some houses are only lasting 5-7 years, but if properly maintained they should last for at least 20 years or more. IHANT has introduced minimum standards which IHOs must comply with to be eligible for IHANT grants. These include collecting rent or housing services charges for all IHO dwellings to an agreed level, and accounting to their community and IHANT on rent collected and how it was spent and organising repairs and maintenance.

34. **Maintenance program.** To address the backlog of maintenance repairs, IHANT established a Maintenance Program in 1998. Under this program, a grant of \$1 700 per house is allocated to IHOs who agree to collect a minimum amount of rent for each house and who work towards the minimum standards for housing community management. In 1998-1999 70 organisations received funding to repair 4 000 houses at a cost of \$7 million. The estimates for 1999-2000 were 4 700 to 5 000 houses at a cost of between \$8 and 8.5 million.

### **Summary**

35. Community housing is a crucial form of tenure for many Indigenous people, particularly in the rural and remote regions of Australia where other forms of tenure do not exist. The sector provides Indigenous people with the opportunity to control and manage their own housing stock and to have input into the design and construction of housing.

36. Recent studies have found that for IHOs to operate effectively and efficiently there must be a reform of the sector. They recommend that management practices be reviewed and that funding allocations and strategic plans should incorporate a significant proportion of funding for maintenance and recurrent costs. They also recommend methods to increase rent collection be implemented. Some States are undertaking initiatives to address these issues and to examine the current practices of IHOs.

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<sup>23</sup> Spiller Gibbins Swan *Validation of the Report: Financial Viability of Aboriginal and Torres Strait Islander Housing Organisation* July, 1998.

<sup>24</sup> Runcie, M., Bailie, R. *Evaluation of environmental health survey data – Indigenous housing*, Northern Territory, 2000.