

CHAPTER 5

HOUSING NEED INDICATORS AND RESOURCE ALLOCATION

1. This chapter provides information on the suitability and the measurement of particular indicators of housing need and the multiple aspects of housing need. It contains data that shows how indicators in the Report were constructed.

Data Issues

2. Measurement of housing need requires consistency and comparability of data. The three main sources of data for measuring housing need are:

- (i) national Censuses conducted by the ABS;
- (ii) special data collections and administrative data sources such as housing waiting lists and data from agencies such as Centrelink; and
- (iii) special purpose housing need surveys such as the Community Housing and Infrastructure Needs Surveys (the current survey was undertaken in 1999 and there is another to be undertaken in 2001) and Environmental Health Surveys undertaken in some States.

3. Both the Census and CHINS have some shortcomings¹. Although there has been an increased focus on collecting accurate data about Indigenous people, further improvements are likely with the release of data from the 2001 Census and the 2001 CHINS.

4. Some data sources are not comprehensive. For example, the CHINS data covers only a subset of the Indigenous population — the approximately 28 per cent of the Indigenous population that live in discrete communities. However, the CHINS data contains information on the functionality of housing in discrete communities, which is not

¹ The 1996 Census collection is known to have under-counted Indigenous people, the under-count varies between the States and between regions, and the data are now four years out of date. The recent CHINS data collection also highlighted deficiencies in the Census data on Indigenous people in community housing. The 1996 Census showed a total of 10 121 Indigenous households in community housing whereas the 1999 CHINS data shows a total of 20 270 dwellings. Furthermore, the income data in the Census are based on wide bands of gross weekly income — such data are not well suited to analysis of the household's poverty status. Further discussion of this can be found in Jones R, *Indigenous Housing 1996 Census Analysis, Indigenous Housing and Living Environments*, Canberra, ATSIIC, 1999 p.72.

available elsewhere. (This is discussed further at the end of the chapter.) As a result, analysis of need has drawn information from several sources, which can affect the result.

Factors Associated with Using Needs Indicators

5. Analysis based on needs indicators should take account of a number of other factors including:

- the level at which resources are being allocated (national, State, regional or local);
- the policy context, agency structures and coordination mechanisms;
- purpose for which funds are made available (capital or recurrent);
- the level of funds available for distribution;
- the existing level and distribution of resources; and
- data availability.

6. The current policy approach by the Commonwealth and the State governments recognises that the provision of assistance to people in need of access to affordable and appropriate housing is essential to reducing poverty and its effects on individuals and on the community as a whole². Indigenous people are an important target group for this assistance because the proportion of Indigenous households that live in poverty is higher than that of the non-Indigenous households. The Report noted that at the time of the 1996 Census the median personal income of Indigenous people aged 15 and over was \$218 a week. The median weekly household income of Indigenous households was \$540, whereas the median weekly income of non-Indigenous households income was \$632.

7. Adopting a strategic approach to housing assistance should facilitate access to affordable, safe and healthy housing for Indigenous people and will more likely lead to better long-term outcomes including:

- better housing;
- more housing (including housing that has a longer life span); and
- well-coordinated and effective housing services.

8. In the Report the Commission noted that from the discussions it held with government agencies, views expressed in submissions to the Inquiry, consultations with representatives of the Indigenous community and reports commissioned by the CSWGIH, the following two key aspects of housing need should be taken into account:

² CSHA Housing Assistance (Form of Agreement) Determination 1999, Recitals C.

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

Importance of Both Capital and Recurrent Needs

9. Studies noted in the Indigenous Community Housing Chapter highlighted the importance of developing an effective balance between new housing — capital construction or purchase — and ensuring existing dwellings are upgraded to a reasonable standard and that dwellings are maintained. The studies have also shown that even with optimal rent policies and improvement in housing management practices the Indigenous housing sector is unlikely to be sustainable without structured recurrent funding.

INDICATORS

10. There are several indicators that can be used to highlight different aspects of housing need. The advantages and disadvantages of the main indicators are outlined below, including those developed by researchers and used by government agencies. Most of the indicators are measured using the Census data and are drawn from the publication *Indigenous Housing 1996 Census Analysis*³. The geographic distribution of housing need varies noticeably depending on which indicators of need are used⁴.

11. Table 5-1 provides a summary of the main housing need indicators considered, together with an indication of whether they relate to capital or recurrent expenditure and relevant data sources.

12. The importance of waiting lists and functionality of housing as supplementary indicators are noted at the end of the chapter.

13. The Spiller Gibbins Swan report on *Asset Management* highlighted the various aspects of asset management as it relates to housing repairs, maintenance and housing upgrading. It distinguished between routine or ‘on demand repairs’, cyclical maintenance and upgrading or rehabilitation. Given the data limitations, the Commission adopted a broader grouping, distinguishing between:

- (i) capital need for the upgrading of existing dwellings; and
- (ii) non-capital or recurrent need for maintenance.

³ Jones *Indigenous Housing 1996 Census Analysis — Indigenous Housing and Living Environments*, Canberra, ATSIIC 1999.

⁴ See Attachment A Table A-3 and A-4 which illustrates the potential effects of allocating funds on the basis of different indicators.

Table 5-1 HOUSING NEEDS^(a) — 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 ^(b)	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 rentals are not reflected in the affordability indicator.

14. The Commission has not generally combined need indicators, to produce a 'multi-measure' that might be applied to a total pool of funds because the result is dependent on the judgements made about choices of indicators and their relative weightings. In practice, there would generally be separate funding pools, which reflect explicit decisions about the priority of each type of need. Each funding pool could be allocated on the basis of the relevant need indicators.

15. The following section discusses each of the measures set out in Table 5-1. Indexes for Housing need were calculated as per Indigenous household. An index showing the proportion of measured need in each region relative to the Australian proportion have been calculated. In addition, each region's share of total need as also been calculated. It is useful to consider both relative need and the share of total need when considering the distribution of funds.

Homelessness and Overcrowding

16. ***Homelessness and those living in improvised dwellings.*** It is easy to see that people without housing are in need of housing assistance. However, the Census data on homelessness primarily counts families or single people living in improvised dwellings. People who are not at a fixed address, either on the streets or out bush, are not counted. The number of people living in temporary dwellings as reported in CHINS could be an alternative source of data. However, to minimise potential problems arising from using data from different collections, the Commission's calculations have been confined to using Census data. Therefore homeless people not covered by the Census are not included.

17. **Overcrowding.** Overcrowding results from having insufficient rooms to adequately house the number of people residing in the dwelling. A simple way of measuring overcrowding is to consider the number of persons per dwelling.

18. Table 5-2 shows the average number of persons per dwelling in each ATSI region. The regions with the highest average occupancy are located in the remote areas of the Northern Territory, Western Australia, Queensland and South Australia.

Table 5-2 AVERAGE NUMBER OF PERSONS PER DWELLING^(a), BY ATSI REGION, 1996 CENSUS

ATSI Region	ATSI Region	ATSI Region	ATSI Region
No.	No.	No.	No.
Nhulunbuy 8.4	Cooktown 5.4	Townsville 3.9	Wagga Wagga 3.3
Jabiru 7.3	Port Augusta 5.3	Darwin 3.9	Brisbane 3.2
Aputula 7.3	Kalgoorlie 4.7	Alice Springs 3.9	Coffs Harbour 3.2
Warburton 7.3	Broome 4.3	Narrogin 3.8	Adelaide 3.2
Torres Strait 6.0	Geraldton 4.2	South Hedland 3.7	Queanbeyan 3.2
Katherine 6.0	Ceduna 4.2	Perth 3.6	Ballarat 3.2
Tennant Creek 5.9	Cairns 4.1	Rockhampton 3.6	Sydney 3.1
Kununurra 5.9	Bourke 4.1	Roma 3.5	Wangaratta 2.9
Derby 5.4	Mt Isa 3.9	Tamworth 3.5	Hobart 2.8

(a) National Indigenous average number of persons per dwelling is 3.7 persons.

Source: 1996 Census – Indigenous Profile Data.

19. A more detailed approach uses bedrooms as a unit of measurement. A household is overcrowded if its bedroom requirement exceeds the number of bedrooms available. When estimating a household's bedroom requirements account is taken of the number of residents, their ages and family relationships⁵. The Australian Institute of Health and Welfare (AIHW) and other researchers have developed housing occupancy standards. The development of these standards requires judgement on general standards of privacy - such judgement should have Indigenous input.

20. Depth of overcrowding is measured by reference to the number of additional bedrooms required by a household. The AIHW categorised overcrowding in households as either:

- *moderate overcrowding* — where one additional bedroom is needed to satisfy the occupancy standard; or

⁵ A more detailed explanation of this approach to measuring overcrowding is given in Section 1 of the publication by Jones R, *Indigenous Housing 1996 Census Analysis — Indigenous Housing and Living Environments*, Canberra, ATSI 1999.

- *high overcrowding* — where two or more bedrooms are needed to satisfy the occupancy standard.

21. The standards that have been developed so far do not recognise cultural needs, such as having large numbers of visitors from time to time (nor does the simple average number of persons per dwelling). But it is unlikely that any measure would be able to accurately measure such fluctuations since data collections usually relate to only one point in time.

22. ***Calculation of an index.*** In the Report, a relative index of need for housing is calculated using bedroom requirements for a region relative to the total number of Indigenous households and dividing by the Australia average. The calculation of an Indigenous housing need index based on bedroom requirements for homelessness and overcrowding is shown in Table 5-3.

Affordability or Poverty

23. The proportion of income spent on satisfying the need for shelter or housing directly affects the amount left for meeting other essential needs such as food, clothing, educational and other services. For those on low incomes the cost of housing is a crucial determinant of whether a household lives in poverty.

24. There are two main approaches to measuring the affordability of housing:

- (i) the ratio approach which assumes that housing is affordable if no more than some given percentage of income is used to pay for it⁶;
- (ii) the residual approach, which assumes that housing is affordable if, after paying for housing costs, householders have sufficient income to pay for the non-housing goods and services they need⁷.

⁶ The National Housing Strategy (NHS) paper titled *Aboriginal and Torres Strait Islander Housing 1991* which looked at affordability and concluded that an overall benchmark of 30 per cent of income should be adopted as a maximum for low-income households.

⁷ Department of Family and Community Services, Submission to the Commonwealth Grants Commission Indigenous Funding Inquiry, Attachment A — Jones R, Neutze, M., Sanders W, Measures of Indigenous Housing Need and Resource Allocation in the ARHP and CHIP, August 1998

Table 5-3 ILLUSTRATIVE CAPITAL HOUSING NEED — BEDROOM REQUIREMENTS FOR HOMELESSNESS & OVERCROWDING, 1996

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

Source: Derived from Jones, R., *Indigenous Housing 1996 Census Analysis — Indigenous Housing and Living Environments*, ATSIC, Canberra, 1999.

25. In the Report, the Commission illustrated affordability⁸ by reference to a residual income approach. The Commission used data on both before and after housing poverty. In both cases, only those households in poverty that were renting privately or purchasing a house were included. Doing so provided insights into the potential additional demand for public or community housing arising from poverty. It could also suggest that although there are more housing options available in urban and regional areas the capacity of Indigenous tenants to access those options is limited.

26. In addition, the housing costs used in calculating after housing poverty were limited to a 'norm' rent. The 'norm' rent is intended to reflect the amount that Indigenous tenants need to pay for *adequate* rental housing (compared with expensive or excessive housing). Only households in dwellings that are being purchased or rented privately are included. Households in public and community rental housing, rents are set at levels governments consider the occupants able to afford. To the extent this is not the case, the resulting needs would be reflected in the needs for ongoing recurrent support for housing organisations.

27. Table 5-4 shows the relative index for affordability measured by reference to before and after housing poverty. The regions with a proportionally higher number of households that experience poverty are Coffs Harbour in New South Wales and the regions of Brisbane, Roma and Rockhampton in Queensland and Darwin in the Northern Territory. Table 5-5 shows the data used to derived the index of relative affordability.

Table 5-4 INDEX OF AFFORDABILITY — MEASURED BY REFERENCE TO BEFORE AND AFTER HOUSING POVERTY^(a)

ATSI Region	Index	ATSI Region	Index	ATSI Region	Index	ATSI 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	Narrogen	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

Source: Derived from Jones, R., *Indigenous Housing 1996 Census Analysis — Indigenous Living Environments*, ATSI, Canberra, 1999, Section 7 pp84-88 Tables 7.6 to 7.10 and p92 Table 7.14.

⁸ There are a number of ways of measuring affordability a simple method is used here. There is more extensive discussion affordability along with other aspect of housing need in Neutze, M, Sanders, W, and Jones, R 'Estimating Indigenous housing need for public funding allocation: a multi-measure approach', CAEPR Discussion Paper 197/2000. Centre for Aboriginal Economic Policy Research, The Australian National University, Canberra.

Table 5-5 INDEX OF AFFORDABILITY — MEASURED BY REFERENCE TO BEFORE AND AFTER HOUSING POVERTY 1996

ATSIC Region	Households before and after housing poverty	Ratio poverty to total households	Relative index
	No.		Index
New South Wales			
Sydney	1023	0.09	0.85
Queanbeyan (includes ACT)	330	0.11	1.06
Binaal Billa (Wagga Wagga)	734	0.13	1.27
Murdi Paaki (Bourke)	65	0.04	0.34
Kamilaroi (Tamworth)	404	0.13	1.24
Many Rivers (Coffs Harbour)	1311	0.16	1.56
Victoria			
Binjurru (Wangaratta)	456	0.12	1.20
Tumbukka (Ballarat)	442	0.12	1.19
Queensland			
South East Queensland (Brisbane)	1408	0.15	1.47
Goolburri (Roma)	380	0.15	1.43
Central Queensland (Rockhampton)	448	0.14	1.32
Townsville	398	0.11	1.03
Cairns and District	395	0.11	1.05
Gulf and West Queensland (Mt Isa)	17	0.01	0.11
Peninsula (Cooktown)	0	0.00	0.00
Torres Strait	7	0.01	0.07
Western Australia			
Perth Noongar	624	0.12	1.19
Kaata-Wangkinyinyi (Narrogin)	171	0.10	0.99
Yamatji (Geraldton)	97	0.08	0.79
Ngarda-Ngarli-Yarndu (South Hedland)	6	0.01	0.06
Kullari (Broome)	3	0.00	0.04
Malarabah (Derby)	6	0.01	0.08
Wunan (Kununurra)	0	0.00	0.00
Western Desert (Warburton)	0	0.00	0.00
Wongatha (Kalgoorlie)	12	0.02	0.17
South Australia			
Patpa Warra Yunti (Adelaide)	408	0.10	0.97
Wangka-Wilurrara (Ceduna)	3	0.01	0.07
Nulla Wimila Kutju (Port Augusta)	25	0.02	0.22
Tasmania	430	0.08	0.79
Northern Territory			
Yilli Rreung (Darwin)	321	0.14	1.37
Jabiru	0	0.00	0.00
Miwatj (Nhulunbuy)	0	0.00	0.00
Garrak-Jarru (Katherine)	6	0.01	0.06
Yappakurlangu (Tennant Creek)	3	0.01	0.06
Papunya (Apatula)	0	0.00	0.00
Alice Springs	6	0.01	0.06
Australia	9 939	0.10	1.00

Source: Derived from Jones, R., *Indigenous Housing 1996 Census Analysis — Indigenous Living Environments, ATSIC*, Canberra, 1999, Section 7 pp84-88 Tables 7.6 to 7.10 and p92 Table 7.14.

Housing Condition

28. **Major upgrades or replacements.** Need relating to housing or stock condition is not limited to Indigenous community housing. The Report noted that this aspect of housing need should be addressed for all forms of Indigenous housing. For example, Queensland's Aboriginal and Torres Strait Islander Housing (QATSIH) conducted a condition audit of the Queensland Department's rental housing stock and rated dwellings defects⁹ using local knowledge to get an accurate picture of the stock condition.

29. The Commission did not have access to detailed data that identifies the condition of dwellings for all forms of Indigenous housing. It only had data for Indigenous community housing from CHINS. Consequently, comprehensive indexes of the need for upgrades could not be prepared.

30. One of the management requirements of the community housing sector is to ensure that houses being provided last for as long as possible, which require funds to keep housing at an acceptable standard. One aspect of the task is usually major upgrade work.

31. Analysis of the CHINS 1999 data showed that about 30 per cent of the community housing stock was in poor condition. The analysis found that that 5865 of the 20270 dwellings owned or managed by IHOs are in need of major repair or replacement. These dwellings require serious and immediate attention because it is often these dwellings that have high overcrowding. As a consequence, the health and safety of people living in the houses can be in jeopardy and the deterioration of the dwellings will be accelerated further. If funding continues to be focussed on construction of new dwellings and the existing dwellings are not upgraded and/or maintained over time, then there is likely to be a progressive decline in the condition of existing dwellings. The overall result would be only small increases in the total numbers of dwellings suitable for occupation.

32. **Measurement of housing condition.** Using the data on community housing organisation dwellings from the CHINS, a relative index was derived by:

- (i) estimating the proportion of community housing dwellings in each region (and in Australia) — by dividing the number of dwellings requiring major upgrades or replacement in each region by the total number of community housing dwellings in each region; and
- (ii) dividing the proportion for each region by the Australian proportion.

33. This index gives an overall idea of the relative need for capital upgrades. Table 5-6 shows the proportion of dwellings in each region requiring major upgrades or replacement. Table 5-8 shows the relative index for housing condition. The regions that have a higher proportion of dwellings that need major upgrades or replacements are: in Western Australia — Kununurra, Derby and Warburton; in South Australia — Port Augusta; in the Northern Territory — Jabiru; and in Queensland — Cairns and Mt Isa.

⁹ The Property and Portfolio Management conducted the audit in 1999. It identified over 1000 defects however many of these dwellings have since been demolished, upgraded or sold. ATSIH, *Capital Works Plan — 2000/05 for the Rental Program*, August 2000 p 15.

Table 5-6 DWELLINGS REQUIRING MAJOR UPGRADES/REPLACEMENT AS A PROPORTION OF TOTAL DWELLINGS IN EACH REGION, 1999 CHINS

ATSIC Region	ATSIC Region	ATSIC Region	ATSIC Region
%	%	%	%
Kununurra	47	Sydney	36
Derby	42	Torres Strait	36
Port Augusta	40	Alice Springs	35
Jabiru	39	Kalgoorlie	35
Warburton	39	Rockhampton	35
Mt Isa	38	Adelaide	34
Cairns	38	Cooktown	33
Perth	37	Nhulunbuy	32
Bourke	36	Tamworth	31
		South Hedland	31
		Darwin	29
		Townsville	28
		Ballarat	23
		Aputula	22
		Brisbane	22
		Katherine	22
		Ceduna	22
		Broome	21
		Coffs Harbour	16
		Roma	14
		Wagga Wagga	14
		Queanbeyan	14
		Wangaratta	13
		Tennant Creek	10
		Hobart	9
		Geraldton	6
		Narrogin	2

(a) Australia equals 29 per cent.

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

34. Another perspective of the need for upgrades is provided by examining the number of dwellings in each region requiring major upgrades as a proportion of total dwellings across Australia. The proportion of dwellings requiring major upgrade or replacement is shown in Table 5-7.

Table 5-7 PERCENTAGE OF CHINS DWELLINGS REQUIRING MAJOR UPGRADE OR REPLACEMENT, 1999

ATSIC Region	ATSIC Region	ATSIC Region	ATSIC Region
Highest	No.	No.	Lowest
No.			No.
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

(a) The total number of dwellings requiring major upgrade or replacement is 5865.

Source: ABS (for ATSIIC) *Community Housing and Infrastructure Needs Survey*, Commonwealth of Australia, Canberra, 1999.

Table 5-8 RELATIVE INDEX FOR HOUSING CONDITION, 1999 CHINS

ATSIC Region	Dwellings	Proportion	Relative index	Proportion of
	requiring major repairs and replacement	requiring repair or replacement in each region		total upgrades / replacement
	No.	%	Index	%
New South Wales				
Sydney	106	0.36	1.25	1.81
Queanbeyan (includes ACT)	62	0.14	0.49	1.06
Binala Billa (Wagga Wagga)	125	0.14	0.50	2.13
Murdi Paaki (Bourke)	273	0.36	1.25	4.65
Kamilaroi (Tamworth)	224	0.31	1.09	3.82
Many Rivers (Coffs Harbour)	149	0.16	0.54	2.54
Victoria				
Binjuru (Wangaratta)	24	0.13	0.44	0.41
Tumbukka (Ballarat)	46	0.23	0.79	0.78
Queensland				
South East Queensland (Brisbane)	68	0.22	0.77	1.16
Goolburri (Roma)	83	0.14	0.50	1.42
Central Queensland (Rockhampton)	186	0.35	1.21	3.17
Townsville	174	0.28	0.97	2.97
Cairns and District	216	0.38	1.32	3.68
Gulf and West Queensland (Mt Isa)	244	0.38	1.32	4.16
Peninsula (Cooktown)	447	0.33	1.13	7.62
Torres Strait	368	0.36	1.24	6.27
Western Australia				
Perth Noongar	36	0.37	1.28	0.61
Kaata-Wangkinyinyi (Narrogin)	3	0.02	0.08	0.05
Yamatji (Geraldton)	13	0.06	0.20	0.22
Ngarda-Ngarli-Yarndu (South Hedland)	100	0.31	1.08	1.71
Kullari (Broome)	73	0.21	0.73	1.24
Malarabah (Derby)	253	0.42	1.44	4.31
Wunan (Kununurra)	272	0.47	1.62	4.64
Western Desert (Warburton)	207	0.39	1.33	3.53
Wongatha (Kalgoorlie)	79	0.35	1.21	1.35
South Australia				
Patpa Warra Yunti (Adelaide)	57	0.34	1.16	0.97
Wangka-Willurrara (Ceduna)	39	0.22	0.74	0.66
Nulla Wimila Kutju (Port Augusta)	257	0.40	1.37	4.38
Tasmania				
	11	0.09	0.31	0.19
Northern Territory				
Yilli Rreung (Darwin)	75	0.29	1.00	1.28
Jabiru	527	0.39	1.33	8.99
Miwatj (Nhulunbuy)	362	0.32	1.10	6.17
Garrak-Jarru (Katherine)	223	0.22	0.75	3.80
Yappakurlangu (Tennant Creek)	54	0.10	0.36	0.92
Papunya (Apatula)	301	0.22	0.77	5.13
Alice Springs	128	0.35	1.22	2.18
Australia	5865	0.29	1.00	100.00

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

35. Each perspective of need shown in Table 5-7 and Table 5-8 represents a notional estimate of upgrades because there is a range of issues that should be considered by the relevant agency when they are considering addressing the actual housing need. In some cases, a major upgrade may be appropriate, in others a new construction may be better.

Maintenance

36. A study¹⁰ noted that until recently housing funding has emphasised the building of new houses without sufficient consideration of the on-going costs to maintain them. The study noted that even with optimal rent collection processes and improvements in housing management practice, the sector was unlikely to be sustainable in the long run.

37. The Healthy Housing initiatives, that are funded by ATSIC and some States, recognise the need for assistance with maintaining houses and the need to make safe a high proportion of community dwellings across Australia. The present need for a program like this reflects past practices of not having an on-going program of maintenance.

38. IHO's are not able to fully meet the need for ongoing costs because:

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

39. In conjunction with amended management and rent collection policies and practices, assistance for maintenance would allow IHOs to more easily attend to both:

- (i) routine or 'on demand repairs; and
- (ii) the more cyclical maintenance requirements.

40. The CHINS data include a number of more detailed questions about the functionality of housing. For example, for discrete communities, CHINS counted the number of permanent dwellings without water connections, with electricity connection, with various types of sewerage systems, affected by sewerage overflows or leakages and without their own cooking, washing or laundry facilities. These related however, only to the discrete communities not to all IHOs.

41. ***Measurement of recurrent need for additional maintenance.*** An estimate of the number of all community housing dwellings gives a simple notional measure of the need for funds associated with housing maintenance, if it is assumed a similar amount should be spent on each dwelling. Table 5-9 shows the proportion of dwellings owned or managed by IHOs in each region as a proportion of total IHOs dwellings.

¹⁰ Spiller, Gibbins Swan *Validation of the Report: Financial Viability of Aboriginal and Torres Strait Islander housing Organisations*, for the CSIHWG, July 1998.

Table 5-9 PROPORTION OF DWELLINGS REQUIRING MAINTENANCE, 1999
CHINS

	Dwellings requiring maintenance	Proportion of all dwellings
	No	%
New South Wales		
Sydney	294	1.45
Queanbeyan (includes ACT)	438	2.16
Binaal Billa (Wagga Wagga)	870	4.29
Murdi Paaki (Bourke)	755	3.72
Kamilaroi (Tamworth)	713	3.52
Many Rivers (Coffs Harbour)	959	4.73
Victoria		0.00
Binjurr (Wangaratta)	187	0.92
Tumbukka (Ballarat)	202	1.00
Queensland		0.00
South East Queensland (Brisbane)	307	1.51
Goolburri (Roma)	575	2.84
Central Queensland (Rockhampton)	531	2.62
Townsville	617	3.04
Cairns and District	567	2.80
Gulf and West Queensland (Mt Isa)	640	3.16
Peninsula (Cooktown)	1 372	6.77
Torres Strait	1 023	5.05
Western Australia		0.00
Perth Noongar	97	0.48
Kaata-Wangkinyinyi (Narrogin)	134	0.66
Yamatji (Geraldton)	227	1.12
Ngarda-Ngarli-Yarndu (South Hedland)	321	1.58
Kullari (Broome)	347	1.71
Malarabah (Derby)	606	2.99
Wunan (Kununurra)	580	2.86
Western Desert (Warburton)	537	2.65
Wongatha (Kalgoorlie)	225	1.11
South Australia		0.00
Patpa Warra Yunti (Adelaide)	170	0.84
Wangka-Wilurrara (Ceduna)	181	0.89
Nulla Wimila Kutju (Port Augusta)	649	3.20
Tasmania	123	0.61
Northern Territory		0.00
Yilli Rreung (Darwin)	260	1.28
Jabiru	1 366	6.74
Miwatj (Nhulunbuy)	1 133	5.59
Garrak-Jarru (Katherine)	1 033	5.10
Yappakurlangu (Tennant Creek)	516	2.55
Papunya (Apatula)	1 353	6.67
Alice Springs	362	1.79
Australia	20 270	100.00

Source: Derived from the Community Housing and Infrastructure Needs Survey, produced by ABS for ATSIIC, 1999.

Organisational Sustainability

42. Unlike the other housing indicators, the need for management and administrative support assistance is limited to Indigenous Housing Organisations (IHOs)¹¹.

43. Many of the people who work in these organisations often do not have the necessary skills or training to effectively manage housing assets. It was noted in the previous chapter that some new and innovative approaches are being developed by the various Indigenous housing bodies in the States to increase the viability of the Indigenous community housing sector. These include:

- The Aboriginal Housing Office (AHO) in New South Wales has developed regional pilots to determine effective models for the management of Indigenous housing organisations in the State¹² and;
- IHANT have addressed the issue of housing management by implementing minimum standards for housing management, rent collection and accountability.

44. The Report noted that reform of the sector is required before this element of need could be included in the allocation processes.

Other Indicators of Housing Need

45. **Waiting lists.** Waiting lists are important at a State and regional level. Housing authorities wanting to take account of expressed need use waiting lists extensively because they are good general indicators of demand for housing and can inform housing agencies of the location, type and size of dwellings clients are looking for. Table 1-8 of Chapter 1 shows a rough estimated number of Indigenous applicants on waiting lists for housing by State for June 1999.

46. **Housing functionality.** Housing functionality can be illustrated by the Housing for Health program funded by ATSIC and some States.

47. A housing for health program involves a team of people including Indigenous community representatives and licensed tradespeople conducting a 200 point check of all health hardware¹³ items on each house in a community. The team fixes the health hardware items during the survey. Critical health hardware items relating to electrical safety, water and waste removal are given priority. Items that cannot be repaired or replaced immediately are fixed by the tradespeople at a later date. A second survey is

¹¹ Spiller, Gibbins Swan *Validation of the Report: Financial Viability of Aboriginal and Torres Strait Islander housing Organisations*, for the CSIHWG, July 1998.

¹² New South Wales Aboriginal Housing Office Conference: Making decisions for the future, 2000.

¹³ Health hardware is the physical equipment necessary for healthy, hygienic living in remote areas. The equipment must have design and installation characteristics, which allow it to function and to maintain or improve health status.

conducted six months later to ensure that all the work has been done satisfactorily, and all critical health hardware is functioning.

48. A number of States have undertaken Environmental Health Needs Surveys that help influence funding decisions. In the long-term the development of suitable maintenance program by IHOs should help to reduce the need for additional fund of this type.

Building Costs

49. The housing need indicators discussed above are measured in terms of extra bedrooms, houses other requirements. As such they do not incorporate the effects of regional differences in building costs. The chapter on Indigenous Community Housing highlighted:

- (i) the main building costs associated with building conditions (Table 4-4); and
- (ii) the low, medium and high cost areas according to ATSI regions (Table 4-5).

50. Since these differences in costs affect the number of bedrooms that can be built or houses that can be upgraded in each region, they must be taken into account in decisions on the allocation of resources.

51. In addition, the capital needs measured by reference to homelessness and overcrowding use the 1996 Census and as such indicate general conclusions. The indicators do not allow for housing construction since 1996, which has been primarily directed towards remote areas.

Summary

52. The Report made the following observations and conclusions for housing need. 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. The Commission 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).

53. The Report also noted that the implementation of a resource allocation approach that includes a strong emphasis on the housing need indicators discussed in this chapter should also be:

- (i) based on agreement between the key stakeholders (funders, service providers and clients);
- (ii) part of a well developed policy context (for example there should be incentive for strong improve performance and no disincentive for additional funding 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.)