

This is a supplementary submission from CHIA NT.

This submission from CHIA NT specifically provides a focus on the unique characteristics and challenges associated with the delivery of housing responses by not-for-profit Community Housing Providers in the Northern Territory. CHIA NT members are also registered in the National Regulatory System for Community Housing. CHIA NT supports a joint submission from CHIA and National Shelter, as well as the supplementary submission from NT Shelter and submission by Aboriginal Housing NT.

THE NORTHERN TERRITORY CONTEXT

1. The Northern Territory Housing System

The housing system in the Northern Territory (NT) is complex and unique based on a range of factors, which includes but is not limited to the following:

- The population of the NT is 246,000 people with 50% living outside of Darwin in urban centres such as Alice Springs, Katherine and Tennant Creek, remote communities, and homelands.ⁱ
- The major urban cities of Darwin and Palmerston are more aligned to regional cities in other Australian jurisdictions.
- Further the urban centres of Katherine, Tennant Creek Alice Springs and Nhulunbuy are more aligned to very remote locations in other jurisdictions and NT remote communities and homelands are even smaller again in terms of population size and scale.
- The NT has a highly mobile and transient population. It is also disproportionately impacted by population surges associated with economic development and resource projects that require immediate housing responses for the life of new initiatives or projects. These can and do create housing markets which are characterised by surges and troughs.
- There are approximately 11,200 social and affordable housing properties in the NT – About 10% are managed (some are owned) by the community housing sector. This includes approximately 5,500 in the urban areas. This number excludes ‘Homelands’.
- Homelessness in the NT is 12 times the national average, with severe overcrowding accounting for 81 per cent of the NT’s homelessness rate and Aboriginal people being disproportionately affected. The key reasons given for people to access homelessness services are domestic and family violence, inadequate dwelling conditions and financial difficulties.
- Due to overcrowding, there is high demand for social housing in urban and remote areas with wait times between two to eight years or more depending on the location.
- Public housing asset conditions are generally poor, with the average dwelling between 30-40 years old resulting in high maintenance costs and increasing asset maintenance liabilities.

- It has been estimated that there is a need for an additional 8,000 to 12,000 dwellings in the NT by 2041 which is based on 2016 Census data and the Australian average of 2.6 persons per household.

2. Status of Community Housing in the Northern Territory

CHIA NT recognises that strong, effective, and collegial partnerships will enable the NT to deliver significant housing reform and collectively increase social and affordable housing opportunities to achieve longer-term social and economic independence for vulnerable Territorians.

In other Australian jurisdictions, the growth of the community housing industry over the last 20 years has largely been achieved through State and Territory government opportunities for large scale social housing management transfers and a mixture of capital investment programs for the development of new housing, such as the National Rental Affordability Scheme.

However, in the Northern Territory (NT), ‘community housing’ and its industry has been a relatively unknown and underdeveloped concept. Historically, there has been little government support in developing the NT’s community housing industry through growth opportunities such as public housing stock transfers, specific programs for capital build programs or specific industry development.

Over the last 10 - 15 years, a small number of Community Housing Providers (CHP) have operated in the urban areas of Darwin and Alice Springs and have been growing at a slow and steady pace in capacity and size. Some of this growth has primarily been through a mixture of housing management contracts or small-scale property management transfers and some providers using alternate funding sources to develop new social and affordable housing.

The NT community housing industry is made up by unique group of organisations with a diverse range of community housing expertise, business complexity and capacity. The sector includes Aboriginal controlled CHPs, large social and community service organisations, community grown CHPs and now large multi-jurisdictional CHPs.

Whilst the community housing industry is relatively young, the broad remit of local organisations currently operating in the NT have extensive experience working within the unique geographical, social, and economic context the NT. The current eight (8) local CHPs have a strong local connection to communities and an average operating time of 35 years. This includes service provision outside of community housing services, such as mental health, youth, disability services etc.

The industry has strong leadership including many executives with over 30 years’ experience in community housing, public housing, development and construction and community development in Australia and abroad. This leadership is bolstered with executives from the broader social and community services sector, Aboriginal community sector and peak organisations like NT Shelter and AHNT and more recently, CHIA NT, a peak body, which specifically represents the NT not-for-profit Community Housing sector.

Broadly, the community housing industry in the NT can be defined between two organisation types:

- CHPs whose primary business is to manage and grow community housing tenancies. Some of these organisations also own large portfolios in the NT.
- Community housing as ‘part of the business’ (Other CHPs) – These organisations are typically larger social and community services organisations that manage a smaller amount of housing alongside programs that provide client support and community programs (e.g., mental health, youth, disability services etc.)

Since 2020 the NTG has been actively investigating the viability of the community housing sector and this is reflected by the release of the first NT Community Housing Growth Strategy which was launched in May 2022.ⁱⁱ

The NT Community Housing Growth Strategy has three broad aims to:

- improve the long-term sustainability of the social and affordable housing system in the NT.
- increase community housing sector-led asset renewal and new housing supply; and
- strengthen communities through improved asset and tenancy outcomes, place making and renewal.

The NT Growth Community Housing Strategy recognises the capacity of the CHP sector to be more closely linked to, and engaged with their communities and able to deliver services that are more targeted and responsive to their tenant’s needs.ⁱⁱⁱ

The NT Community Housing Growth Strategy aligns with the capacity of the Community Housing sector to deliver economic growth and additional social housing, as identified in the Territory Economic Reconstruction Commission’s final report (TERC, p.118)^{iv}. It also recognises that “community housing delivers services and builds infrastructure that is of higher quality and is more cost effective than traditional public housing models^{v,vi}

The NT Community Housing Growth Strategy has two growth streams – The Urban/Regional Growth Stream and the Remote Growth Stream. Under the Urban/Regional Growth a commitment has been made to stage transfers of up to 40% of all urban public housing assets (approximately 2,100 assets) over five years from 2022 to 2026. Most transfers will be under a long-term lease arrangement. There will also be further growth opportunities through the transition of social and affordable housing head leases to CHPs and the transfer of land and housing assets to CHPs for development and renewal projects^{vii}.

CHIA NT welcomes these opportunities. The first of these transfers is nearing completion in the Greater Darwin area with the release of two public housing transfer packaged in Darwin and Palmerston, each with approximately 250 dwellings. The responsible NT Government agency, Territory Families, Housing and Communities (TFHC) is using this first transfer process as a pilot to develop ‘key systems and policies, commissioning processes and transition approaches’ that will be refined before further releases.^{viii}

CHIA NT notes that the first package and the remaining transfer of assets in the urban/regional growth stream which was set to occur over a staged process in the four years between 2022/23 and 2025/26 are now significantly delayed. These delays and uncertainties add to the complexity of

service delivery and bring about risk in respect to the long-term viability and sustainability of the Community Housing sector; and particularly the CHPs which deliver housing service primarily within their own community.

The early stage of the community housing industry is highlighted when noting that the first organisation registered under the National Regulatory System for Community Housing (NRSCH) was in 2017. Between 2017 and 2020 there were only four NRSCH registered providers active in urban community housing.

Since 2020, there has been a rapid increase in the number of organisations registering under the NRSCH in response to development and release of the NT Community Housing Growth Strategy. As of October 2023, there are now 16 registered CHPs in the NT.

The eight local CHPs currently manage approximately 1,170 urban community housing properties, about 18% of total urban social housing assets, providing housing to over 4,400 residents. 242 of these properties are owned by CHPs with a combined estimated balance sheet value of around \$75 Million.

The types of housing managed include long term social housing, supported housing, affordable housing, transitional housing, crisis accommodation, specialist disability housing and some market rental housing.

The industry is supported by a workforce of over 100 full time equivalent staff dedicated to community housing management.

CHIA NT commends the approach taken by the NT Government in its NT Community Housing Growth Strategy and seeks further commitment to enable it to be delivered within its full capacity and to be implemented in a timelier manner.

CHIA NT anticipates that Territory-based initiatives such as this, will be supported in, and strengthened by, approaches taken in the National Housing and Homelessness Plan.

CHIA NT also supports additional investment through the National Housing and Homelessness Plan, to further the opportunities for delivery in the NT of much needed housing and to address supply issues and challenges.

3. Challenges for Community Housing Industry Growth in the NT

The current fiscal position of the NT is widely regarded as poor with debt estimated to reach a historical high of \$9.443 billion by financial year 2024-25^{ix}. To address this the NTG has established a range of strategic measures to cut budget spending and drive economic growth through various projects.

In 2020 the NTG established the Territory Economic Reconstruction Commission (TERC) to review and make recommendations to accelerate the Territory's economic growth through the creation of new jobs, attracting private investment, and supporting current and emerging industries, including the community housing sector. The TERC noted that community housing can deliver economic growth outcomes, while also delivering additional social housing.^x

As noted in the NT Budget 2022-23, 'Inflation is expected to be elevated over the short term due to the Russia-Ukraine conflict, the Territory's strong recent residential housing market, and disrupted global supply chain shortages.'^{xi}

For tenants, inflation has impacted on the capacity of people to rent in the NT. Rental costs have increased, compounded by a lack of available housing. Rental prices have risen, and affordability made more challenging, particularly in Darwin where house and unit rents rose (18.6% and 18%, respectively) in year-on-year from 2020 to 2021. In June 2022, the NT was the third least affordable rent of all jurisdictions in Australia.^{xii}

As a relatively young industry, there are also other challenges that must be considered through for the growth of the community housing industry in the NT, including:

- The community housing industry and its value proposition is not widely understood or even known in the NT, especially across Government agencies that have lead responsibility for social and economic development, which requires land release, housing development etc.
- Historically, there has been a lack of commitment to urban social housing policy and action resulting in the underdevelopment of the community housing sector, a complex and disjointed housing and homelessness system, and underperforming and aging public housing assets.
- There is currently a lack of available housing to meet demand across the entire housing system continuum – from crisis accommodation, social housing, and affordable housing etc – resulting in limited exit opportunities for vulnerable people who are experiencing homelessness and need supported housing.
- The housing system is significantly impacted by an underfunded homelessness system, where Commonwealth funding is based on population and not demand/need.
- Policy alignment and clear definitions of the roles of the Community Housing sector and the homelessness sector in terms of provision of accommodation/housing and support provision.
- A large portion of social housing tenants and residents present with high complex support needs, those beyond the responsibility of a CHP. For example, the above average instances of poverty, high rates of incarceration, family and domestic violence, mental health issues and high living costs etc.
- Limiting operational expenditure for repairs and maintenance and/or construction is challenging, in regional areas where there is low supply and high demand for building works. This is also impacted currently by the limited management scale of CHPs.
- For CHPs nationally, land, construction, and maintenance costs have risen in response to reduced supply in labour and materials; an impact felt acutely in the NT. In the short term,

costs are not forecast to significantly reduce whilst finance costs at the same time are forecast to rise, putting pressure on new development costs.

- Workforce recruitment and development is also a challenge due to the smaller pool of local talent and newness of the housing industry and profession. This is felt more strongly in areas outside of Darwin.
- Many affordable housing assets subsidised under the National Rental Affordability Scheme (NRAS) will have subsidies ending in the next 3 years, reducing the supply of affordable housing.
- Announced plans and associated timelines being delayed, giving no certainty at a time when many CHPS are also operating in an increasingly challenging economic environment and experiencing significant workforce and capacity issues, including workforce retention.

4. Housing Challenges in Remote NT Areas

Underpinning the challenges in the previous section are legacy issues stemming from government policies affecting Aboriginal people and their land and housing in remote areas. These challenges are wide and complex – An example is the impacts of the NT Intervention which resulted in housing being transferred into the NTG's public housing system.

Whilst these challenges largely relate to remote housing, they also impact on the successful delivery of social and affordable housing in urban areas. Some of the challenges include:

- The Aboriginal controlled housing industry is limited in size and capacity demonstrated by the limited number of Aboriginal CHPs operating in remote communities. There are some exceptions to these in the urban setting however, the overall size of this industry is very small. Service delivery is mainly based on self-determination with services being provided to, for and by, the community in which people live.
- The role of Homelands / Outstations in the remote and urban housing system and impacts of population mobility. Homelands are defined as being 'remote areas where small populations of Aboriginal people live on lands, they have traditional ownership or historical information'. There are approximately 500 homelands with around 2400 homes.^{xiii}
- The mobility of Aboriginal populations between urban and remote areas is also challenging when managing social housing and has an impact on housing stability for residents and communities. It is recognised that high unemployment and increased poverty results in overcrowding and unmanageable tenancies. It also requires flexibility in terms of policy development and responses that are more integrated, and system focused.
- The complex land tenure arrangements in place in many remote communities, Town Camps and Community Living Areas, compounded by the NT Intervention, and resulting in complex funding and service delivery systems.

CHIA NT recognises that there have been recent advances to address these challenges and will continue to work alongside and support the Aboriginal Housing Northern Territory, a respected NT-based peak body.

CHIA NT also respects and endorses Local Decision Making, an initiative of the NTG, which aims to build new working relationships between Aboriginal communities and government agencies to support self-determination.

CHIA NT recognises that a National Housing and Homelessness Plan is best implemented when it has flexibility of approach to suit localised needs, is premised on partnership-based decision making and builds from existing expertise.

That said, CHIA NT strongly advocates for the recognition and inclusion of existing NT peak bodies as enabling entities within the National Housing and Homelessness Plan.

5. Homelessness Reform in the NT

The NT Government, through the Territory Families, Housing and Communities (TFHC) has been in the process of reviewing the current homelessness service system in consultation with the broader housing and homelessness service industry since 2018. The sector is looking forward to its release of a draft Northern Territory Homelessness Strategy Refresh and Action Plan.

Existing grant funding agreements for homelessness service provision have been extended for a period of 12 months to allow for adequate consultation and input from service providers and other agencies. Several of the current active CHPs are services providers under this system.

The full reforms and future direction are not yet known, and providers lack certainty, which can have a negative impact on workforce stability, recruitment, and retention.

CHIA NT supports an integrated Housing and Homelessness Plan that centralises housing as social infrastructure, and which supports people in need today, whilst simultaneously working towards a shared vision to end homelessness. This approach in one that both should, and can, be taken.

ENABLING FOR SUCCESS OF THE PLAN IN THE NT

The establishment of the Housing Australia Future Fund (HAFF) and the Housing Australia agency is supported by CHIA NT. This new agency 'will be the home of the National Housing Supply and Affordability Council and key national housing programs including the Housing Australia Future Fund (HAFF)^{xiv}.

Given this national reform and the elevation of housing and homelessness policy it is critical that the NT community housing sector and related industries are involved in shaping the Housing Australia agency, the HAFF, and related policy and delivery architecture. It is critical for the unique policy and operating environment of the NT housing system to be properly considered, to ensure the NT's share of the HAFF is based on unmet demand, need and the rates of homelessness and not on per capita, as has been the case with the former CSHA, NAHA and more recently the NHHA.

CHIA NT commends the approach taken to the Social Housing Accelerator Payment, which does provide the NT with an increased share. Whilst also noting that the share is not yet in line with the disproportional impact of homelessness in the NT.

In addition to factors already identified in this submission, the successful development and implementation of a National Housing and Homelessness Plan requires:

- Genuine engagement and collaboration from all levels of Government, at every step of the planning, policy, and implementation process with a focus on building the capacity of NT based organisations and including identified project funding to grow Community Housing industry capacity and capability in the NT.
- A coherent alignment of policy frameworks between all levels of Government – Commonwealth, NT, and local governments, including innovative approaches such as incentivising home sharing without impacting on pensions, or creating taxation liabilities.
- Government trust, at all levels, in the community housing sector, with a focus on collaboration and innovation, not direction and risk mitigation.
- Strong support from Government to enact ‘quick wins’ projects and initiatives to expedite the development of the industry’s capacity in the NT.
- Strong industry and sector coordination and partnerships between Aboriginal and non-Aboriginal CHPs and organisations.
- Proactive cross-sector work to ensure that Aboriginal and Torres Strait Islander people can secure appropriate, affordable housing that is aligned with their priorities and need’ and where by 2031, 88 per cent of Aboriginal and Torres Strait Islander people are living in appropriately sized (not overcrowded) housing^{xv}.
- Meaningful and targeted Government support to facilitate the growth and capacity of Aboriginal CHPs (urban and remote), to respond to new opportunities and manage housing.
- Whole of government support and access to enable all potential levers supporting growth of the industry’s capability and to boost new supply.
- In terms of asset growth, Government must be prepared to contribute capital, land, etc that helps the industry build its balance sheet and that will enable long term self-initiated growth.
- Government recognition of its own need for capacity development in the community housing policy and operational space and a commitment to be open to engaging with learning from and alongside the community housing industry.
- To meet the needs in the Northern Territory, the National Housing and Homelessness plan will require flexibility in the approach and consistency of application and implementation

over the long-term. It will also need to recognise that all the NT services delivering housing and homelessness response need to manage a commitment to both long-term residents whilst simultaneously managing a significant transient population and a much higher proportion of renters than in any other jurisdiction.

- Housing system response in the Northern Territory need to take a social infrastructure long-term approach that incorporates counter-cyclical measure that help to level out peaks and troughs, and which will support the long-term strategic, economic, and social growth within the community.
- Financing, funding, and delivery models for new housing supply in the NT deeply considers the structural, demographic, size and geographical challenges experienced in the Northern Territory.
- Building in mechanisms to enable funds to be directed to registered CHPs providers with capacity, to strengthen their balance sheets and cash-flows and generate cost efficiencies through increased scale. This enables a growth in housing stock and strengthens their capacity to invest in further capital upgrades and builds and in the NT, directly aligns to the principles and policy intent in the NT Government’s Growth Strategy.
- Ensuring the National Housing and Homelessness Plan recognises that Northern Territory’s proportionately higher levels of housing disadvantage and homelessness and targets effort and investment towards this need and embeds Closing the Gap priority reform commitments into the Plan.

ⁱ NT Community NT Community Housing Growth Strategy 2021-2030 Discussion Paper, March 2021

ⁱⁱ Department of Territory Families, Housing and Communities, [Northern Territory Community Housing Growth Strategy](#)

ⁱⁱⁱ NTG Community Housing Growth Strategy 2022-32, p.25

^{iv} TERC (pg.118) https://ntrebound.nt.gov.au/_data/assets/pdf_file/0020/952301/terc-final-report.pdf

^v Ibid

^{vi} <https://www.communityhousing.com.au/wp-content/uploads/2019/12/CommunityHousing-Factsheet.pdf?x95179>

^{vii} Department of Territory Families, Housing and Communities, [Northern Territory Community Housing Growth Strategy](#)

^{viii} Ibid

^{ix} NT Budget 2022-23, [Budget Paper No. 2 BUDGET STRATEGY AND OUTLOOK](#)

^x NT Rebound, [Territory Economic Reconstruction Commission: Final Report](#)

^{xi} NT Budget 2022-23, [Budget Paper No. 2 BUDGET STRATEGY AND OUTLOOK](#)

^{xii} NT Department of Treasury and Finance, [NT Economy Housing](#)

^{xiii} NT Government, [Services to remote communities and homelands](#)

^{xiv} Australian Labor Party, [National Housing Supply and Affordability Council](#)

^{xv} National Agreement in Closing the Gap, [Closing the Gap Targets and Outcomes](#)