

Joint Committee on Northern Australia  
ANSWERS TO QUESTIONS ON NOTICE  
Treasury Portfolio

**Inquiry into the Northern Australia Workforce Development**  
2022 - 2023

**Division:** Housing Division  
**Topic:** Housing availability and affordability  
**Reference:** Written 31 March 2023  
**Senator:** Marion Scrymgour

**Question:**

- 1) How does housing availability and affordability in Northern Australia compare to the remainder of Australia?
- 2) How does housing availability and affordability for Aboriginal and Torres Strait Islander communities in Northern Australia compare to housing availability and affordability for Aboriginal and Torres Strait Islanders in the remainder of Australia?
- 3) What incentives does the Australian Government have in place to encourage Australians to live in Northern Australia?
- 4) Why are issues with housing particularly acute in Northern Australia?
  - And, the Northern Territory in particular?
- 5) What cross-government initiatives are in place for Northern Australia to:
  - Improve rental affordability;
  - Decrease homelessness rates; and
  - Improve housing stock?
- 6) What factors external to government are having the biggest impact on housing availability and affordability in Northern Australia? How have these factors changed over time?
- 7) How does the Department consult with remote communities and Aboriginal and Torres Strait Islander communities?

**Answer:**

**1. How does housing availability and affordability in Northern Australia compare to the remainder of Australia?**

In relation to availability, estimates of a shortage in the supply of dwellings - the annual change in household formation (a measure of underlying demand) and dwelling supply (and the balance between the two) - are included in the recent report from the National Housing Finance and Investment Corporation (NHFIC) *State of the Nation's Housing 2022-23* (<https://www.nhfic.gov.au/research/state-nations-housing-report-2022-23>).

**2. How does housing availability and affordability for Aboriginal and Torres Strait Islander communities in Northern Australia compare to housing availability and affordability for Aboriginal and Torres Strait Islanders in the remainder of Australia?**

Housing costs, as measured by rental costs and mortgage repayments, are one element of affordability. Affordability is also influenced by other factors such as private income and transfer payments received.

Table 2 shows housing costs for Aboriginal and Torres Strait Islander people using 2021 ABS Census data, based on Statistical Area 4 levels that closely resemble the Northern Australia region.

**Table 2: Median weekly rent and monthly mortgage repayments, by demographic and Statistical Area Level 4**

	Aboriginal and/or Torres Strait Islander people		All respondents	
Statistical Area Level 4	Median weekly rent (\$)	Median monthly mortgage repayments (\$)	Median weekly rent (\$)	Median monthly mortgage repayments (\$)
Central Queensland	260	1,517	280	1,517
Cairns	270	1,547	310	1,517
Mackay – Isaac – Whitsunday	300	1,733	309	1,712
Townsville	264	1,517	300	1,517
Queensland – Outback	145	1,387	160	1,300
Northern Territory	130	2,000	325	2,000
Western Australia – Outback (North)	124	1,950	200	1,950

Source: Australian Bureau of Statistics (2021). *2021 Census QuickStats*. Accessed 18 April 2023.

In Australia as a whole, the median weekly rent for Aboriginal and/or Torres Strait Islander households was \$213 in 2021, while the median monthly mortgage repayment was \$1,664.

The median weekly rent for both Indigenous and non-Indigenous households was \$269, and the median monthly mortgage repayment was \$1,644.

### **3. What incentives does the Australian Government have in place to encourage Australians to live in Northern Australia?**

The Australian Government offers a range of incentives to encourage Australian to live in rural and remote areas, including:

- the Workforce Incentive Program to improve access to quality medical, nursing and allied health services in regional, rural and remote areas
- the Reduction of Higher Education Loan Program (HELP) debts for teachers in very remote areas
- a number of fringe benefits tax (FBT) concessions available to employers who provide benefits to employees in remote areas.

#### **4. Why are issues with housing particularly acute in Northern Australia?**

Issues with housing are particularly acute in Northern Australia due to a variety of factors, such as a growing population, limited housing supply, high construction and maintenance costs, and local environmental conditions.

#### **5. What cross-government initiatives are in place for Northern Australia?**

The Government has an extensive housing agenda which will benefit all Australians, including Australians living in Northern Australia. Key initiatives include:

- A Housing Accord, announced in the 2022-23 Budget, bringing states and territories, the Australian Local Government Association, and representatives from the superannuation and construction sectors together to unlock quality, affordable housing supply over the medium term.
- The \$10 billion Housing Australia Future Fund which will support 30,000 new social and affordable housing properties in its first five years and provide \$330 million for acute housing needs, including \$200 million for Indigenous housing.
- The Regional First Home Buyer Guarantee, which provides eligible first home buyers in regional areas support to buy a home with a deposit of as little as 5 per cent without paying Lenders Mortgage Insurance.
- The expanded remit of the National Housing Infrastructure Facility to more flexibly deploy up to \$575 million to accelerate the supply of social and affordable housing.
- The Help to Buy shared equity scheme will provide eligible Australians support to buy a home with a smaller deposit and a smaller mortgage.
- A National Housing Supply and Affordability Council to independently advise the Australian Government on housing policy. It will be responsible for delivering advice on options to improve housing supply and affordability, reporting on key issues in housing policy, and promoting the regular collection and publication of data on housing supply, demand and affordability.
- A National Housing and Homelessness Plan to establish a clear national strategy to address the significant challenges facing the housing and homelessness sector.

#### **6. What factors external to government are having the biggest impact on housing availability and affordability in Northern Australia? How have these factors changed over time?**

The NHFIC's *State of the Nation's Housing 2022-23* report noted that a number of factors are affecting housing markets, including returning migration, high construction costs and interest rates, and decreases in average household size.

The COVID-19 period also saw the acceleration of remote work and greater demand for housing in some regional areas of Australia.

#### **7. How does the Department consult with remote communities and Aboriginal and Torres Strait Islander communities?**

Treasury consults widely as part of its policy development processes, to monitor economic conditions, and as part of general stakeholder engagement, including through meetings, forums, and email correspondence. Under Treasury's Reconciliation Action Plan 2021-23, the department is committed to growing and deepening our engagement with Aboriginal and Torres Strait Islander peoples.