

INQUIRY INTO GOVERNMENT EXPENDITURE ON INDIGENOUS AFFAIRS AND SOCIAL SERVICES IN THE NT



An NT Shelter Perspective October 2008

Introduction

While the Northern Territory represents only 1% of the Australian population, in comparison to the rest of the country we face;

- the lowest level of home ownership,
- the highest rate of public housing despite declining stock number,
- the largest proportion of Indigenous households
- the highest rate of homelessness
- land supply constraints, sometimes due to Native Title claims
- the highest rate of overcrowding and the ensuing issue of mobility between remote and urban communities
- a high rate of population growth in Indigenous communities which do not have the same range, level and quality of infrastructure and service that is provided in towns of similar size in the rest of Australia
- wide geographic spread, small populations and limited infrastructure
- a steadily increasing and relatively youthful population - particularly in Indigenous populations
- and a relatively prosperous economy.

Aboriginal people and communities in the Northern Territory particularly face the highest proportion of disadvantage in terms of housing, health, education and social and economic inequality and opportunity.

In response the Commonwealth Grants Commission funding formulae recognises the factors of Indigenous and remote disadvantage and compensates the Northern Territory significantly above its per capita disbursement in a number of areas.

This submission focuses specifically on the key reference of the Inquiry;

- the level of service delivery and outcomes in Indigenous communities in the Northern Territory in relation to the expenditure of both Federal and NT monies and particularly as it relates to housing outcomes.

What is NT Shelter

NT Shelter is an independent community based incorporated body that works towards a just and fairer housing system by highlighting the needs of disadvantaged groups.

As the peak NT housing body, NT Shelter advocates for appropriate and affordable housing is available for all members of the community particularly low income housing consumers and those with special needs.

NT Shelter is funded by Territory Housing (NT Dept Local Government, Housing and Sport) to carry out our peak housing body role.

NT Shelter believes that appropriate and affordable housing is the **cornerstone** in achieving health, education, employment, family and relationship stability and other social outcomes desired in any sustainable and viable society.

Comments to the Inquiry

With regard to the reported spending on Indigenous housing in remote and Indigenous communities from Commonwealth Grants Commission reports we believe there has been significant under-spending in successive years and by successive NT governments.

NT Shelter acknowledges the extreme housing stress in remote communities and the need for a massive injection of funding to address chronic housing shortages, homelessness, dilapidation of existing stock and overcrowding.

It is widely recognised that there is at least a \$2 billion shortfall in funds required to meet the housing and infrastructure needs of Indigenous remote communities where approximately a quarter of the existing houses have no potable water, toilet and or electricity.

Factors in remote communities are also contributing to an increasing trend towards more people moving into urban areas for short term visits or to access services, jobs and other longer term opportunities.

Growing numbers of Territorians moving to the fringes of urban centres are socially, culturally and economically vulnerable. Many people are unable to access the private rental market and even public housing when it becomes available, is not always the most appropriate housing option due people lacking urban living skills.

The poor housing conditions experienced by Indigenous Australians attracted the ire of the UN Special Rapporteur on Adequate Housing in 2007. Following his visit to the NT as well as other Australian communities, the Rapporteur was reported as saying ‘some of the conditions that I’ve seen are amongst the worst in the world both in terms of overcrowding, severe overcrowding, and in terms of a lack of access to civil services’. This stands as an extraordinary contradiction to the rest of Australian society.

NT Shelter has had difficulty understanding the slow development of new housing in remote communities over several years. However when funds for housing have been allocated it has been spread amongst a broad range of communities resulting in poor economies of scale, culturally inappropriate housing and insufficient in number to alleviate the overcrowding and maintenance neglect which has been allowed to develop.

The Commonwealth Grant Commission Reports identify the level of funds allocated to the NT over successive years and although never enough to meet the increasing backlog of need, the figures also highlight a significant level of under-spending year after year despite the growing inequality in the housing delivered for Indigenous Australians to the expectation of the rest of Australia.

CGC report Table 14 Assessment of Expenses- Housing- Appendix 1

	2002/03	2003/04	2004/05	2005/06	2006/07
	\$m	\$m	\$m	\$m	\$m
Assesses expenses	118.514	124.145	121.768	140.860	136.201
Actual expenses	105.961	119.226	103.660	132.696	120.536
Under-spend	12.553	4.949	15.108	8.164	15.665

CGC report Table 13 Assessment of Expenses- Homeless and general welfare- Appendix 2

	2002/03	2003/04	2004/05	2005/06	2006/07
	\$m	\$m	\$m	\$m	\$m
Assessed expenses	51.325	54.141	55.719	58.514	61.886
Actual expenses	33.398	35.001	42.471	43.714	48.448
Under-spend	17.927	19.140	13.248	14.800	13.438

While we recognise that the NT Government spends more in some categories than the Commonwealth assessment, the 2006/07 CGC figures point to spending across the range of social categories totaling \$752.635m, against assessments totaling \$1.295.344m – a total under-spend of \$543.709m.

NT Indigenous Expenditure Review 2006

The NT Government's Indigenous Expenditure Review has sought to justify its under-spending in the key social categories by claiming it spends more than the Indigenous component of its CGC allocations on Indigenous people due to Indigenous Territorians constituting many of the main stream recipients of Northern Territory Government services and that most services of the NT Government are Indigenous focused.

NT Shelter is concerned however that the Indigenous Expenditure Review is based on estimates rather than actual expenditure against the categories allocated by the Commonwealth and we believe this should be a transparent and accountable process of reporting.

The NT is currently experiencing an environment of massive change- some of which come into effect from July 1 2008 and include;

- The Federal Government Intervention in 73 prescribed Indigenous communities and the subsequent funding this is providing for a range of social development functions
- A change from Indigenous Community management of remote area housing to a public housing management model
- The reform of local government which will reduce the current 59 Community Government Councils to 8 Shires
- The NT Government's 'Closing the Gap Strategy' which recognises the basic need to address Indigenous housing, education, health and the resulting lack of employment prospects and opportunity.
- An injection of new funding allocated by both the Commonwealth and NT Government in the Strategic Indigenous Housing & Infrastructure Program.

As the NT Government has stated, a wide range of measures and funds are required to close the gap on Indigenous disadvantage in the NT however we are concerned that the current reporting against the levels of funding received is not demonstrating where the funds are going.

We also note that there is a clear need for additional consideration and funding streams for the Territory in order that the social well being of the Indigenous population begins to improve. Our Indigenous population is relatively small compared to the rest of Australia however as a proportion of our total population it is significant and increasing in remote as well as urban areas.

NT Governments are essentially formed by voters from suburban communities of the Territory. Elections time after time, fail to focus on issues of Indigenous disadvantage or equity. Aboriginal people do not generally complain and since the demise of ATSIC they have no voice to exert policy pressure. Their inclusion in decision making and need for priority in government deliberations can therefore often be ignored.

The disadvantage and inequity of access to opportunities and choices of Indigenous Australians is extremely well documented. It is therefore of paramount importance that there be transparency in reporting and accountability for progress with the limited funds available.

NT Shelter therefore recommends that the Commonwealth require the items for which the NT receives added weightings because of the level of disadvantage be reported in a Uniform Presentation Framework.

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Table 1 Assessment of expenses, Housing

	2002-03		2003-04		2004-05		2005-06		2006-07	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
	\$m	\$	\$m	\$	\$m	\$	\$m	\$	\$m	\$
Average Expenses		147.87		156.21		149.02		170.29		161.31
New South Wales										
Assessed difference	- 35.688	- 5.36	- 39.456	- 5.90	- 8.796	- 1.31	- 10.713	- 1.58	- 18.027	- 2.63
Expenses - Assessed	948.073	142.50	1 006.009	150.32	994.524	147.72	1 145.376	168.71	1 087.884	158.68
Actual	957.278	143.89	1 037.383	155.01	973.511	144.59	1 050.406	154.72	1 040.300	151.74
Victoria										
Assessed difference	- 110.741	- 22.62	- 117.707	- 23.75	- 100.904	- 20.10	- 120.374	- 23.64	- 119.251	- 23.08
Expenses - Assessed	613.131	125.25	656.502	132.46	647.098	128.92	746.565	146.64	714.322	138.23
Actual	593.163	121.17	515.106	103.93	518.480	103.30	572.690	112.49	583.629	112.94
Queensland										
Assessed difference	14.369	3.81	18.344	4.75	- 13.034	- 3.29	- 11.032	- 2.72	- 2.715	- 0.66
Expenses - Assessed	571.457	151.68	621.750	160.96	576.557	145.73	678.443	167.56	664.403	160.65
Actual	478.492	127.01	450.374	116.60	465.379	117.63	500.043	123.50	466.012	112.68
Western Australia										
Assessed difference	36.489	18.82	37.670	19.14	21.024	10.51	24.421	11.98	25.611	12.30
Expenses - Assessed	323.134	166.69	345.132	175.35	319.066	159.53	371.572	182.27	361.465	173.61
Actual	292.753	151.02	397.515	201.97	330.976	165.49	401.944	197.17	413.382	198.55
South Australia										
Assessed difference	9.576	6.27	11.264	7.33	13.487	8.72	16.702	10.70	15.643	9.92
Expenses - Assessed	235.274	154.14	251.252	163.55	243.970	157.74	282.434	180.99	269.971	171.23
Actual	352.179	230.73	397.290	258.60	410.992	265.73	635.230	407.07	536.105	340.03
Tasmania										
Assessed difference	4.146	8.73	4.612	9.60	5.202	10.73	6.173	12.64	6.598	13.42
Expenses - Assessed	74.391	156.60	79.702	165.81	77.450	159.75	89.354	182.93	85.905	174.73
Actual	92.500	194.72	108.670	226.07	120.252	248.04	110.518	226.25	113.800	231.47
Australian Capital Territory										
Assessed difference	- 7.175	- 22.13	- 7.487	- 22.95	- 8.308	- 25.29	- 10.494	- 31.59	- 9.733	- 28.91
Expenses - Assessed	40.757	125.73	43.471	133.26	40.652	123.74	46.082	138.70	44.579	132.40
Actual	52.402	161.66	102.398	313.90	97.834	297.79	97.159	292.44	90.966	270.18
Northern Territory										
Assessed difference	89.023	446.37	92.761	461.71	91.327	447.08	105.317	504.58	101.874	478.73
Expenses - Assessed	118.514	594.23	124.145	617.92	121.768	596.11	140.860	674.87	136.201	640.04
Actual	105.961	531.30	119.226	593.44	103.660	507.46	132.696	635.76	120.536	566.42

Note: Refer to Attachment A of the 2008 Update, Relative Fiscal Capacity of States for how these figures are compiled.

Source: Assessment System, U2008 GST/Expenses/ Health and Community Services/Housing/Tables and Chart/4160 E Assessment of Expenses

Table 2 Assessment of expenses, Homeless & general welfare

	2002-03		2003-04		2004-05		2005-06		2006-07	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
Average Expenses		\$		\$		\$		\$		\$
New South Wales		68.00		76.08		74.99		74.37		77.64
Assessed difference	-24.750	-3.72	-26.937	-4.02	9.762	1.45	8.075	1.19	6.583	0.96
Expenses - Assessed	427.650	64.28	482.235	72.06	514.627	76.44	512.951	75.56	538.847	78.60
Actual	734.636	110.42	788.363	117.80	798.977	118.67	769.000	113.27	807.563	117.79
Victoria										
Assessed difference	-55.670	-11.37	-58.949	-11.89	-36.474	-7.27	-39.595	-7.78	-42.929	-8.31
Expenses - Assessed	277.216	56.63	318.113	64.19	339.917	67.72	339.006	66.59	358.262	69.33
Actual	129.100	26.37	195.700	39.49	204.100	40.66	226.500	44.49	230.826	44.67
Queensland										
Assessed difference	25.185	6.68	27.809	7.20	-9.951	-2.52	-8.998	-2.22	-7.013	-1.70
Expenses - Assessed	281.372	74.69	321.685	83.28	286.728	72.47	292.103	72.14	314.064	75.94
Actual	119.985	31.85	124.000	32.10	115.000	29.07	139.980	34.57	158.190	38.25
Western Australia										
Assessed difference	14.646	7.56	15.128	7.69	-0.296	-0.15	1.051	0.52	2.197	1.06
Expenses - Assessed	146.464	75.56	164.870	83.77	149.677	74.84	152.656	74.88	163.840	78.69
Actual	50.215	25.90	57.215	29.07	66.885	33.44	68.918	33.81	68.217	32.76
South Australia										
Assessed difference	-0.852	-0.56	0.073	0.05	-1.995	-1.29	-2.070	-1.33	-2.427	-1.54
Expenses - Assessed	102.939	67.44	116.954	76.13	113.983	73.70	113.979	73.04	119.978	76.10
Actual	249.784	163.65	282.732	184.04	248.184	160.47	234.399	150.21	237.792	150.82
Tasmania										
Assessed difference	6.897	14.52	7.740	16.10	3.479	7.18	3.510	7.19	3.527	7.17
Expenses - Assessed	39.200	82.52	44.311	92.18	39.833	82.16	39.836	81.55	41.697	84.81
Actual	16.872	35.52	18.395	38.27	21.578	44.51	26.278	53.80	31.789	64.66
Australian Capital Territory										
Assessed difference	-3.218	-9.93	-3.720	-11.40	-4.925	-14.99	-4.963	-14.94	-5.301	-15.74
Expenses - Assessed	18.824	58.07	21.098	64.68	19.711	60.00	19.744	59.43	20.839	61.89
Actual	11.000	33.94	22.000	67.44	23.000	70.01	20.000	60.20	36.587	108.67
Northern Territory										
Assessed difference	37.763	189.35	38.855	193.40	40.401	197.78	42.992	205.98	45.364	213.18
Expenses - Assessed	51.325	257.35	54.141	269.48	55.719	272.77	58.514	280.34	61.886	290.81
Actual	33.398	167.46	35.001	174.22	42.471	207.92	43.714	209.44	48.448	227.67

Note: Refer to Attachment A of the 2008 Update, Relative Fiscal Capacity of States for how these figures are compiled.
Source: Assessment System, U2008 GST/Expenses/ Health and Community Services/Homeless and General Welfare/Tables and Charts/ Assessment of Expenses