



Northern
Territory
Government

COMMONWEALTH GRANTS COMMISSION NEW ISSUES FOR THE 2018 UPDATE FURTHER CONSULTATIONS

Northern Territory Response to Staff
Discussion Paper CGC 2017-23-S

December 2017

The following provides the Northern Territory's response to selected issues raised in the Commonwealth Grants Commission's New Issues for the 2018 Update – Further Consultations Discussion Paper (CGC 2017-23-S), including the Territory's views on the appropriate measurement of population growth for the Investment assessment and the appropriate treatment of Commonwealth funding provided under the National Partnership Agreement on Remote Housing.

Estimated Resident Population (ERP)

The Territory continues to support estimating population growth for intercensal years using components of growth from 2016 ERP.

1. As stated in its response to the original 2018 Update New Issues Paper, the Territory supports the Commission staff proposed approach to measuring population growth in the years preceding the 2016 Census, which is to set aside the intercensal discrepancy, and to derive population growth estimates using the published components of growth (births, deaths and net migration). As indicated by the ABS, the intercensal discrepancy is not a measure of population growth, but rather an error adjustment.

Remote Indigenous Housing

The Territory maintains its view that all funding provided under the National Partnership Agreement on Remote Housing should be quarantined from equalisation, on the basis that needs are not assessed.

2. The Territory considers that the findings of the Remote Housing Review clearly show that the level of investment required in remote Indigenous housing goes far beyond what the Commission's population-driven investment assessment captures, and as such, it is clear that needs are not assessed through the Commission's Investment assessment. This is particularly evident in the 2017 Update results, where the Territory was assessed as needing to de-invest over \$100 million in infrastructure in the 'other services' component of the investment category, which includes states' assessed housing infrastructure needs. This is completely contrary to the findings of the Remote Housing Review, which show that thousands of additional public houses are required in the Territory.
3. The Territory's Department of Housing and Community Development has estimated that around 35 000 remote community residents are living in around 4600 homes (an average of 7.5 people per house), but only around 21 000 occupants are recorded as tenants. The rate of overcrowding is significant with around 2435 current homes, or 53 per cent of stock) housing around 75 per cent of known occupants. It is estimated, based on the Canadian National Occupancy Standard (CNOS) methodology, that around 11 500 additional bedrooms are required to appropriately house all 35 000 remote public housing residents in the Territory.
4. The Review also shows that the persistent legacy issues arising from the Commonwealth's significant underinvestment in remote Indigenous housing prior to the Territory achieving self-government in 1978, has been compounded over time through significant population growth, and the associated expedited deterioration of

existing houses, which has required significant additional investment without significantly adding to the remote housing stock.

5. The Review Report shows that under the National Partnership Agreement on Remote Indigenous Housing (NPARIH) and the current iteration, the National Partnership Agreement on Remote Housing (NPRH), the Territory has delivered 1504 new houses (around 30 per cent of which are replacement houses, which haven't increased the housing stock), and completed 2929 refurbishments (Remote Housing Review, page 5).
6. It remains unclear to the Territory how the Commission concluded that all Commonwealth legacy issues would be resolved at the completion of the current National Partnership Agreement on Remote Housing (NPRH), however it is clear from the independent review that this is not the case.
7. The Territory's Aboriginal population is projected to grow at around 0.9 per cent per annum over the next decade (Northern Territory Department of Treasury and Finance population projections), requiring further bedrooms and houses. In total, the Northern Territory Department of Housing and Community Development estimates that around 4500 additional three-bedroom houses are required between now and June 2028, to address overcrowding in the Territory's remote communities, which does not take into account any increase in population.
8. It is clear that significant additional investment is required, largely due to the inherited underinvestment by previous Commonwealth governments in the Territory's remote housing stock. As noted above, the level of additional investment required is not captured in the Commission's assessment of states' housing infrastructure needs, and as such, needs are not assessed.
9. It follows that the Territory maintains its position that all funding provided under NPRH should be excluded from equalisation on this basis, and would strongly reject any change to the current methodology that reduces the amount of NPRH funding excluded from assessment.