



NORTHERN TERRITORY SUPPLEMENTARY RESPONSE TO
NEW ISSUES FOR THE 2009 UPDATE
TREATMENT OF COMMUNITY HOUSING AND INFRASTRUCTURE
PROGRAM (CHIP) PAYMENTS

DECEMBER 2008

COMMONWEALTH GRANTS COMMISSION
GENERAL REVENUE GRANT RELATIVITIES
2009 UPDATE

Background

The Commonwealth Grants Commission (the Commission) has proposed that Community Housing and Infrastructure Program (CHIP) payments to non-government organisations be included from the 2009 Update.

The proposal is based on the following:

- the proportion of CHIP payments made to states has increased to 77 per cent indicating that the Australian Government is increasingly viewing this function as a State responsibility;
- CHIP payments to states have been treated by inclusion; and
- funding of the Australian Remote Indigenous Accommodation program (ARIA) in 2009-10 is to be through states.

The Commission's paper also states that a FAHSCIA fact sheet on improved housing and new tenancy arrangements states that ARIA funding for the Northern Territory is not part of the Northern Territory Emergency Response (NTER).

It is assumed that the Commission proposes to include payments within the housing category although this is not explicitly stated in the paper.

Response

The Territory does not support the proposal for inclusion on the following basis.

The 2008 Terms of Reference direct the Commission to exclude payments relating to the:

- National Aboriginal Health Strategy component of the payment to the Northern Territory under the agreement for the Provision of Housing and Infrastructure for Indigenous People in the Northern Territory 2005-06; and
- Commonwealth funding to deliver the Northern Territory Emergency Response to address the indigenous crisis in the Northern Territory.

These payments form part of CHIP payments over the reference period.

The current FAHSCIA fact sheet on the Northern Territory Emergency Response (NTER) differs from announcements in September 2007 that clearly included housing expenditure as part of the NTER (see Attachment A). The Memorandum of Understanding between the Commonwealth Government and the Northern Territory was enacted on the basis of this understanding of the NTER and is referred to in the attached press release.

Both former and current Prime Ministers have committed to quarantining the ARIA funds from the Commission's assessments (see Attachments B and C). The Northern Territory is seeking to have these commitments clarified in the terms of reference for the 2009 Update.

Furthermore in a document prepared by Northern Territory Treasury, in consultation with Commonwealth Treasury, for the Northern Territory Emergency Response Review Board it was agreed:

“The quarantining of the Commonwealth NTER funding was necessary to ensure that the Commonwealth and Northern Territory Governments’ goal of addressing unmet needs in Indigenous communities was not undermined by reductions in the Territory’s share of GST which, in turn, could have forced the Territory to reduce its funding of Indigenous services.”

These principles should apply across all jurisdictions rather than for the Territory alone.

Based on additional information provided by the Commission, CHIP payments to non-government organisations include the following:

- Community Housing and Infrastructure;
- Community Housing and Infrastructure – National Aboriginal Health Strategy;
- Fixing Houses for Better Health;
- municipal services; and
- tasks of opportunity.

While breakdowns are available for each component, these payments are not further disaggregated into housing and essential services components. This would impact on which category these payments should be included in should the Commission treat by inclusion.

In the event that the Commission decides that the payments should be treated by inclusion, the Territory believes that those CHIP expenses related to municipal services and essential services should be included within the Services to Indigenous Communities category.