



**AUSTRALIAN CAPITAL TERRITORY**

**SUBMISSION TO THE  
COMMONWEALTH GRANTS COMMISSION'S  
COMMISSION POSITION PAPER 2008/21:  
*Welfare and Housing***

**March 2009**



## **Introduction**

The 2010 Review has been run as an iterative process between the Commonwealth Grants Commission (the Commission) and the States and Territories (the States) over the course of the past four years. As part of this process the ACT has provided a number of submissions in response to the Staff and Commission Discussion Papers, incorporating subsequent multilateral and bilateral discussions with Commission staff and other States. These submissions outlined the ACT's position as to the validity of the conceptual case behind a number of assessments and the proposed assessment methodologies.

It is noted that in some instances the position adopted by the Commissioners, as detailed in the latest Commission Position Papers, is at odds to those of the ACT. In the interests of brevity the ACT has not sought to reiterate the entirety of its previously stated position unless new data or new thinking has been applied. In this light, a lack of objection does not imply support where such support has not been previously stated.

## **Proposed Assessment**

The ACT broadly supports the Commission proposed assessment. In particular, the ACT acknowledges the work the Commission has undertaken to address the disjunct between Commonwealth welfare priorities and the priorities of the States. Weighting the recipients of Commonwealth pensions or benefits in each State using State welfare priorities is considered to provide a more robust expense profile of State populations and better reflect 'what States do'.

## **Relationship between socio-economic status and child protection services**

The ACT is unable to provide data to supplement those provided by Victoria.

## **Pension/benefit recipient numbers vs. payments**

Although the ACT is concerned that recipient numbers may not necessarily reflect recipients' use of State welfare services, the ACT acknowledges the advice provided by FaHCSIA and DEEWR with regards to the unreliability of payments data. On that basis, the ACT accepts the Commission's intention to progress the assessment using recipient numbers.

## **First Home Owners Scheme**

The Commission proposes to assess expenses relating to the FHOS actual per capita, noting that all States have the same policy. Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, strict conditions were imposed on the States in terms of administering the FHOS uniformly across jurisdictions. These conditions prevented State Governments from altering the scheme or how they applied it.

More recently though, the Council of Australian Governments agreed to the *Intergovernmental Agreement on Federal Financial Relations* (IGA). The IGA replaced the previous Agreement and affords States the flexibility to impose a cap on the value of properties eligible for the FHOS grant from the date of expiry of the Commonwealth's First Home Owners' Boost (FHOB)<sup>1</sup>. It is understood that the FHOB expires in June 2009 and therefore leaves the door open for States to adopt differing policies with respect to the value of properties eligible to be purchased by first home buyers.

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<sup>1</sup> Intergovernmental Agreement on Federal Financial Relations, Schedule A, pg A-7

It is uncertain how, or if, this will result in changes to State policies. However, the ACT urges the Commission to be mindful of these possibilities in determining an appropriate treatment for FHOS expenditure.

### Concession CSO expenses

The ACT proposes that the expenditure on concession CSOs in the services to communities assessment be added to the welfare and housing expenses and assessed using the welfare and housing broad indicator because State concession CSO expenditure is targeted at the same population cohorts that receive welfare services. That is, the provision of CSO payments to concession card holders is considered to be, in essence, a welfare-type payment in the form of a rebate.

In the ACT, the Department of Disability, Housing and Community Services is responsible for providing public housing and welfare services as well as administering the ACT Concessions Program. Both of these programs have common policy objectives, namely, to achieve a balance in the standard of living, and access to essential services, for all members of the community.

Importantly, the ACT considers the drivers of use to be very similar. For example, to be eligible for concessions on your energy and water costs in the ACT, an individual must possess a Centrelink Pensioner Concession Card, Centrelink Health Care Card or a Veterans' Affairs Pensioner Concession Card. The qualifying criteria for these cards, compared with the payments being used to determine need in this category, are set out in the following table.

### Qualifying Criteria

Qualifying Criteria	Age Pensions	Disability Support Pensions	Service Pensions	Parenting Payment (single)	Newstart	Carer Payment (Adult)	Carer Allowance (Child)	CDEP
Centrelink Pensioner Concession Card	X			X	X	X	X	
Centrelink Health Care Card		X <sup>1</sup>			X		X	X
Veterans' Affairs Pensioner Concession Card			X					

X indicates a recipient of pension / benefit payment qualifies for Concession card

1. Mobility allowance only

Source:

[http://www.centrelink.gov.au/Internet/internet.nsf/payments/conc\\_cards\\_pcc.htm](http://www.centrelink.gov.au/Internet/internet.nsf/payments/conc_cards_pcc.htm)

[http://www.centrelink.gov.au/Internet/internet.nsf/payments/conc\\_cards\\_hcc.htm](http://www.centrelink.gov.au/Internet/internet.nsf/payments/conc_cards_hcc.htm)

[http://www.centrelink.gov.au/Internet/internet.nsf/payments/qual\\_how\\_mob.htm](http://www.centrelink.gov.au/Internet/internet.nsf/payments/qual_how_mob.htm)

<http://www.dva.gov.au/factsheets/documents/IS125%20Pensioner%20Concession%20Card.pdf>

All of the listed Commonwealth pension or benefit payments qualify an individual to receive energy and water concessions in the ACT. Accordingly, it is reasonable to assume that the population cohorts accessing either or both payments are essentially identical, which justifies the inclusion of State concession CSOs expenditure in this category.

In addition, moving expenditure on concession CSOs to the welfare and housing assessment has the potential to simplify the Services to communities assessment, without shifting complexity to this proposed assessment. The ACT considers the inclusion of concession payments in this category to be a logical and appropriate approach to assessing all welfare-type expenditure consistently.

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