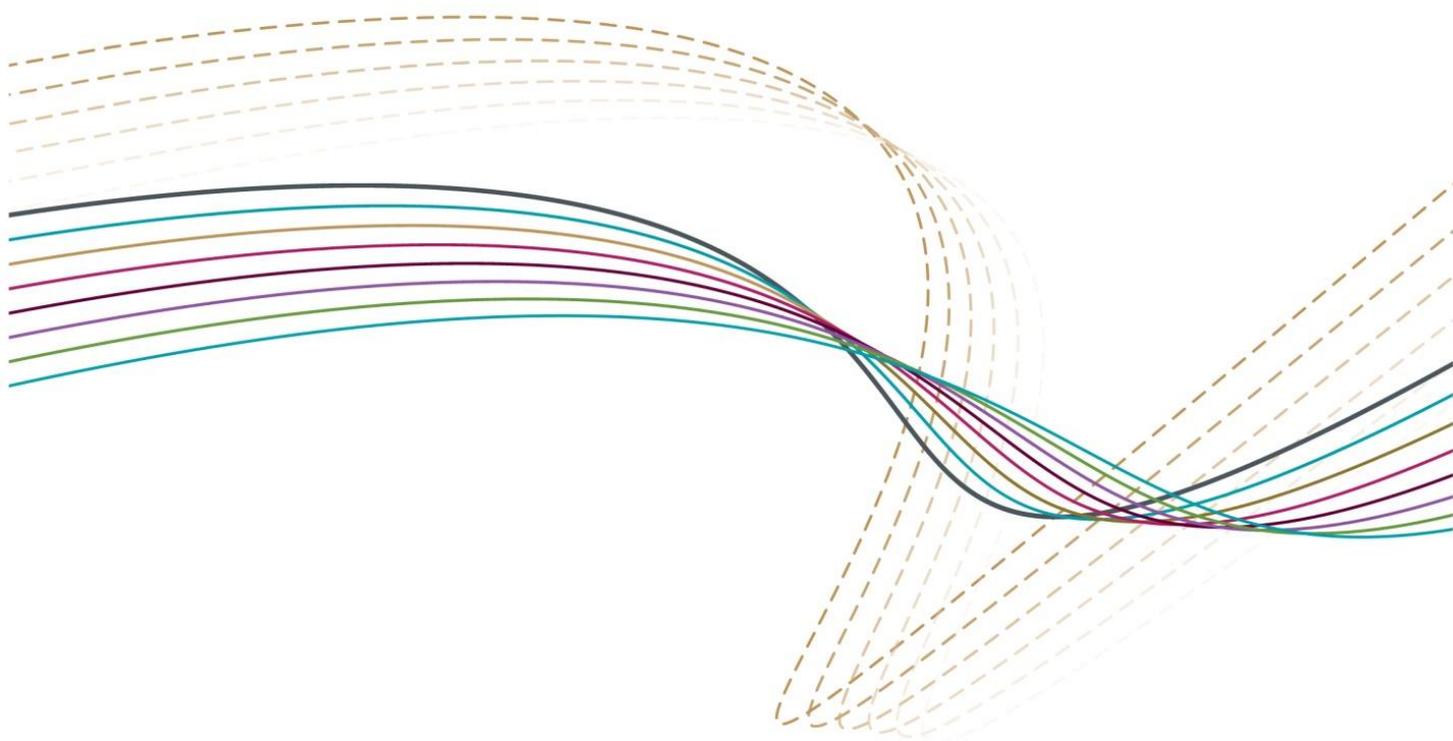


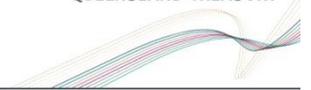
QUEENSLAND TREASURY

National Partnership Agreement on Remote Indigenous Housing

Response to the Commonwealth Grants Commission
Staff Discussion Paper

November 2015





Contact officer:

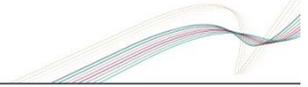
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Queensland's Position

- Queensland is concerned the assessment of the National Partnership Agreement on Remote Indigenous Housing (NPARIH) does not accurately reflect States' funding needs.
- The assessment only factors in funding requirements that are driven by Indigeneity and remoteness; in reality NPARIH funding is more complex:
 - NPARIH funds are used for Employment Related Accommodation Programs (ERAP), which provide people from remote areas with accommodation services in non-remote areas with high employment need.
 - In Queensland, NPARIH funds are used to purchase and maintain Indigenous Community Housing Organisations (ICHO) dwellings that have been inherited from the Commonwealth. The funding required to bring the ICHOs into the State system is a legacy of previous Commonwealth policy decisions and not recognised in the current assessment.
- It is not possible to separately identify expenses relating to the legacy of differential Commonwealth policy – however this does not mean that legacy issues do not exist.
- To best reflect the complexity of NPARIH funding, Queensland considers only a portion of the NPARIH payment should be treated as impacting on the relativities (such as 50 per cent).
- Queensland considers that it will not be feasible to introduce an unassessed disability, as it is impractical to measure the relative contribution of Commonwealth and State policies to the current remote Indigenous housing stock.

1.0 Conceptual issues

The Commission is correct to revisit how the Commonwealth's NPARIH payment is assessed. Queensland does not support the current assessment on the basis that it does not adequately recognise all the underlying costs for remote Indigenous housing.

The factors influencing states' NPARIH funding are more complex than the current assessment allows for. The assessment only factors in funding requirements that are driven by Indigeneity and remoteness. Queensland contends that funding requirements are also influenced by the legacy of Commonwealth policies towards Indigenous Community Housing Organisations (ICHOs), and broader NPARIH objectives such as providing employment related accommodation services in non-remote areas.

The Commonwealth Government historically had responsibility for up to 96 ICHOs with over 2000 dwellings in Queensland, funded through the Community Housing Infrastructure Program (CHIP). With the cessation of CHIP in 2007, the Commonwealth proposed that management of the ICHO sector be transferred to the Queensland Government.

Under the ICHO transition project, Queensland inherited a significant increase in social housing assets from the Commonwealth, as well as the associated substantially increasing costs of repairs and maintenance. The related ongoing costs for the ICHOs are a legacy of previous Commonwealth policy decisions, as Queensland is required to bring ICHOs that chose to transition to the State public housing system up to an average standard.

Another objective of NPARIH is to provide employment related accommodation for people from remote areas in areas of high employment need. Under NPARIH, 34 Employment Related Accommodation Programs (ERAPs) have been delivered in Queensland to date - in Cairns (10), Townsville (13), Gladstone (7), Rockhampton (2) and Toowoomba (2). State needs relating to ERAP are not reflected in the current housing assessment.

2.0 Methodological issues

Queensland supports excluding a portion of the NPARIH payment to recognise that the current assessment does not accurately reflect state needs. As outlined in the following section, it is difficult to find a reasonable



approximation for the portion of NPARIH expenses where needs are not assessed, as such expenses are not always explicitly identified. As an alternative, Queensland believes excluding 50 per cent is reasonable.

Excluding a portion of the Commonwealth payment is preferred over an unassessed disability, as Queensland does not consider there is a practical way to find the relative contribution of Commonwealth and State policies to the stock of remote Indigenous housing.

Prior to NPARIH, all jurisdictions had funding arrangements with the Commonwealth regarding Indigenous housing, however the arrangements varied across jurisdiction and remote housing was not always separated from general Indigenous housing. For example, in some states the Housing and Infrastructure Agreement was the key funding instrument, whereas in others the lead agreement was the Commonwealth State Housing Agreement or the Community Housing and Infrastructure Program. The NT, WA and SA had individual bilateral agreements or MOUs with the Commonwealth, whereas in Queensland there were direct agreements between the Commonwealth and Indigenous communities (which the State was not a party to). Given the various arrangements and objectives across jurisdictions, it would not be practical to identify and assess the contribution of Commonwealth and State policies to the stock of remote Indigenous housing.

3.0 Data issues

The Commission requested data from states on expenses related to the legacy of differential Commonwealth policy. Queensland has not been able to separately identify such expenses – however this does not mean legacy issues do not exist.

For instance, Queensland provided information in the 2015 Review that at 30 June 2014, 27 ICHOs responsible for 531 dwellings are transitioning into the public housing system. When the ICHOs transition to the state system they become part of the State's public housing assets and consequently it is difficult to establish an estimate of the ongoing costs related specifically to the ex-ICHO dwellings.

With regard to the transfer and leasing arrangements, Queensland has only been able to identify a smaller number of specifically related costs. Queensland is not confident that these costs demonstrate the full extent of the Commonwealth legacy. It is very likely that costs relating to the transfer of dwellings are included as other areas, such as in the purchase of existing dwellings and management costs, however it is not possible to separately identify them.

