

Senate Committee inquiry into the Treasury Laws Amendment (National Housing and Homelessness Agreement) Bill 2017 [Provisions]

Victorian Government response to verbal Questions on Notice

From page 13 of transcript

(Senator CAMERON) Could the states provide on notice some examples of where this government has made changes that have changed existing agreements? Could you just provide us some details and examples of that?

The arrangements for school funding have changed under the current Commonwealth Government. Following the announcement of a new Commonwealth funding model for schools in the *2017-18 Commonwealth Budget*, the Parliament passed legislation (Australian Education Amendment Bill 2017) that stipulated certain conditions of financial assistance on the states and territories. This includes requiring minimum state financial contributions, as measured by proportion of the Commonwealth's national Student Resource Standard. This was an input control imposed on the states without any consultation. Victoria notes this is another example where the principles of the Intergovernmental Agreement on Federal Financial Relations are contravened.

Another example is the Asset Recycling Agreement, where the Commonwealth changed the terms and conditions relating to funding arrangements.

Victoria notes that the terms and conditions of a number of smaller lapsing partnership agreements have changed through the negotiation of new agreements. These changes were a negotiated outcome. For example, the new National Partnership Agreement on Public Dental Services for Adults resulted in reduced funding compared to the previous agreement.

Victoria is concerned about the future of some existing agreements and the Commonwealth's reliance on rolling over national partnership agreements on a short term basis. National Partnership agreements are an inappropriate mechanism to fund long term service delivery. For example, the National Partnership Agreement on Universal Access to Early Childhood Education supports the delivery of ongoing kindergarten/preschool programs. The current Commonwealth Government has rolled over the agreement and provided funding on a one or two year basis only, creating significant uncertainty for the states and service providers. Victoria also notes the Commonwealth has made no commitment to continue funding under the National Partnership Agreement on Pay Equity for the Social and Community Services Sector. This agreement provides funding for higher wages for sector workers as required by Fair Work Australia determination, and is due to lapse in 2019.

From page 15 of transcript

Senator CAMERON: I was under no illusion that there was any additional money other than an indexation. There was significant funding pulled out of housing and homelessness during the 2014-15 budget—for accommodation for women in family violence situations—and that hasn't gone back in. So we're not really making any increase—

CHAIR: I haven't seen any evidence of that. Have you seen any evidence of that? Has the panel got any evidence of that?

Mr Martine: I am happy to take that on notice. I'm not sure whether that's—

Senator CAMERON: I can provide details of the 2014-15 budget. That's easy.

CHAIR: I think we have that too.

Victoria understands Senator Hume and Senator Cameron will respond to this question.

From page 16 of transcript

(Senator CAMERON) ... So, can I just ask, on notice, for the states to give us some details of the initiatives you are proposing for increased accountability and transparency? I think there's not many joint team efforts here, but I think the Commonwealth is keen, and the Labor opposition would be keen, to make sure there is increased transparency and accountability, but we want to do it through cooperative federalism rather than the approach that's been taken here, so we would need some idea as to how you can increase accountability and transparency for the funding the federal government is providing, just for the public record. And you do support increased accountability and transparency from the states in this area.

Victoria welcomes the opportunity to increase transparency and accountability under the new National Housing and Homelessness Agreement.

The performance benchmarks under the NAHA do not reflect what could be reasonably achieved by Victoria with funding under the agreement. These benchmarks are influenced by a range of factors, including policy levers held by the Commonwealth Government, and are not directly attributable to the funding that is provided under the NAHA.

Further, data collection differs greatly across jurisdictions, and Commonwealth investment in data collection and analysis, through the AIHW or a similar central point is required to strengthen transparency and accountability. Victoria supports collaboration with the Commonwealth to improve data and reporting, with the objective of deepening transparency and gaining a greater understanding of issues facing clients and the effectiveness of programs, to support greater tailoring of responses.

It is Victoria's position, consistent with the joint state and territories submission, that the requirements in the Bill relating to data requests from the Commonwealth should not be a condition of funding, and are too broad and may create unnecessary administrative burden.

Victoria notes that the current proposed direction of the bilateral agreements with the Commonwealth under the NHHA would provide significantly more transparency and accountability for states and territories than existing arrangements under the NAHA. Victoria is supportive of providing detail on how funding is spent under the agreement, including information about the kinds of programs funded, and what is being delivered from this investment under the bilateral agreement.

Maintaining and refreshing housing and homelessness strategies is the primary way the Victorian Government is accountable to Victorians, for the way it is responding to housing and homelessness challenges in the state. Victoria is supportive of maintaining public housing and homelessness strategies without Commonwealth prescription of contents, and with reasonable expectation that from time to time, Victoria may not have a current strategy due to a change in policy direction from the Victorian Government.