

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Social Policy Division

**Question No:** 277

**Topic:** Homelessness Funding Agreement

**Reference:** Hansard page 61 (29 May 2017)

**Senator:** Bushby, David

**Question:**

Senator BUSHBY: So those two allocations of funds are being combined into one. Is there any cut, in effect, between the two, or is the full amount of both of those allocations now in that one fund?

Mr M Robinson: As Mr Brennan indicated, it comes from the rolling in of the existing \$1.3 to \$1.4 billion under the national affordable housing specific-purpose payment and then the additional \$375 million of homelessness funding. Currently, the homelessness agreement expires on 30 June 2018, so that \$375 million is basically an extension of that homelessness funding which will be ongoing. That is new funding. In addition, the government has taken the decision to index the homelessness funding, so that will also be indexed ongoing.

Senator BUSHBY: So it would be fair to say then that not only is there not a cut but Commonwealth housing and homeless funding has actually had an increase.

Mr M Robinson: That is correct.

CHAIR: Can I clarify? Is that indexed by CPI or indexed by wages?

Mr M Robinson: That is a good question. It is not CPI; it is a composite index. There is a specific—

CHAIR: That is all right. If you could take it on notice, that would be fine.

Mr M Robinson: I can take that on notice. It is a composite index that takes account of CPI and some portion of wages growth.

CHAIR: Yes. Thank you.

**Answer:**

- The National Housing and Homelessness Agreement (NHHA) will include an additional \$375.3 million of funding over three years from 2018-19. This funding will be permanent and indexed to provide certainty to front line services that help Australians who are homeless or at risk of becoming homeless.
- The NHHA (including the homelessness component) will be indexed by Wage Cost Index 1. Wage Cost Indices (WCI) are weighted indices based on changes in a wage component and a non-wage component, to reflect labour content and supplier costs respectively. The non-wage component is measured by the CPI. The wage component is the annual increase in the national minimum wage determined by the Fair Work Commission, expressed as a percentage of the latest estimate of average weekly ordinary time earnings published by the Australian Bureau of Statistics.