

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: Outcome 2: Indigenous
Topic: NPARIH arrangements

Senator: Senator Clare Moore

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Question:

Senator MOORE: The original arrangement was looking at ensuring that you got the best outcomes for Aboriginal people, drawing resources from across the whole nation to do that. That was the plan. It was not a contest; it was a plan using all available facilities we have. I have a number of questions about penalties and incentives for performance in capital works—whether people have been penalised, competitive processing, and rewards and penalties for performance. Do you have any information about how, under NPARIH arrangements, there is provision for competitive bids processes which allow jurisdictions to be rewarded or penalised based on their performance? I well remember the extensive questioning about how that worked, in this particular committee, five years ago.

Mr Tongue: So do I.

Senator MOORE: When was the last time this process was used?

Ms Marie Taylor: I am not sure we have that on hand. I would really like to take that on notice, if that is all right with you?

Senator MOORE: That is fine. I will put on notice these questions about how tenancy management operates.

Answer:

Under the National Partnership Agreement on Remote Indigenous Housing (NPARIH) there is a biennial project-based competitive bid process which determines capital works programmes. This was introduced in December 2009 following COAG's agreement to the renegotiation of NPARIH, and was agreed by all First Ministers in April 2010.

The Commonwealth is required to assess bids according to the strength of the project proposal, including demonstrated need, past performance in delivering capital works under NPARIH, and ability to deliver against targets.

A jurisdiction that has not performed (i.e. not met its housing targets by the end of a specific period) may have its capital works funding allocation reduced by as much as 25 per cent per year and reallocated to another performing jurisdiction.

Two penalties were applied to states in 2012. A penalty of 2.5 per cent (\$3.120 million) of the capital works funding allocation for 2010-2011 and 2011-2012 was applied to Queensland and a penalty of 2.5 per cent (\$0.901 million) of the capital works funding allocation for the same period was applied to South Australia.

Of the remaining states, only Western Australia sought additional funds and was allocated the entire \$4.021 million.

Since these penalties were applied, all jurisdictions have met or exceeded their targets. No further penalties have been applied.