

## Current Roles (and overlaps)

Figure 2.4: Summary of Commonwealth and State and Territory roles and overlaps

Area	State and Territory role	Commonwealth role	Overlaps
Policy	<i>Shared lead</i> Oversee policies that directly affect the housing market (land release, zoning, land taxes). Social housing and homelessness policy.	<i>Shared lead</i> Oversees policies that indirectly affect the housing market (migration, tax settings, financial services regulation). Commonwealth Rent Assistance (CRA) policy. Influences national social housing, homelessness and Indigenous housing policy.	<i>High</i> Both levels of government share responsibility for policy to address housing affordability pressures.
	<i>Shared lead</i> Fund social housing and specialist homelessness services. Funds grants and concessions for first home buyers.	<i>Shared lead</i> Provides funding to States and Territories for social housing and homelessness services. Funds the National Rental Affordability Scheme (NRAS). Funds CRA. Funds Commonwealth homelessness programmes.	<i>High</i> Both levels of government jointly and separately fund housing assistance and homelessness programmes.
Delivery	<i>Lead</i> Oversee delivery of housing and homelessness services (often provided by non-government organisations).	<i>Secondary</i> Typically not involved in delivery of housing services. Delivers CRA payments to individuals. Limited direct involvement in homelessness services.	<i>Low</i> Limited overlap in delivery of individual programmes.
	<i>Lead</i> Regulate housing (community housing, tenancy management, planning, land release and zoning). Local governments also regulate residential planning and construction.	<i>Secondary</i> Regulates NRAS.	<i>Low</i> Little regulatory overlap.

Key	
Who leads	Level of overlap
Lead	High
Secondary	Medium
Shared lead	Low



## Terms of Reference

### Accountability

- Good accountability mechanisms and clear lines of responsibility allow the public to hold the appropriate level of government to account for services delivered and outcomes achieved. Under current arrangements, both levels of government fund social housing and homelessness services.
- Can lead to uncertainty around which level of gov is ultimately responsible for assisting people who have difficulty accessing the housing market.
- When an individual is experiencing multiple issues and interacting with a number of support systems it can be difficult to apportion responsibility across different service providers and levels of government.

### Subsidiarity

- Responsibility could reside with lowest level of gov that can perform the role effectively. have a better understanding of community needs and are better able to employ flexible and local approaches – creative and customised solutions.
- The Commonwealth influences high level national policy and administers funding (NAHA) to States/Territories. Also responsible for CRA which it delivers a standard payment irrespective of local housing market conditions.

### National Interest

- As with Subsidiarity, central authority should have a subsidiary function, performing only the tasks that cannot be performed effectively at a more local level.
- Commonwealth shares policy and funding responsibilities for social housing and homelessness services with full responsibility for CRA and some affordable housing and homelessness programs. A re-allocation of roles and responsibilities should consider which of these roles need to be performed at the national level.

### Service Delivery

#### *Equity:*

- Commonwealth and States/Territories subsidises rents for low-income earners but in different ways leading to inconsistent outcomes under which public and community housing tenants receive greater support than those in private rental.
- Current arrangements give rise to inequitable outcomes. People on the same income can receive different levels of rental subsidies from different levels of government depending upon their tenure and location.

#### *Efficiency & effectiveness:*

- Despite \$15b investment by Commonwealth States/Territories, public housing stock has declined and demand for public housing and homelessness services has increased.
- Outlays on CRA have increased and both levels of gov have invested additional funds in housing assistance programs (NRAS) but people mainly on low incomes continue to experience housing stress.
- Joint responsibility to increase supply of affordable housing has made it harder for govts to implement effective strategies.
- Interaction between housing assistance and homelessness and other areas like health, disability and aged care also needs to be considered.



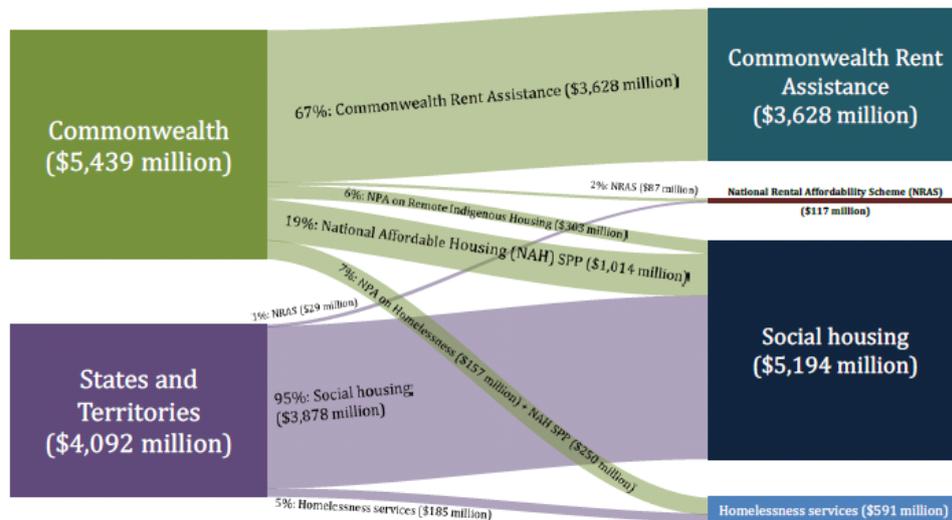
## Questions for Consideration

<b>1. Accountability</b>
<b><i>Good accountability mechanisms and clear lines of responsibility allow the public to hold the appropriate level of gov to account for services delivered and outcomes achieved.</i></b>
Could accountability be improved through a re-allocation of gov roles and responsibilities in housing assistance and homelessness services?
If shared roles continue, how can accountability issues best be resolved?
How could accountability mechanisms work effectively across service systems?
What impact could changes to roles and responsibilities have on clients who are interacting with multiple support systems?
<b>2. Subsidiarity</b>
<b><i>Responsibility should reside with the lowest level of gov that can perform the role effectively, lower tiers of gov have a better understanding of community needs and are better able to employ flexible and locally-tailored approaches.</i></b>
What benefits (or costs) would arise from assigning full responsibility for housing assistance and homelessness services to one level of government? Which is the lowest level of gov that could deliver services effectively?
If responsibility continues to be shared, what benefits (or costs) would arise from assigning full responsibility for specific roles (e.g. policy or funding) or functions (e.g. social housing or rent assistance) to one level of gov?
What are the interactions between housing market sectors (social, private rental and home ownership) and what implications do these interactions have for the roles and responsibilities of different levels of gov?
<b>3. National Interest</b>
<b><i>Subsidiarity and national interest are manifestations of the same principle, under which a central authority should have a subsidiary function, performing only those tasks that cannot be performed effectively at a more local level.</i></b>
How do social housing and homelessness outcomes affect other areas of national policy or funding responsibility?
Are there benefits or costs of national housing assistance and homelessness policy and/or programs?
<b>4. Equity, Efficiency and Effectiveness in Service Delivery</b>
<b><i>Current arrangements give rise to inequitable outcomes, given people on the same income can receive different levels of rental subsidies depending on tenure and location.</i></b>
Is one level of gov better placed to address equity issues? Why, and for which groups?
Could the transfer of responsibility to a single level of gov improve the equity of housing assistance?
Are there particular equity issues around housing services for Indigenous Australians and/or people living in regional and remote areas that need to be considered?
Could arrangements that give individuals greater choice in which services they purchase delivery more equitable outcomes?
<b>4a. Indigenous Australians</b>
<b><i>Many Indigenous Australians continue to experience difficulty securing appropriate and affordable housing. Consideration should be given to whether greater clarity around roles and responsibilities could enhance the efficiency and effectiveness of housing assistance and homelessness services for Indigenous Australians.</i></b>
To what extent, do shared roles enhance or detract from the achievement of cost effective outcomes in housing assistance and homelessness services?
Would the transfer of responsibility to a single level of gov enhance the efficiency and effectiveness of



housing assistance and homelessness services by allowing better coordination and targeting of programs? Would this improve outcomes for Indigenous Australians?
Is there a case for treating the allocation of roles and responsibilities for Indigenous-specific housing assistance and homelessness services differently to mainstream services?
Could greater contestability in service delivery improve the efficiency and effectiveness of housing assistance and homelessness services?
How can housing assistance, homelessness services and related service systems such as health, disability and aged care be effectively coordinated?
<b>5. Durability</b>
<b><i>Appropriate allocation of roles and responsibilities will help avoid unnecessary uncertainty around government involvement in housing assistance and homelessness services. Changing arrangements generate uncertainty for States and Territories.</i></b>
What changes would help to create a durable allocation of roles, responsibilities and funding?
<b>6. Fiscal Sustainability</b>
<b><i>FS is being undermined by increasing costs pressures on governments – growing CRA expenditure/ cost of maintaining public housing stock and increased demand for homelessness services.</i></b>
How would the re-allocation of roles and responsibilities address cost pressures?
How could incentives for cost-shifting be minimised?
Is there an opportunity to look at alternative ways (beyond gov intervention) of funding the supply of affordable housing?

Figure 2.5: Commonwealth and State and Territory funding shares, 2012-13<sup>47</sup>



<sup>47</sup> Sources: Steering Committee for the Review of Government Service Provision, tables 17A.1, 18A.2, GA.1, GA.12; Department of Social Services, *Portfolio Additional Estimates Statements 2013-14, 2014*, p. 56; Australian Taxation Office, p. 132.

State and Territory expenditure, with the exception of NRAS, has been calculated as total spending less Commonwealth transfers for social housing and homelessness (via the NAH SPP and NPAH), and includes revenue received from public housing rents. Figures include capital as well as recurrent expenditure. In 2012-13 the NAH SPP totalled \$1,264 million, but for the purposes of this diagram this has been reduced to \$1,014 million to take account of the notional \$250 million component for homelessness services, following funding for the Supported Accommodation Assistance Programme being rolled into the NAHA. This component has been included in Commonwealth contributions to homelessness services. Commonwealth expenditure on NRAS includes a combination of cash payments (\$45.2 million) and refundable tax offsets (\$42.2 million), and State and Territory NRAS expenditure is calculated as a proportion of Commonwealth expenditure (given the Commonwealth contributes 75 per cent and States and Territories 25 per cent). Housing-related Stronger Futures in the Northern Territory transfers and funding for Commonwealth programmes that have expired since 2012-13 are not included. Figures may not add up due to rounding.

