

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Higgins to the Minister for Housing and Community Development:

Budget and Finance

1. In the 2017-18 Budget Papers there were “budget improvement measures” listed. For the Department of Housing and Community Development, \$1.8M was lost under operational reforms. What were those reforms and were the savings achieved?

The Department of Housing and Community Development’s operational reforms savings target of \$1.8 million was fully achieved, mainly through a reduction of executive and administrative positions pursuant to the machinery of government arrangements that effectively merged two former departments.

2. Overall, the “budget improvement measures” accounted for a cut of \$3.5M. Which programs were rationalized and how and where were the savings achieved?

There were no programs rationalised from the implementation of budget improvement measures.

The Department of Housing and Community Development’s 2017-18 budget improvement measures of \$3.53 million is made up of the following categories:

- Operational reforms (\$1.846 million) was fully achieved through reduction in executive and administrative positions pursuant to the machinery of government arrangements that effectively merged two former departments.

The reduction removed duplicated or 'no longer required' positions following the implementation of machinery of government changes.

- Wages policy (\$0.744 million) relates to savings from reduced wage indexation in the Department's budget from three per cent to 2.5 per cent, consistent with Government's wages policy.
- Productivity improvements – Consumer Price Index (CPI) (\$0.94 million) reduced the CPI indexation in the Department's budget to zero per cent in 2017-18 and 1.5 per cent in 2018-19, with 2.5 per cent thereafter, consistent with updated economic forecasts. Full savings were achieved through a reduction in operational expenditure capacity as a result of more efficient use of existing administrative resources.

3. In the Operating Statement on page 156 of BP3, under the "Income" table, there appears to be a \$15.9M increase in Current Grants and Subsidies Revenue. It appears the increase is coming from Commonwealth Financial Assistance Grants for Local Government (page 159). The footnote states the extra dollars "reflects a portion" of 2017/2018 Commonwealth funding "brought forward in 16/17". How much was the portion? Does this mean the funding was underspent in 2016/2017?

The Australian Government made an advance payment of 50 per cent of the 2017-18 Local Government Financial Assistance Grants (\$16.837 million) during June 2017. In accordance with the national principles for the allocation of grants under the *Local Government (Financial Assistance) Act 1995*, this payment was distributed to local government bodies in June 2017.

For the financial year 2016-17, local government bodies received their full entitlement plus 50 per cent of their 2017-18 entitlement.

4. The Revenue Statement also shows a new Commonwealth allocation of \$19.1M under the National Housing and Homelessness Agreement. Now that the Commonwealth has agreed to another round of funding for remote housing, will we see the full \$19.1M spent on homelessness issues? How will it be spent by the Territory?

The new National Housing and Homelessness Agreement (NHHA) effectively replaces previous specific purpose payments for the National Affordable Housing Agreement and the Homelessness element of the National Partnership Agreement.

As with the previous programs, the new funding will support the delivery of social housing programs to Territorians in need, as well as homelessness programs.

The Department of Housing and Community Development has allocated \$23 million for homelessness services in 2018-19 inclusive of both Northern Territory Government funding and National Partnership funding from the Australian Government.