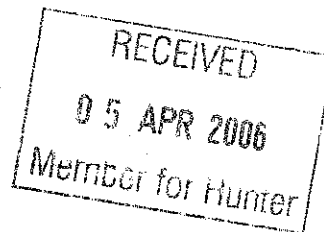




THE HON JOHN COBB MP
Minister for Community Services
Federal Member for Parkes

Mr Joel Fitzgibbon MP
Member for Hunter
PO Box 526
CESSNOCK NSW 2325

30 MAR 2006



Dear Mr Fitzgibbon 

Thank you for your letter of 17 February 2006 on behalf of Gary Moore, Director of the Council of Social Service of New South Wales regarding the fifth Supported Accommodation Assistance Program (SAAP) Agreement.

Your letter raises a number of important issues which were addressed and resolved during the negotiations of the SAAP V Agreement.

The Australian Government takes the issue of homelessness seriously and provides the states and territories with a substantial contribution to assist them to meet their responsibilities in this area.

The New South Wales Government, through signing the SAAP V Agreement, has agreed to the current funding distribution for SAAP. Under the terms of the SAAP V Agreement, which was finalised on 30 September 2005, the Australian Government is maintaining its funding commitment to SAAP over the next five years to assist the states and territories in meeting their responsibilities in addressing homelessness. In fact, the Australian Government has given \$100 million more in overall funding for the next five years of the programme. In addition, we have also retained the \$75 million GST compensation, which was included as part of SAAP IV and expired on 30 June 2005.

The Australian Government has not cut funding to SAAP. Our commitment to SAAP V is \$932 million. Of this, \$892 million will go to the states and territory governments to assist them in meeting their partnership responsibilities in addressing homelessness through SAAP. The remaining \$40 million of the total Australian Government contribution will be invested in the Innovation and Investment Fund Pilot Projects, with \$39 million of this contribution to be administered by the state and territory governments.

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The Innovation and Investment Fund will pilot a series of initiatives to identify new ways of working or strengthen existing reform and good practice in the sector. These initiatives are in the three key strategic priority areas of pre-crisis intervention, post-crisis transition and improved linkages with other services. The successful features of the pilots will be integrated more broadly into existing service systems.

Innovation and Investment Funds sourced by the Australian Government will be made available to NSW in year two of the SAAP V Agreement. NSW has identified some key programme reforms, which will be further developed in discussions with the NSW Government.

In addition, under the Commonwealth State Housing Agreement, the NSW Government will receive around \$1.5 billion in funds from the Australian Government over five years from 2003-04. This will include \$68 million for crisis accommodation that is not subject to state matching.

Finally, state and territory governments are now enjoying windfall revenues from GST and stamp duties. GST revenue will have given states and territories around \$10 billion by 2007-08.

With this additional revenue and the signing of the SAAP V Agreement, the onus is now firmly on the state and territory governments to meet their responsibilities in addressing homelessness.

Once again, thank you for writing on the Council of Social Service of New South Wales' behalf. I hope my comments are of assistance.

Yours sincerely


John Cobb