

State Budget 2007/08 Information Sheet

Housing

WACOSS' Recommendation	Budget Outcome	Comments
Funding to public housing should be increased by an extra \$122 million per year in order to meet the current demand as indicated by the waiting list to 2025.	\$157 M over four years for public housing. A slight improvement in funding, but rising cost of properties means only slight increase in numbers of dwellings. 250 public housing dwellings this year, (3,688 social housing units) over 4 years.	Inadequate to reduce the waiting list (~15,000). \$800M is required each year until 2015 to increase public housing to 6% of all housing stock. (See No Room in the Boom below.)
Increase the amount of appropriate social, community and crisis housing available to particularly disadvantaged groups: Aboriginal and Torres Strait Islander peoples, children and young people, people from culturally and linguistically diverse backgrounds (CaLDB) large families, women, people with disabilities (under the Independent Living Program), people with mental illnesses and people released from prison.	\$35.3 M over four years to improve housing quality including maintenance and repairs in Aboriginal town-based communities. Nothing earmarked for CaLDB large families, women, people with disabilities, people with mental illness or people released from prison.	The lack of funding targeted at these groups is disappointing. However, there is an opportunity for community housing to address the accommodation needs of these groups.
Increase the amount of social and affordable housing using a range of initiatives across State and Local Governments.	No specific target but a range of initiatives announced. A new Ministerial Council is to prioritise land and housing development and to ensure a co-ordinated approach across government. An Economic Study into Land and Housing DPC review to examine how to bring sustained and genuine improvements to housing affordability	First-ever significant funding to community housing, slight increase to public housing.
Allocate an additional \$10 million to community housing for four years from July 2007 with 25% of this directed towards the development of affordable housing options and fund training for staff and volunteers in community housing organisations.	\$210 M over four years to Community Housing (\$79.1 million in 2007-2008) to grow sector including seniors market, lodging house rooms. Regulatory measures still being developed.	First serious injection of funding to community housing is welcomed, though details of how effectively this delivers affordable housing to a range of groups are yet to emerge.
Release the \$25 million in funding promised under the Key Provider Strategy.	No specific portion directed towards training. Key Providers established.	

Increase the supply of and support existing boarding and lodging houses in WA as outlined in the Response to the Department of Housing and Works Housing Strategy WA Draft Discussion Paper from the 'Where Will They Live' Campaign stakeholders.	\$16.8M to provide 150 lodging house beds in Fremantle. \$9.4M for Northbridge Lodging House (50 lodging house beds, 16 apartments, 9 commercial units)	Welcome response and injection of funding to retain existing and establish new lodging rooms and boarding houses. More needed.
Continue to fund and expand homelessness initiatives under the State Homeless Strategy. Continue the State Homelessness Strategy initiatives and expand these programs.	No mention of Homelessness Strategy initiatives.	In 2006/07 budget, the Government announced the continuation of recurrent initiatives worth over \$3.3M to the Department for Community.
Increase funding for existing agencies already funded through the Supported Accommodation Assistance Program Five (SAAP 5) to meet the identified shortfall.	No increase in funding announced.	In 2006/07 the Government announced an additional \$13.3M over four years.
That the State Government provide appropriate housing (i.e. group units) for young people under 18 years old with mental health problems. Funding should be provided to support residents with experienced staff and independent living skills programs.	No specific target or initiative.	An allocation of \$52.012 million in 2006/07 for the Mental Health Strategy including the provision of additional community supported accommodation.
Increase the supply of affordable and appropriate accommodation in regional areas, including options for home purchasing, private rental and social housing.	No specific target or initiative.	Other initiatives may have some impact.
The Premier and Cabinet examine and resolve national and state government policy issues to support service providers to work in a more integrated way to address the complex needs of their clients. An essential component of a coordinated initiative is an integrated crisis response to assist people with both mental health and drug and alcohol issues with measures to prevent homelessness.	No specific target or initiative.	

Additional Items:

No Room in the Boom campaign targets	Budget Outcome	Comments
Scrap letting and option fees	Pre-Budget abolished letting fees for tenants – a savings of \$280 on median-priced rental properties.	Abolition of letting fees welcomed, but option fees remain.
Top up Commonwealth Rent Assistance	Not supported. Minister directed lobbying efforts at Commonwealth.	The Federal Budget did not increase CRA.

Increase bond assistance by \$2.5M to cover 75% of bond	\$5.7M allocated in 2007-2008 to the DHW bond assistance scheme. Loans increased to (\$1,000 (4 times median rent at March 2007)). Will be reviewed annually and linked to median rent. Eligibility extended to people who earn up to \$60,000 a year. Clients at risk of homelessness can increase limit to cover other fees.	Well received as it exceeds amount requested. The take-up of bond assistance loans can be affected by attitudes of landlords toward people who claim assistance. The extended eligibility may improve the take-up of loans.
Increase public housing to reach 6% by 2015. Cost: \$800M/year	\$157M over four years to increase public housing by 250 units each year. (See community housing funding.)	Maintains existing stock levels, arrests the decline in stock with only minimal increase.
State Government initiatives	Budget Outcome	Comments
First Start Scheme	\$300M over 3 years to help 3,000 low to moderate income owners. Buyers exempt from stamp duty.	
First Home Owner Stamp Duty relief	Total exemption threshold raised to properties costing \$500,000 with partial exemption on properties up to \$600,000.	Provides some assistance but households who can afford a mortgage on a \$500,000 property have an income of about \$130,000, dramatically higher than an average household income (\$60,200). Should be targeted to low income households. Potentially inflationary.
Homelessness - Private Rental Accommodation	\$480,000 over 3 years to UnitingCare West Home Connect program to assist people at risk of homelessness to find rental accommodation.	
Halls Creek response (announced 2006-2007)	Additional expenditure of \$11.9M over 4 years to operate two residential care hostels in Halls Creek, 17 extra placements, 19 additional staff.	

Other initiatives from the State Government:

- Announced plans to establish a Ministerial Council for land and housing supply
- Announced plans to appoint an urban land development co-ordinator to expedite and streamline approvals for large subdivisions.
- Committed \$21.1M over the next four years to track approvals and \$9M over four years to recruit and retain planning staff.
- Will reduce timelines for subdivision approvals processes from 10 to 6 months.