



WACOSS
Western Australian
Council of Social Service Inc

*Ways to make
a difference*

Budget Area 1: Housing & Homelessness

About this Issue

Issues concerning access to safe and affordable housing in Western Australia emerged as a strong priority across our consultations with service providers. The biggest concerns are: rates of homelessness, the lack of crisis and transitional accommodation, access to social housing, and the availability and affordability of private rentals in regional centres and the metropolitan area.

Most services — wherever they sit in the housing and service continuum — recognise the ‘housing first’ principle and agree that the provision of housing is fundamental. Investment in more social housing should be the first priority. Increasing the range of services at the support, transitional and crisis end is also critical.

The Council’s 2013-14 Pre-Budget Submission

Outcome sought: All Western Australians have access to affordable, appropriate, and sustainable housing, particularly those vulnerable to housing stress and homelessness **\$525m**

Proposed strategies
Significant investment in more social housing, including new public and community housing
Increase provision of housing for community workers and other essential services in regional areas
Strategies to address housing provision in rapidly growing regional communities
Support vulnerable groups and those with complex needs to secure and sustain housing
Community services for people experiencing, or at risk of homelessness
Increased crisis and transitional accommodation
Subsidise access to private rental
Introduce inclusionary zoning policies

Relevant Budget Portfolio(s)

Lead government agencies:	Department of Housing and the Department for Child Protection
Other government agencies:	Department of Planning, Department of Communities & Local Government, Department of Corrective Services, Department of Education, Mental Health Commission & Disability Services Commission

Housing & Homelessness: The 2013-14 Budget in Summary

Affordable housing is the single greatest need of Western Australians living on low and fixed incomes and given expenditure commitments in other capital works projects like transport, stadiums and the waterfront development, the Council believes the Government should be doing more to address this critical issue affecting so many people at risk or in housing crisis.

While the Council welcomes the inclusion of a number of new housing initiatives, and continuation (or modest growth) in the funding of a number of existing programs, we were disappointed not see higher levels of investment in social and affordable housing.

Initiatives at a Glance

Notable funding announcements in the 2013-14 State Budget:

- ✦ Budget includes additional capital expenditure of \$134.5million over the next two years to significantly increase the public housing stock, by better utilising existing land held by the Housing Authority. Two hundred blocks of land will be redeveloped to deliver 500 new homes within three years.¹
- ✦ Changing the first home buyers grant: Grant for existing homes now \$3,000 and for new builds \$10,000.²
- ✦ Provide an additional 47.8 million so that an extra 1,000 properties will come under the National Rental Affordability Scheme (NRAS)³, however funding for this is only allocated from 2015/16 onwards.⁴
- ✦ Provide funding of \$33.9 million over two years, from 2013-14, for the Kimberley Housing Indigenous Prosperity program. This will deliver up to 60 new houses in Broome (40) and Derby (20) to facilitate the transition of selected Indigenous tenants from public housing to independent housing options.⁵
- ✦ The Royalties for Regions (RfR) Housing for Workers program will commit \$373.1 million over six years (2011-12 to 2016-17), to provide affordable housing for key workers in regional Western Australia.⁶
- ✦ \$113m increase in asset transfer to community housing.

Other Numbers

- ✦ The average public housing waiting list time is 130 weeks (2 and a half years) for 2012/13 and is expected to not change during 2013/14.⁷
- ✦ Since 2011, SharedStart has assisted 643 low income households to purchase a home via Authority co-ownership and Keystart home loans.⁸
- ✦ Median Rental in Perth is \$475 per week, up 10.5% on last year, and the vacancy rate is 3.4%⁹

Key Observations/Implications

Affordable housing remains the biggest challenge for the Western Australian community, and the cost of housing is the biggest single driver of financial hardship. While we welcome commitments like more NRAS properties, the public housing stock redevelopment strategy, planning policy review and changes to the First Home Owners Grant to stimulate construction, we are disappointed not to have seen higher levels of investment in social and affordable housing.

1. Changes to the First Home Owners Grant

Changing the first home buyers grant so that the grant is reduced to \$3,000 for existing homes and increased to \$10,000 for new builds is meant to stimulate more construction and moderate its inflationary influence, but is unlikely to have a positive impact on housing affordability overall. The Community Housing Coalition has previously raised concern with the impact of the grant on housing prices, saying: *The first home owner's grant, while well intentioned, is a massively expensive, inefficient use of tax payers' money which serves the interests of people selling property to a far greater degree than households entering home ownership... there is a cogent argument for abolishing the grant entirely given its propensity to be subsumed into higher prices...*

2. Kimberley Housing Indigenous Prosperity Program

The Council welcomes the Kimberley Housing Indigenous Prosperity program, which supports Aboriginal public housing tenants who gain secure employment to transition out of public housing system. It will provide 40 properties in Broome and 20 in Derby, to remove the barrier created by the security of tenure of public housing in communities where there is little or no affordable rental that community members can move to once they pass the income threshold. The Council would like to see positive incentives like this initiative expanded across the state, so that all public housing tenants have the opportunity to participate in employment without fear of losing their house or their place in their local community.

3. Impact of NRAS funding is limited

The additional \$47.8 million to provide an extra 1,000 properties under the National Rental Affordability Scheme (NRAS) has only been allocated from 2015/16 onwards, with the \$47.8 million to be spent over 13 years.¹⁰ The Council has welcomed the 7,000 affordable rental properties delivered to date under the NRAS scheme, but is concerned that the scale of the response going forward is inadequate to address the growing demand for affordable rental and greater investment is clearly needed.

Discrimination in a tight private rental market is an increasing problem, making brokerage services and the provision of social housing to disadvantaged sub-populations increasingly necessary. The need for more crisis & transitional accommodation is an emerging issue in WA. Recent successes with homelessness programs are increasingly being limited by their ability to move clients on to sustainable and affordable longer-term housing.

¹ 2013-14 Budget Paper No.1, page 11

² 2013-14 Budget Paper No.1, page 11

³ 2013-14 Budget Paper No.1, page 11

⁴ 2013-14 Budget Paper No.2, page 674

⁵ 2013-14 Budget Paper No.2, page 676

⁶ 2013-14 Budget Paper No.2, page 676

⁷ 2013-14 Budget Paper No.2, page 676

⁸ 2013-14 Budget Paper No.2, page 675

⁹ REIWA, www.reiwa.com.au, as of 7th August 2013

¹⁰ 2013-14 Budget Paper No.3 page 11