



# Housing Strategy WA: Report on Mandurah Forum



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# 1 Purpose

The purpose of the Housing Strategy WA Mandurah forum was to:

- Identify any housing related issues of concern to people residing in the Peel Region;
- To discuss whether Housing Strategy WA has adequately addressed these concerns and;
- For Shelter WA to be informed of regional housing issues and use the feedback to inform the development of its submission to the State government on 28 February 2006

The aim was to gather views from the forum participants on the issues related to the supply and demand of public rental, private rental and homeownership in the City of Mandurah and the Peel region as a whole.

The natural environment which surrounds the City of Mandurah is biologically diverse and some of it is protected by government legislation. However, some ecological communities are not protected and are under threat from urban encroachment. In this respect the principles of sustainable residential development could be an important tool to help inform local housing policy. Consequently views on reducing the ecological footprint of housing development were also sought

Regional and local housing strategies are clearly an important part of Housing Strategy WA. It promotes the development of a decentralised housing policy framework and therefore has the potential to enable local policies to be developed to address local housing problems. Feedback as to how these policies should be formed and what they should focus on completed the purpose and aims of the forum

## 2 Introduction

In June 2005 the State government released Housing Strategy WA. The Strategy is a comprehensive document bringing together research work and positioning papers analysing major housing issues in WA, dating back to 2000. The Strategy provides a framework for orchestrating policy implementation and applying new models to facilitate housing supply in the future. It analyses the three main tenures; that of social rental, private rental and owner occupation. It has the potential to direct housing policy in WA in a new direction by aligning principles of sustainable development to social and economic aspects of housing and urban development.

The breadth and scope of the issues outlined in Strategy WA and its implications for the Western Australia housing system are significant and the public consultation process will play an important role in testing the appropriateness of the individual strategies. Shelter WA in collaboration with the Department of Housing and Works has undertaken a process of planned Housing Strategy forums throughout Metropolitan Perth to discuss the implications of the Strategy. The Peel Community Legal Service provided much appreciated assistance in arranging the first Housing Strategy forum held in the City of Mandurah.

## 3 Presentations

Three presentations were conducted at the forum. The first was from Bev Wilcox the principal policy officer at the Department of Housing and Works, Office of Policy and Planning. The presentation informed the forum participants of some of the main

housing issues that Housing Strategy WA aims to affect and provided a comprehensive review of the Strategy's strategic objectives. Dr Fiona McKenzie, the director of the Housing and Urban Research Institute of Western Australia, provided an overview of housing affordability in a Sea Change Community such as Mandurah and identified some of the key characteristics of sea change communities. The phenomenon appears to be driven by high income or asset rich households which relocate from urban to coastal settlements. Leading to the emergence of a form of coastline gentrification; putting upward pressure on housing prices – this seems to be affecting housing affordability in traditional coastal communities, especially those which have high levels of welfare dependence. Sustainability issues were also discussed by Ms McKenzie and indications are that further research is needed to try to draw out some of the many impacts this phenomenon is having on traditional coastal communities

The final presentation was by Shelter WA Research and Policy manager Paul Pendergast and Project Officer Jim Anthony. Shelter WA is undertaking a comprehensive analysis of Housing Strategy WA and therefore has already identified some of the strategies which have the potential to increase low cost housing supply in WA. One of which indicated that the private market could play a bigger role in the supply of low cost housing. Shelter WA presented some of the policy initiatives from overseas which has enabled growth of affordable rental markets. However, Shelter WA also notes that this model is in the advanced stages in Northern European countries and its growth has been underpinned by similar levels of subsidies across all housing tenures.<sup>1</sup> Shelter WA noted that such policies do not exist in Australia and therefore has reservations about this model making significant contributions to low cost housing in Western Australia.

Shelter WA also noted that Housing Strategy WA has a tendency to focus on public housing maintenance, whilst increasing expenditure for stock replenishment is by and large ignored. Shelter WA also expressed concerns that the Strategy lacks targets. Some of which could have set annual targets aimed at reducing the public housing waiting list through increasing public housing stock .

### *Main Issues Discussed at Mandurah Forum*

After the presentations were completed the forum participants participated in group discussions. Three focus groups were set up to discuss and develop ideas drawing on some of the key aspects of the presentations and relating them to housing issues in the Peel region. Three main themes emerged from the focus groups:

- Housing and sustainability;
- Supply of affordable rental housing; and
- Local and regional housing strategies and their capacity to facilitate local housing policy initiatives.

The following provides a detailed account of the forum participants views on Housing Strategy WA

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<sup>1</sup> Housing studies have revealed that in Sweden and Germany, government subsidies flow equally into all forms of housing tenure [i.e. social housing, private rental and owner-occupation], whereas in Australia, owner-occupation and private rental have traditionally received the greatest amount of government subsidies and tax concessions, see Kemeny, J, 1981, *The Myth of Home Ownership: Private versus public choices in housing tenure.*, Routledge, London and Beer, 2005, *Europe: Private rental housing* , [www.sunsite.anu.edu.au](http://www.sunsite.anu.edu.au).

## 4 Housing and Sustainability

The potential for the Strategy's proposed decentralised framework and the application of its sustainability principles to address many of the problems associated with the urban expansion of the City of Mandurah were the main topic points which emerged from this focus group. Housing Strategy WA highlights that there is a need to reduce the housing footprint, but the document contains no statutory initiatives with which the environmental impacts of residential development could be minimised. The Focus group identified this apparent failure and commented on the need for links to be made more explicit between economic, social and environmental factors by:

- Identifying housing costs and needs, not by quarantining land and housing as the only need, but by including access to non-housing aspects of urban development [i.e. social infrastructure and improved public transport linkages for residents in Mandurah].

In this respect regulating development and capping density was seen as a key mechanism with which developers and government would have to collaborate to provide social infrastructure. Another recommendation for the Strategy to consider was for:

- Planning to reflect the needs of special need groups [i.e. Indigenous communities require more communal land to sustain culture], aged communities, disabled, single parents and youth also require non-conventional housing and urban design to take account of their needs.

According to the focus group some of the ways of achieving this could be through:

- Creating standards for public housing design;
- Involving local people and low cost housing applicants in the design process. and;
- Training and employing local people in the construction and design phase.

The group suggested more community and government co-operation in local housing policy could produce strategies which use price mechanisms to vary housing price according to size and density. This could be attained through granted higher housing yields to developers which adapt to demand for smaller housing [a development covenant could be attached to this policy [i.e. increase in yields is only permitted if developers agree to including 15% of housing stock for low income earners and rents are capped at 30%].

## 5 Affordable Rental Housing

One of the strategic objectives of Housing Strategy WA is to *Increase the supply of affordable private rental*. The Strategy develops a range of policy initiatives aimed promoting a much bigger role for private rental to supply housing at the low cost end of the private market. This Mandurah focus group were concerned that too much policy attention was applied to this area, which only has the potential to increase low cost housing supply on a minimum basis as it is still an untested housing market in Western Australia. On the other hand the Strategy should focus more on using public housing expansion projects to accommodate the growth in demand for low cost housing. Housing Strategy WA primarily envisions public housing as playing a consolidation role instead of expansionary role. To counteract Housing Strategy WA

tendency to ignore the potential of public housing to meet growth in demand for low cost housing, some recommendations were forthcoming:

- The State government should intervene in the land supply at the low cost end of the market by regulating land development and ensuring private developers put parcels of land aside for public housing. Housing Strategy WA should reflect the monopolistic roll the State Housing Authority plays in low cost housing supply, by developing policies aimed at increasing the supply of public housing to meet growing demand [i.e. setting funding targets to increase supply and setting targets to reduce the gap between supply and demand. The Western Australia Planning Commission Bushland strategy developed land covenants for private developers to set aside private land/conservation. A similar covenant policy could be adapted and applied to putting land aside for public housing.

Other important issues to emerge from the discussion pertain to Mandurah's geographical position and urban expansion constraints with the ocean on the west side and the lakes and estuary on the eastern and southern edges of the City. This has the potential to affect the supply of land for low cost housing. The focus group recognised this as a critical housing supply issue and as such recommended Housing Strategy WA take account of unique differences in regional geography:

- Geographical constraints lend itself to increasing the densities of inner city areas [i.e. density bonuses for low income rental in Inner Mandurah];
- Mandurah City council to play a significant role in facilitating the implementation of density concessions for low cost rent in new housing development projects [this can be done through local planning polices and planning schemes and;
- State and local government partnerships to be promoted and policy tools developed to improve supply of low cost rental housing.

As was mentioned earlier the group were sceptical about the Housing Strategy WA theme which implied the private market could address lack of housing supply at the low cost end of the rental market. That said there was agreement that some of the affordable rental strategies could prove useful. One of these was the potential to:

- Tap into the small second owner and third owner private rental market [small stock ownership constitutes 70% of private rental in WA] and offer supply and demand incentives similar to some European social rental systems [i.e. in Germany contracts are entered into between owners and government and demand and supply incentive are negotiated so that private rental offers rents at social rents or cost-rents rates this model shall be discussed in greater detail in Shelter WA's submission to the Housing Strategy].

The group commended the Strategy for recognising the need to decentralise housing policy and take account of discrete regional differences relating to demographic change, low cost housing supply and demand issues, density policies, sustainable development and transit oriented housing development, amongst others. Consequently the regional housing policies and the policy initiative of designating specialised housing researchers to work with local government were endorsed by the group.

## **6 A Planning Perspective**

The third focus group took an integrated planning approach to their evaluation of Housing Strategy WA. In other words housing issues were not viewed in isolation but were embedded within an economic, social and environmental position on housing

policy. This led to this group to establish links between these three elements, which in turn, informed their recommendations for Housing Strategy WA:

#### *Economic:*

- There is a need to link housing policy with local labour force initiatives and involve local building industry representatives

This was deemed important in the context of the regions employment vulnerability and lack of job diversity. There was also concern that local building industry job opportunities were being taken up by a significant proportion of transient trades people, from other urban regions. The group indicated that the Housing Strategy WA should develop:

- Housing policies which commit some of the public housing construction projects and other low cost housing projects to employing a significant proportion of the workforce from the local areas and region.

Clearly the region needs to have a steady supply of skilled personnel to meet future industry demand for labour. Therefore, greater links between local and regional housing policies and Tafe apprenticeships and Tertiary training [i.e. housing officer training] were viewed by the group as policies worthy of consideration. A key proposal was to use the Regional Development Commission to work with various government and non-government organisations to identify training skills and set apprenticeship targets.

#### *Environmental*

According to the focus group the local and regional constituency have an acute awareness of the environmental features of local and regional eco-systems. This indicates there is potential for Housing Strategy WA to tap into community expectations of the need to reduce the environmental impacts of residential development by developing strategies which:

- Promote research into the potential for growth of local low-cost eco-housing projects and or plan for some pilot eco-housing projects; and
- Take account of the potential for growth in local eco-products linked to such housing projects

#### *Social*

Some key elements raised by the group in terms of social issues relate to reduction in funding for low-cost housing through the Commonwealth State Housing Agreement over the last decade which may be attributing to the growing demands being made on local non-government organisations to meet low cost housing demand [i.e. increase in homelessness]. The group also viewed the shrinking supply of low cost housing and lack of security of tenure in the context of indirectly affecting health, mental health, social development and children's education. Some key recommendations were posited for the Housing strategy WA to consider:

- The State Government to provide commitment to implementing the Strategy objectives;
- Population growth pressures [their are new models emerging which challenge the conventional ways of managing housing development, urban growth and the supply of low cost housing], this shall be discussed in the Shelter WA submission to the Housing Strategy WA;

- Quarantine low cost housing in the Central Business District of Mandurah, possibly through supply initiatives [i.e. density bonuses, allow greater yields for developers etc], this can be managed through impact assessments and a conditional approval process;
- More research needing to be done on the Amarillo housing development, how will it impact on the region? Are there enough employment opportunities in the region for the projected number of households in Amarillo? What about public transport? Should the Mandurah rail link be directed into the heart of the development [i.e. to enhance opportunities for higher density around station precincts and may entice business corridors adjacent to station]?
- Nominate percentage of government land for affordable housing in the Amarillo housing project [this includes public housing, community housing and low cost private rental and;
- Discuss availability of more land for social housing-low cost ownership and shared equity schemes across Peel region.

## 7 Concluding Remarks

Some key themes emerged from the Mandurah Forum. Those were:

- There is a need for Housing Strategy WA to develop strategies which recognise the unique regional differences in Western Australia [i.e. geographical and environmental constraints on housing development];
- Much of the local and regional housing strategies need to be more regionally attuned to demographic change, public transport demand and low cost housing demand;
- Low cost housing should be viewed in the wider context of sustainable residential development [market forces are not the only economic model in which the supply of low cost housing should be framed];
- The sea change phenomena are creating disparities in household wealth. It is also impacting on physical and social environments in ways which need to be researched in more detail;
- Funding commitments need to be made explicit;
- Local Strategies backed by Statutory requirements;
- Local focus endorsed;
- Within Housing Strategy WA there exists opportunities for housing policy to be linked to employment initiatives, skilled training and apprenticeship training in local areas; and
- There is a need for housing policy to be informed by local and regional experience of housing issues and other economic and social issues indirectly affected by the lack of public housing or affordable private rental.

Perhaps the most enterprising part of Housing Strategy WA for the Mandurah forum participants was the inclusion of strategies which enable housing policy to be developed at the local and regional level. This decentralised housing initiative is commended by Shelter WA. It has the potential to play a significant role in housing policy in Western Australia. Shelter WA sees this as a positive step as this could promote the advancement of empirical housing research at the local and regional level.

## Mandurah Format

Arrival	Tea coffee, biscuits	
8.45 a.m.	Set up	
9a.m.	<b>Welcome</b>	Paul Pendergast Policy and research Manager Shelter WA
9.15 -9.30 a.m.	Overview Housing Strategy WA	Bev Wilcox Senior Policy Officer OPP
9.30--9.45 a.m.	Seahange Presentation	Fiona McKenzie Director AHURI WA
9.45-10.00 a.m.	Shelter WA Housing Strategy Issues	Paul Pendergast and Jim Anthony Shelter WA Project Officer
10.00-10.15 a.m.	Generate Discussion	
10.15-10.30 a.m.	Break	
10.30-11.15 a.m.	<b>Workshops</b>	<b>Nominate reporter for each workshop</b>
	Affordable rental	
	Planning and housing	
	Regional Strategies and Sustainability	
11.15-11.35 a.m.	<b>Report Back</b>	
11.45a.m.	<b>Close</b>	

## Attendance register

Jim Anthony	Shelter WA
Paul Pendergast	Shelter WA
Michele Emmerson-Law	Peel Community legal Services
Lynn MacLaren	West Australia Council of Social Services
Sue Arren	PASS
Kyra Nimmo	Department of Housing and Works
Kevin Schorer	West Australian Police
Bev Wilcox	Department of Housing and Works
Jane Vallance	Department of Housing and Works
Marie Hickey	Mission Australia
Marzel Norton	City of Mandurah
Nick Benson	City of Mandurah
Rick Muir	Department of Housing and Works
Sally Talbot	MLC
Cameron Bulstrode	Department of Planning and Infrastructure
Lisa Craig	Peel Community Development Group
Jackie Wallis	Ash
Fabian Uzaraga	Peel development Commission