



**FINAL REPORT  
PRE ELECTION HOUSING FORUM  
Tuesday 18 January 2005**

*Prepared by:  
Serena Williams and Karel Eringa  
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**Final Report**

**Shelter WA / WACOSS Pre Election Housing Forum**

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## Executive Summary

Since the last State Election, the central theme for housing in Western Australia has been a severe decline in the affordability of home ownership. For instance, in June 2001 a family earning at the top of the second income quintile (currently just under \$48,000) had a choice of 49 Perth suburbs in which it could afford to buy a median priced home. By June 2004, rising house prices and interest rates had reduced the choice to just 9 suburbs: Armadale, Brookdale, Calista, Koongamia, Medina, Parmelia, Swan View, Wattleup and Westfield.

Declining access to home ownership has had repercussions in private rental and social housing. The Commonwealth Rent Assistance program has been inadequate, leaving roughly one third of recipients in housing stress. Despite receiving State Government funding for the first time in this term, consecutive cuts to the Commonwealth State Housing Agreement and increased targeting to those most in needs have resulted in social housing falling from more than 6% of total housing stock a decade ago to less than 5% now.

The direct outcome of a lack of appropriate and affordable housing stock has been a sustained high rate of homelessness and overcrowding, particularly among Indigenous people. It is of extreme concern that more than half of homeless people in Western Australia are children and young people.

In this context, it is pleasing to note that all political parties participating in the 2005 Pre Election Housing Forum have expressed a degree of concern regarding falling housing affordability in their policy platforms and / or their responses to a questionnaire sent out in November 2004. However, a shortcoming across all parties, with the exception of the WA Greens, is the lack of specific targets and funding commitments to back up the good intentions expressed in the platforms and the presentations.

This final report highlights a number of differences in the emphasis placed by each of the parties on achieving a solution to this problem. The paper presents a 'short, sharp' assessment of the various parties' housing policy platforms and their responses to the questionnaire. It should be noted that these ratings reflect the parties' positions on housing as they stand today, and it is hoped that new policy and funding announcements will improve the parties' ratings as the election campaign progresses.

Overall, the ratings indicate that there is significant scope for improvement for all parties, with the exception of the Greens (WA):

### AUSTRALIAN LABOR PARTY:

The ALP has demonstrated that it recognises that housing is an important policy issue through its actions in its current term in Government. However, its policy platform is not sufficiently far reaching and does not make the specific financial commitments necessary to address the problems of housing affordability and homelessness.

Rating: Three out of five.



### LIBERAL / NATIONAL COALITION:

While acknowledging housing as an important issue in word, Coalition policies contain little policy initiative and make no specific financial commitments to improving access housing for low-income consumers.

Rating: One and a half out of five.



**AUSTRALIAN DEMOCRATS:**

The Australian Democrats offer some very positive housing policy in a number of areas. However, the appropriate level of detail is lacking in other areas.

Rating: Two and a half out of five.



**GREENS (WA):**

The WA Greens offer detailed and well thought out policy in response to the need for fair and equitable access to housing for all Western Australians.

Rating: Five out of five.



**FAMILY FIRST PARTY**

While Family First policy is lacking in detail, it does make several commitments to improved access to housing.

Rating: One and a half out of five.



## 1. Introduction

### *About Shelter WA*

Shelter WA is the peak community body advocating for disadvantaged housing consumers in Western Australia. Shelter WA has been in operation since 1979 and cooperates closely with other State and National bodies working on housing related issues, homelessness and welfare. Shelter WA works towards the elimination of homelessness and housing related poverty. In particular, Shelter WA aims to ensure that every person has access to housing that is secure and appropriate to his or her needs, at a price they can afford.

A key role of Shelter WA is to facilitate community input to the development of housing policy. In order to facilitate that role, Shelter WA conducts annual housing forums in regional areas of Western Australia, usually in response to requests from local individuals or organisations. Since 1998, Shelter WA has conducted housing forums in Albany, Broome, Bunbury, Busselton, Derby, Geraldton, Kalgoorlie-Boulder, Margaret River and Midland.

In addition, Shelter WA has conducted special needs housing forums for groups including culturally and linguistically diverse (CALD) communities, people with mental health problems, young people and women. Finally, Shelter WA has conducted a range of smaller forums reacting to topical issues such as the renegotiation of the Commonwealth State Housing Agreement and the Review of the Residential Tenancies Act. Reports on all of these forums are available at [www.shelterwa.org.au](http://www.shelterwa.org.au).

### *Pre Election Housing Forum*

On Tuesday 18 January 2005, Shelter WA and WACOSS held a pre election forum with participation from five political parties. The forum had two aims. Firstly, it aimed to provide clarity regarding the various parties' housing policies. Secondly, the forum aimed to give the public an opportunity to identify areas where policies could be improved, directly to the relevant speakers.

Presenters included the Minister for Housing (the Hon Nick Griffiths MLC), the Opposition spokesperson for housing (the Hon Ray Halligan MLC), and housing spokespersons for the WA Greens (the Hon Giz Watson MLC), Australian Democrats (Ms Pat Oliver) and Family First (Mr Nigel Irvine). Each presenter was given ten minutes to explain their party's housing platform with particular reference to a questionnaire on key housing issues distributed by Shelter WA in November 2004.

Bronwyn Kitching, Shelter WA's Vice Chair, acknowledged the traditional owners of the land before introducing the speakers and topics to be addressed at the forum. She later closed the forum with a brief summary of the issues addressed during the morning's speeches. Lisa Baker, Executive Director of WACOSS chaired the forum and kept time, thus ensuring that each guest at the forum was given an equal amount of speaking time.

This Final Report contains six sections and three appendices. After the introduction, Section 2 provides a brief overview of current housing issues in Western Australia. Section 3 gives a summary of the presentations of the various speakers at the forum, while Section 4 contains an overview of the responses to a questionnaire on key housing issues distributed by Shelter WA in November 2004.

Section 5 contains the housing policies of the various parties as listed on their websites. Section 6 summarises the information in the previous two sections into a brief comparison of housing policies. Finally, the appendices contain the full responses of the various parties to the questionnaire (Appendix 1), a list of attendees and apologies (Appendix 2), and the agenda for the forum (Appendix 3).

## 2. Background

Since the last State Election, the central theme for housing in Western Australia has been a major decline in the affordability of home ownership. The resulting fall in accessibility of home ownership has had repercussions for other tenures, including private rental and social housing. This section gives a brief analysis of recent developments in housing.<sup>1</sup>

### *Home Ownership*

Over the last three years, house prices in WA have risen exponentially. Combined with two interest rate rises in late 2003, the household income required to purchase a home has risen to unprecedented levels.

To illustrate the impact of this development, a family earning at the top of the second income quintile (currently just under \$48,000) had a choice of 49 Perth suburbs in which it could afford to buy a median priced home in June 2001. By June 2004, the choice had reduced to just 9 suburbs: Armadale, Brookdale, Calista, Koongamia, Medina, Parmelia, Swan View, Wattleup and Westfield.

These figures do not imply that prospective home purchasers earning lower incomes cannot buy houses priced below the median outside of these nine suburbs. In fact, there are some indications that a significant number of affordable properties priced below the median are on the market in many suburbs.

However, first home purchasers can no longer rely on their traditional strategy of buying a median priced house in a suburb that they can afford. Instead, they have to spend time and effort in order to find a suitable house that they can afford in areas where most properties will be out of their reach, and where they will be competing with better-heeled investors for the ones that they can afford.

In other words, recent developments in the housing market have increased the transaction costs associated with finding and purchasing properties at the bottom end of the market. The immediate effect, as has been well documented, has been a severe decline in the number of first home buyers.<sup>2</sup> While house price growth has slowed in the last two quarters, affordability remains a serious issue.

### *Private Rental*

Until the March quarter of 2004, this fall in first home buyer activity was more than compensated for by investors. While disastrous for first home purchasers, a side effect of this investor activity has been an ample supply of properties for rent. The result has been a limited increase in rents, with the median rent increasing from \$157 per week in June 2003 to \$164 per week in June 2004.

However, there are several indications that rents are about to rise. Firstly, investor activity fell in the June quarter, prompting a slight decline in house prices. Secondly, rising house prices and steady rents have produced a further decline in rental returns: the gross return yield for a median priced house in Perth was 3.5% in June 2004, down from 3.9% in June 2003 and 5.0% in June 1999.

These extremely low rental returns and limited prospects of further capital gains mean that many investors will be looking to sell off their properties over the next few years in order to invest their funds in more promising assets. Barring further interest rate rises, this would benefit some first home buyers. At the same time, it would also reduce rental stock and put upward pressure on rents.

Despite the small increase in rents, however, housing stress levels in the private rental market remain high. One of the prime factors is that Commonwealth Rent Assistance, the Government's main demand side assistance program, continues to be particularly ineffective

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<sup>1</sup> This section has been amended from Karel Eringa, *The State of Affordable Housing in WA, 2004: Shelter WA Occasional Paper 2004-2*, Shelter WA, September 2004

<sup>2</sup> For instance, see Productivity Commission, *First Home Ownership - Productivity Commission Inquiry Report No.28*, March 2004

in increasing housing affordability. One third of CRA recipients were not in housing stress before receiving the payment and another third remained in housing stress after receiving the payment. CRA was effective in eliminating housing stress only for the remaining third of recipients.

#### *Social Housing*

With home ownership becoming unaffordable, the continuing high degree of housing stress in the private rental sector, and continuing high levels of homelessness and overcrowding, the pressure on social housing to provide an affordable safety net for people on lower incomes is increasing. However, the news regarding social housing has been mixed.

On the positive side, the State Government has continued to provide some funding for social housing from its Consolidated Revenue Fund. This appears to have halted the decline of social housing at around 4.9% of total housing stock. However, Shelter WA believes that social housing should be increased to at least 6% of housing stock in order to address the current housing affordability crisis. This would require a funding injection in the order of \$150 million per year in addition to current capital expenditure of around \$130 million.

A second way of increasing the amount of funds available for expansion is to amend the policy of 'targeting' people with high needs and low incomes. This policy jeopardises the financial viability of the sector as it increases tenancy management costs and reduces rental revenue. Unfortunately, there are no signs that this policy is about to be changed.

However, the State Government has pursued two separate ways of increasing affordable housing stock. Firstly, the State Government is currently developing a Not For Profit Housing Company, which may create a new source of affordable housing. Secondly, as of 1 July 2004 it has abolished stamp duty for first home purchasers on dwellings below \$220,000, with discounts available for dwellings up to \$300,000. It appears that this measure has increased the number of first home purchasers, although it is yet to be seen whether this impact will be temporary or permanent.

#### *Homelessness*

While these initiatives are commendable, their scope is insufficient to address the housing affordability crisis. The main obstacle to achieving this is the lack of coherent policy direction at a national level. As the National Shelter 2004 Policy Platform argues, "Government intervention in the housing system lacks coherence and is disjointed and ineffective, although extremely expensive. Despite housing assistance and housing related tax exemptions valued at over \$25 billion per year, nearly 100,000 people are homeless, and housing affordability is at an historic low."

It is worth pointing out that 11.7% (11,697) of homeless people live in Western Australia.<sup>3</sup> A recent Shelter WA report found that "single income households are most at risk of homelessness, that is singles and single parents with children".<sup>4</sup> Indigenous people comprise around half of homeless people. Children and young people make up more than half the homeless population.

The report concluded that the root causes of homelessness were a lack of support services and a lack of accommodation options. Both of these "require significant increases in Government funding".<sup>5</sup> While the State Government is to be commended for committing some funds to social housing for the first time, this is not sufficient to address the homelessness problem in Western Australia.

#### *Indigenous Housing*

Indigenous people are the group most affected by the current lack of appropriate housing options. In addition to the high rates of homelessness identified above, Indigenous people also face very high levels of overcrowding. Just under 20% of Indigenous households live in

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<sup>3</sup> Chris Chamberlain and David MacKenzie, *Counting the Homeless 2001: Western Australia*, Swinburne University and RMIT University, 2004

<sup>4</sup> Paul Pendergast, *No Place Like Home: Homelessness in Western Australia*, Shelter WA, December 2004, p.24.

<sup>5</sup> Ibid.

overcrowded situations, compared to 2% of non-Indigenous households. Overcrowding becomes more prevalent with physical distance from Perth.<sup>6</sup>

In addition, home ownership rates among Indigenous people are substantially lower than home ownership rates among the general population. According to 2001 Census data, only 28% of Indigenous people in Western Australia own or are purchasing their own house, compared to 72% of non-Indigenous people.<sup>7</sup>

As a result of low home ownership rates, two out of three (68%) Indigenous people in WA depend on the rental sector for accommodation, compared to 23% of non-Indigenous people. Nearly half of Indigenous people in the rental sector are in social housing,<sup>8</sup> which tenure consequently accounts for 46% of all Indigenous households. This compares to 4.3% of non-Indigenous people residing in social housing.<sup>9</sup>

To some extent, the problems faced by Indigenous people are a result of the general lack of variety of housing options, in particular a shortage of larger (5+ bedroom) accommodation. However, in many respects poor housing outcomes can be seen as a result of broader disadvantage faced by Indigenous people. To the extent to which this is the case, inappropriate housing and homelessness must be addressed as part of a holistic approach to Indigenous disadvantage. Such a holistic approach should, in addition to housing, also cover the broad areas of employment, education, health and poverty.

#### *Addressing the Housing Crisis*

The continuing decline in housing affordability in WA has produced a situation in which households earning less than \$50,000 per year now have severe difficulty accessing housing that they can afford and that is appropriate to their needs. Perth is now suffering a housing affordability crisis, with affordability a major issue for both home purchasers and private renters. The social housing sector is unable to meet existing need.

Addressing the housing crisis can be done either by increasing housing assistance or by increasing the effectiveness of existing subsidies. Shelter WA believes that State and Commonwealth funding for social housing should be doubled, and the policy of targeting amended. In addition, Commonwealth Rent Assistance should be retargeted towards delivering affordability. Finally, all grants and tax incentives should be reviewed in order to ensure consistency.

In view of the magnitude of the crisis, the response should include all three levels of government. In this regard, Shelter WA is happy to report that on the State Government level, the housing affordability crisis has been taken seriously. In the last few years, the WA Government has developed a number of initiatives aimed at delivering more affordable housing, including:

- Stamp duty exemptions and concessions for lower priced dwellings starting 1 July 2004,
- Developing a Not For Profit Housing Company,
- Allocating \$32 million over four years for housing construction and support to address homelessness,
- A requirement for 15% of all new developments on State Government land to be set aside for affordable housing, and
- Continuing limited funding for social housing from consolidated revenue.

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<sup>6</sup> Karel Eringa, *Regional Housing Analysis Kalgoorlie-Boulder*, Shelter WA, November 2004. Data comprised from Australian Bureau of Statistics, *Indigenous Profile Western Australia (State 5)*, IPP5, Catalogue No. 2002.0, table I23 and Australian Institute of Health and Welfare Proxy Occupancy Standard.

<sup>7</sup> Data from Australian Bureau of Statistics, *Indigenous Profile Western Australia (State 5)*, IPP5, Catalogue No. 2002.0, tables I23.

<sup>8</sup> Social housing comprises of state run public housing (Homeswest) and community housing, run by non-profit organisations.

<sup>9</sup> Data from Australian Bureau of Statistics, *Indigenous Profile Western Australia (State 5)*, IPP5, Catalogue No. 2002.0, tables I23 and I27

While the scope of these initiatives is insufficient to make any real difference, they do indicate that the WA Government has taken the housing affordability crisis seriously. The same cannot be said about the Commonwealth Government, which has chosen to ignore its responsibilities, trying to pass on responsibility for addressing the crisis to the States and Territories.<sup>10</sup> This is despite increasingly urgent calls to address the affordable housing crisis from sources as varied as the Senate Community Affairs Committee,<sup>11</sup> the Productivity Commission,<sup>12</sup> National Shelter,<sup>13</sup> and a National Housing Affordability Summit conducted by a coalition of building unions, industry associations and community organisations.<sup>14</sup>

The Commonwealth Government's inaction is particularly worrying in view of National Shelter's finding that a lack of consistency and coordination in the way housing assistance and housing related tax exemptions valued at over \$25 billion per year are allocated. "For instance, the First Home Owners' Grant aims to reduce the deposit gap faced by prospective home owners. However, negative gearing provisions encourage investment demand, thus putting upward pressure on house prices."<sup>15</sup> Shelter WA strongly supports developing a National Housing Strategy and establishing a Commonwealth Housing Minister as a first step to finding a solution to the housing affordability crisis.

Finally, at the local government level, responses to housing affordability have been patchy. Most local governments have, at least to some extent, developed housing strategies that focus on planning issues but include some reference to social responsibilities including housing affordability. In addition, a number of country shires provide subsidised accommodation for employees and one local government, the City of Subiaco, has developed a housing strategy that explicitly recognises affordability as a key issue that the City needs to address. On the other hand, a small number of local governments, including the Cities of Perth and Fremantle, continue to deny their responsibilities with regard to homelessness and housing affordability.

On the whole, if our housing crisis is to be addressed, all levels of government must increase their efforts, preferably guided by a National Housing Strategy.

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<sup>10</sup> For an example of this, see a press release by Treasurer Peter Costello, Release Of The Productivity Commission Report On First Home Ownership, 23/6/2004, <http://www.treasurer.gov.au/tsr/content/pressreleases/2004/051.asp>

<sup>11</sup> See Senate Community Affairs References Committee, *A hand up not a hand out: Renewing the fight against poverty - Report on poverty and financial hardship*, March 2004

<sup>12</sup> See Productivity Commission, *First Home Ownership - Productivity Commission Inquiry Report No.28*, March 2004

<sup>13</sup> See National Shelter, *Rebuilding the Australian Dream - National Shelter Policy Platform 2004*, June 2004

<sup>14</sup> National Housing Alliance, *Four-point Plan*, May 2004 and National Summit Housing On Affordability, *Improving Housing Affordability - A Call for Action*, June 2004

<sup>15</sup> National Shelter, *Rebuilding the Australian Dream: A National Approach - National Shelter Election Platform 2004*, June 2004

### 3. The Presentations

This section contains a summary of the presentations of the five presenters at the forum. Speakers generally provided an outline of party policy with particular reference to their Party's responses to a questionnaire circulated by Shelter WA (see Section 4).

*Australian Labor Party – the Hon. Nick D Griffiths LLB MLC  
Minister for Housing and Works; Racing and Gaming; Government Enterprises; Land Information*

The Minister identified an error in the Shelter WA Discussion Paper with respect to 2004/05 allocation of funding to public housing. The figure should be \$51.2 million.

The Gallop Government has been increasingly committed to addressing social housing issues during its first term. Almost \$172 million has been allocated to public housing during the last four years, compared to only \$33.5 million allocated by the previous Coalition Government.

This funding has been directed to improving the standard of Indigenous housing throughout the State and also to the development and implementation of strategies aimed at improving the viability of social housing and the wider housing sector. Such strategies include the Department of Housing and Works' Homeless Helpline; the Homelessness Taskforce; the State Housing Strategy; and the New Living Program. It is the view of the Minister that the Gallop Government "has been very proactive when it comes to housing, will continue to be, and [we] will continue to be increasingly proactive."

*Liberal Party – the Hon. Ray Halligan MLC  
Shadow Minister for: Citizenship and Multicultural Interests: Housing and Works, Member for North Metropolitan Region*

The Liberal Party is yet to provide a final policy paper on housing. This is currently being developed and will be made available during the election campaign. It is the belief of the Liberal Party that private home ownership is an aspiration of the majority of West Australians and that it is incumbent of government to provide opportunities to assist in the realisation of this aspiration.

The Coalition is committed to managing West Australia's social housing system, with the following key aims:

- Reducing waiting lists for people experiencing housing stress;
- Providing appropriate social housing for people with special circumstances (eg. the homeless, people experiencing domestic violence, people with disabilities, indigenous, seniors, etc.).

Meeting the housing needs of these groups is complex and requires continual review and consultation. While such a review would be done by government departments, it is proposed that non-government and community-based agencies and organisations would be vital in identifying what the needs are, as it is these organisations that have direct contact with the people in need, or as the Shadow-Minister stated, it is these organisations that are "...at the coal-face".

*The Greens (WA) – the Hon. Giz Watson MLC  
MLC for the North Metropolitan Region*

The Greens (WA) believe that access to affordable housing is a human rights issue and that it is unquestionable that for a significant number of West Australian's, the lack of access to affordable, adequate housing is a matter of great stress in their lives. Although the current government has made some advances in this area, there is still much that needs to be done. The Greens (WA) specific policies in relation to housing issues aim to encourage the supply of appropriate social housing in areas that are well serviced and easily accessible. The Greens (WA) will continue to provide support to the community-housing sector by speaking out about the issues surrounding social housing and by providing a direct voice to parliament.

*Family First Party – Mr Nigel Irvine  
Legislative Council Candidate, Candidate for Agricultural Region*

Family First recognises that:

- Housing is a fundamental need for all West Australian families. Housing is crucial to a healthy and stable family life and ultimately for the optimal development and education of children.
- Families are the cornerstone of our community and a strong family will give us a strong community.
- Families have the opportunity to flourish when they have secure, safe and affordable housing.
- Homelessness is a blight on our society.

Mr Irvine explained that when used in Family First housing policies the term 'family' refers to "all people without exception". Family First is committed to strategies that will provide accessible, affordable and adequate housing for all West Australians.

*Australian Democrats (WA) – Ms Pat Oliver  
Lead Candidate, North Metropolitan Region of Western Australia.*

Australian Democrats (WA) believe that affordable and accessible housing for Australians is not just a social welfare issue. Housing is an issue of health, employment and training, urban planning and development, environment and income and social support. Housing provides shelter, security, community and a place of employment. The Democrats attempt to maintain this holistic view in approaching all issues.

The Australian Democrats' (WA) major concerns in the area of housing issues are:

- Databases on tenancy, such as the Tenancy Information Centre Australia, which they believe acts as an unfair "black-list of tenants";
- Working towards the housing industry developing cost efficient and transparent approval systems for developments;
- The abolition of stamp duty on homes that are bought as the principle place of residence, regardless of the value.
- A commitment was given to ensure that housing strategies meet the needs of disadvantaged groups with special mention made of people with mental illness and severely physically disabled young people.

## 4. The Questionnaire

Shelter WA asked each of the parties to provide responses to a questionnaire on housing; the various responses are summarised in the table below. Some of the parties chose not to return the questionnaire. Where this occurred, or where a party's position is unclear from the response provided, Shelter WA has referred to that Party's policy (see part 3). The full responses of the parties to the questionnaire, including original typos and misspellings, are listed in the appendix to this paper.

### Symbols used:

- ✓ indicates the party responded and agreed with Shelter WA's position.
- X? indicates the party did not agree with Shelter WA's position.
- ? indicates some degree of uncertainty as to whether the party agreed or disagreed with Shelter WA's position.

### Rating:



The number of houses indicates to what extent the response accorded with Shelter's recommendations. Rating is out of five.

Parties that responded by sending back the questionnaire were (in order of receipt):

1. WA Greens
2. Australian Labor Party

Parties that didn't respond to the questionnaire were:

1. Australian Democrats
2. Family First Party
3. Liberal Party

**Does your party agree with Shelter WA that:**

1. **In order to improve Indigenous housing, the State Government should make a financial commitment to improve the standard of Indigenous housing in urban, rural and remote areas.**

Agree	Why?	Party
✓	"The State Government will continue its financial commitment to improving the standard of Indigenous housing in urban, rural and remote areas, in accordance with the 'Agreement for the provision of Housing and Infrastructure for Aboriginal and Torres Strait Islander People in Western Australia July 2002 – June 2007'. For 2004-05, the State has contributed \$22.483 million of the Agreement's funding pool."	ALP
X	Liberal Party policy (as stated on their website) does not appear to mention housing for Indigenous West Australians.	Liberal/ National
?	Democrat policy (from their website) says that "The Democrats commit to ensuring that housing strategies are developed to meet the needs of disadvantaged groups, including youth, people with a disability, indigenous people, senior Australians, and people with intellectually or mentally impaired."	Democr ats
✓	<p>"Greens (WA) support this aim. In concurrence with increased funding, the State Government must recognise that an integral part of indigenous self-determination is the ability for Aboriginal and Islander service providers to operate with full autonomy. Consequently, the Greens (WA) will encourage the Government to:</p> <ul style="list-style-type: none"> <li>• promote indigenous autonomy at all levels in full consultation with Aboriginal people, communities and representative organisations; and</li> <li>• develop an effective monitoring body to audit performance and outcomes of government agencies who have responsibility for service delivery to the Aboriginal community."</li> </ul>	Greens
?	<p>"Family First will support the ongoing and improved availability of public housing, particularly to those in the community who are physically, socially and economically disadvantaged."</p> <p>(from the Family First website)</p>	Family First Party

**2. In order to improve the financial viability of social housing, the State Government should either recognise and fully fund the policy of targeting to high needs tenants as a community service obligation, or abandon the policy in favour of a broader mix of tenants, with a minimum requirement regarding the proportion of high need tenants**

Agree	Why?	Party
?	<p>“The provision of rental subsidies to tenants costs approximately \$90 million per annum and has to be funded from operational income and grants provided by the Commonwealth</p> <p>The Commonwealth State Housing Agreement requires States and Territories to spend their funding for housing assistance under the agreement <i>“to provide appropriate, affordable and secure housing assistance for those who most need it, for the duration of their need.”</i> Concentrating on those people most in need means that applicants for housing assistance will inevitably include a high proportion of people with complex needs in receipt of low incomes.”</p> <p>The Department’s Homeless Helpline was set up in 2001 to act as a central contact point for homeless people literally without shelter to find accommodation and to assist secondary homeless to obtain assistance to seek their own accommodation.</p> <p>The Homeless Helpline assisted 1,292 families into housing in 2003/04.</p> <p>Within the existing policy and funding environment, public housing assistance will continue to meet the housing needs of this group of highly disadvantaged people.</p>	ALP
X	Liberal policy (on their website) does not mention high needs tenants.	Coalition
?	Democrat policy (from their website) says that the “Democrats commit to ensuring that housing strategies are developed to meet the needs of disadvantaged groups, including youth, people with a disability, indigenous people, senior Australians, and people with intellectually or mentally impaired.”	Democrats
✓	<p>“Greens (WA) support this policy direction. To achieve an improvement in the supply and quality of social housing Greens (WA) will support actions and legislation that:</p> <ul style="list-style-type: none"> <li>• directs funding from rent assistance back to the Commonwealth-State Housing Agreement (CSHA) to provide targeted, supported housing for those in need, including people with disabilities, young people, the aged, people escaping domestic violence and indigenous Australians, in rural and metropolitan areas;</li> <li>• provides targeted rent assistance for those in need of short term accommodation;</li> <li>• supports and strengthens the community housing sector, including a review of relationships with the Department of Housing and Works, such as head leasing fees; and</li> <li>• consults with the community to set targets for social housing, including diverse dwelling types targeted to people with special needs in all Local Government Areas, in order to achieve social mix and shared responsibility between State and Local Government”.</li> </ul>	Greens
?	“Family First will support the ongoing and improved availability of public housing, particularly to those in the community who are physically, socially and economically disadvantaged.” (from the Family First website)	Family First Party

3. *In order to increase social housing to 6% of total housing stock by 2025, the State Government should lobby the Commonwealth Government to increase their annual commitment to public housing in Western Australia by \$74.2 million to \$173.4 million per year. In addition, the State Government should increase its annual commitment to social housing by \$52.1 million to \$86.6 million per year.*

Agree	Why?	Party
X	<p>"The funding allocation under the 2003 Commonwealth State Housing Agreement (CSHA) for 2004/05 financial years is as follows:</p> <ul style="list-style-type: none"> <li>• \$70,708 million for Base Funding</li> <li>• \$19,364 million for Aboriginal Rental Housing Program</li> <li>• \$3,949 million for the Crisis Accommodation Program; and</li> <li>• \$6,372 million for Community Housing Program</li> </ul> <p>The State Government has committed to \$51.2 million for the 2004/05 financial year for public housing.</p> <p>The current Commonwealth State Housing Agreement runs for a further 3½ years to 30 June 2008. Negotiations for a new funding agreement are expected to commence by January 2007."</p>	ALP
X	Liberal policy (on their website) does not mention Commonwealth / State funding issues.	Liberal/ National
?	"We will work to ensure that the Commonwealth and States governments support investment in affordable rental housing through a variety of taxation and other incentives." (from the Democrat website)	Democr ats
✓	Greens (WA) support this policy and are committed to working with housing advocacy groups and individuals to lobby both the Federal and State Government to achieve this goal.	Greens
?	"Family First will support the ongoing and improved availability of public housing, particularly to those in the community who are physically, socially and economically disadvantaged." (from the Family First website)	Family First Party

**4. In order to encourage investment in low-cost rental housing, the State Government should overhaul relevant taxes, including stamp duty and land tax.**

Agree	Why?	Party
✓	<p>“The Government announced as part of its May 2004 Budget that it will further reduce tax imposts for Western Australians in a number of key areas. The measures include:</p> <ul style="list-style-type: none"> <li>• A 10 percent cut to stamp duty rates on all property conveyances, effective from 29 October 2004</li> <li>• An increase in the maximum value threshold for the conveyance duty exemption for first home buyers to \$250,000 for homes and \$150,000 for vacant land, which also came in to effect from 29 October 2004</li> <li>• A \$150 reduction in land tax bills through an adjustment to the land tax scale, effective from 1 July 2005</li> </ul> <p>The Department of Housing and works is investigating the feasibility of a number of strategies relating to options for leveraging private investment for low cost rental. These and a number of other measures to address housing affordability are outlined in the Draft Housing Strategy, which is nearing the stage of seeking public comment”.</p>	ALP
X	<p>“The Liberal Party strongly opposes any new government tax or charge on the family home”, but does not mention investment in low-cost rental housing.</p>	Liberal/ National
✓	<p>“We will ensure land taxes are extended to certain owner-occupier properties at the top end of the market and reduced for multiple investments in low cost rental housing.” (from the Democrats website)</p> <p>“We will address the challenging task of devising a long-term strategy of investment of public monies, to both stimulate the supply of private rental housing affordable to people on low incomes, as well as to increase the stock of public and community housing ... Our national approach to housing will support proposals to ... Increase the supply of affordable rental housing;” (Housing Issues Paper, Democrats website)</p>	Democr ats
✓	<p>“Greens (WA) support this policy aim. To achieve greater investment in low cost rental housing, Greens will work towards increasing the supply of affordable rental housing in the private market by investigating arrangements such as bonds, partnerships and tax credits to encourage investment in low cost rental housing in place of negative gearing. Further, the Greens (WA) will work towards increasing the affordability of home ownership by:</p> <ul style="list-style-type: none"> <li>• eliminating the tax bias towards passive investment in property by making expenses incurred deductible only against income from the same type of investment in current or future years;</li> <li>• improving the targeting of and coordination between property-related taxes and concessions, such as stamp duty, GST, First Home Owners Grant and land tax to support first home buyers in the bottom 40% of incomes; and</li> <li>• consulting with builders, real estate agents and lending institutions to promote smaller, more diverse housing as a legitimate option, not a resale risk.</li> </ul> <p>In addition, the Greens support location efficient mortgages (LEMs), which allow the purchase of homes near public transport to purchasers who agree to own only one car in order to qualify for a larger loan. This enables them access to housing that might otherwise be out of their reach. LEM's assume that less of household income will go toward car costs if they can walk, cycle, or take public transport.”</p>	Greens
?	<p>Family First policy (on their website) does not mention this issue.</p>	Family First

**5. In order to improve conditions in the private rental sector, the State Government should develop and codify specific minimum standards regarding both tenancy management and the physical condition of rental properties.**

Agree	Why?	Party
?	The Department of Consumer Protection is conducting a review of the Residential Tenancies Act and has received submissions from many stakeholders, including the Department of Housing and Works. The review is yet to be finalised with submissions still being considered by the Department of Consumer Protection.	ALP
?	Tenancy standards are not mentioned in Liberal Party policy on their website	Liberal/ National
✓	"We believe tenants should be given every opportunity to have an effective role in managing their own homes and communities. We support the universal introduction of tenancy tribunals to protect the rights of all people who rent, board or lodge." (from the Democrats website)	Democr ats
✓	<p>Greens support this policy direction. Further, the Greens support resource efficiency of new and existing buildings by:</p> <ul style="list-style-type: none"> <li>• increasing minimum requirements for energy and water use efficiency and waste reduction in new construction and substantial alterations/additions, and providing incentives for people who wish to better these minimum requirements;</li> <li>• reviewing the energy provisions of the BCA to encourage innovation for sustainability;</li> <li>• providing incentives for people to renovate commercial or residential buildings to improve their energy and water use efficiency and waste reduction;</li> <li>• including the testing and promotion of affordable, sustainable development models in the key objectives of the Department of Housing and Works and the Department for Planning and Infrastructure; and</li> <li>• supporting the development of appropriate new technology, including recycling of building waste in line with the State Waste Minimisation Strategy.</li> </ul>	Greens
?	This issue is not mentioned on the Family First website	Family First Party

**6. In order to facilitate access to home ownership, the State Government should review all housing related grants and tax incentives with regard to their effectiveness.**

Agree	Why?	Party
?	<p>The Draft Housing Strategy WA canvasses a range of possible measures to address housing affordability.</p> <p>The Department of Housing and Works currently operates the Aboriginal Home Ownership Scheme and Keystart schemes.</p> <p>An Aboriginal Home Ownership Steering Committee has been established with the objective of steering and driving new initiatives for Aboriginal and Torres Strait Islander people to access home ownership.</p> <p>The State Government has recently facilitated access to home ownership providing a 100% rebate on stamp duty to first homebuyers purchasing a home valued up to \$250,000. There is a sliding rebate for homes valued between \$250-\$300,000.</p> <p>The major grant to first homeowners is the First Home Owners' Grant of \$7,000. While this grant is administered by the Department of Treasury and Finance in Western Australia, the Commonwealth controls the parameters of the grant.</p>	ALP
?	<p>The Liberal Party strongly opposes any new government tax or charge on the family home</p> <p>Just as it did in 1995/96, the Liberal Party in Government will again reinstate the application of a land tax exemption for owner-occupied family homes owned by a company or a trust for legitimate business or estate planning purposes.</p> <p>The WA Liberal Party is supportive of a joint State/Federal home ownership proposal, discussed by Prime Minister John Howard and state and territory Liberal leaders in September 2002.</p> <p>The basic tenet of the proposal, put forward by the Menzies Research Centre, is to enable private homes to be purchased through a partnership agreement.</p> <p>(from the Liberal website). An overall review is not mentioned</p>	Liberal/ National
✓	<p>We will work towards the abolition of stamp duty on homes that are bought as a principal place of residence (from the Democrats website). An overall review is not mentioned.</p> <p>The Australian Democrats believe that current personal tax settings – negative gearing and capital gains tax concessions – have driven this recent housing boom. This must be urgently reviewed. (Housing Issues Paper, Democrats website).</p>	Democr ats
✓	<p>Greens (WA) support this proposal and will work with the community sector to achieve this aim.</p>	Greens
✓	<p>Family First will seek to identify and promote public policy that provides real incentive and opportunity for home ownership, particularly for first home buyers. Family First will seek to identify and support measures to redress the decline in housing affordability. (from the Family First website)</p>	Family First Party

**7. If elected, what measures will your party take to ensure that the issues related to housing people on low incomes are effectively addressed within Western Australia?**

Responses are reproduced below only when one was received. Quoted as sent.

**AUSTRALIAN LABOR PARTY:**

The Gallop Government is committed to responding to the hopes of all Western Australians for their housing and construction needs. To provide housing for Western Australians who cannot otherwise afford their own homes by arranging affordable rental housing, home finance, and land.

The Gallop Government will provide a strong construction and refurbishment program of 1903 commencements to assist public housing applicants in 2004/05. This includes 436 units under the New Living program.

DHW Region	Construction		Refurbishments		Total	
	Units	\$M	Units	\$M	Units	\$M
Metro North	305	32.442	129	3.885	434	36.327
Metro Fremantle	189	19.930	75	3.288	264	23.218
Metro Southeast	189	19.930	135	3.963	324	23.893
Southern	95	10.038	16	0.425	111	10.463
Southwest	132	13.966	49	1.690	181	15.656
Central (Goldfields)	94	9.892	25	0.465	119	10.357
Wheatbelt	39	4.073	10	0.250	49	4.323
North Central (Gascoyne)	40	4.219	95	1.492	135	5.711
Pilbara	62	7.363	71	8.240	133	15.603
Kimberley	80	9.649	73	10.428	153	20.077
<b>TOTAL</b>	<b>1225</b>	<b>131.502</b>	<b>678</b>	<b>34.126</b>	<b>1903</b>	<b>165.628</b>

The Gallop Government is committed to a four year stock replacement and refurbishment program commencing in 2004/05. The program will target properties over 30 years old in regional and remote town locations and will largely be focused on the South West, Southern and Wheatbelt regions of the State.

To assist people on low incomes into home ownership over 4,700 loans will be made available in 2004/05 including funding of \$506.4 million for Keystart and a further \$9.2 million under the Goodstart and Access schemes.

This is a significant increase of 40% from the 2001 levels of \$361 million. In the next four years the scheme will provide funding of over \$2 billion being the largest program in the history of the scheme. The initiatives to introduce brokers to refer loans to Keystart and the introduced policy changes now make it easier for Western Australians to enter home ownership.

The land program continues to be strong with funding of \$80.2 million in 2004/05 to produce 2718 lots.

**LIBERAL/NATIONAL COALITION:**

No response

**THE AUSTRALIAN DEMOCRATS:**

No response

**THE WA GREENS:**

As Greens (WA) spokesperson on housing matters, Giz Watson MLC will continue to work with housing advocacy groups to lobby for improved, accessible housing that is sustainable, energy efficient and that focuses on compact mixed-use communities located to encourage walking, cycling and public transport. We recognise that appropriate, affordable housing enhances people's health, dignity and life opportunities and is an essential prerequisite to social equity.

**FAMILY FIRST:**

No response

## 5. The Policies



### Australian Labor Party Western Australian Branch

#### HOUSING AND CONSTRUCTION

##### *The Equitable Provision of Quality Housing*

#### HOUSING

1. Labor believes:
  - a. that all Western Australians have the right to access housing that is affordable, appropriate, safe, sustainable and secure; and
  - b. that crisis services must be guaranteed sufficient housing to offer to the people they are helping.
2. Labor recognises:
  - a. the importance of providing all Western Australians with a range of accommodation options;
  - b. the problem of homelessness in our community;
  - c. the role that community housing plays in meeting the housing requirements of people with special needs or disabilities, young people, people in housing crisis, seniors and people from culturally diverse backgrounds; and
  - d. that a vibrant housing construction industry is a critical element in the state's economy.
3. Labor will:
  - a. continue to fight for the continuation of the Commonwealth State Housing Agreement (CSHA) and seek increased funding to compensate for the loss of funding that has occurred since 1989;
  - b. redirect the emphasis of the CSHA back to providing affordable, secure and appropriate housing;
  - c. consult key stakeholders such as local government, unions, tenant organisations, industry bodies and community organisations in the provision of housing;
  - d. support and strengthen programs that deal with the issue of homelessness;
  - e. improve coordination and collaboration between government departments and the community sector to ensure an improved response to homelessness;
  - f. ensure a diversity of affordable housing locations within the community with access to essential amenities
  - g. provide affordable housing through the following areas:
    - i. Public Housing
      - o by providing and expanding appropriate public housing for those in need, including people with disabilities, young people, the aged, people escaping domestic violence, Indigenous Australians and other disadvantaged groups; and

- by supporting the growth of public housing availability in rural and metropolitan regions.
- ii. Community Housing (community-based, non-government, notfor-profit accommodation generally directed at people on low incomes)
  - by supporting and strengthening the community housing sector as an alternative housing option.
- iii. Other
  - by encouraging land developers to include a percentage of affordable blocks in all land developments;
  - by supporting low and middle-income people who choose to purchase their own homes through a range of initiatives and housing programs; and
  - by identifying and supporting strategies developed to encourage investment in affordable housing to strengthen the private rental market.

#### **CONSUMER PROTECTION**

##### 4. Labor recognises

1. that housing provision plays a central role in the lives of all people; and
2. that people must be protected in obtaining housing for themselves and their families.

##### 5. Labor will:

- a. introduce adequate laws and strengthen existing ones to protect consumers and ensure proper quality standards are enforced in housing constructions; and
- b. ensure a high quality of housing and commercial construction in Western Australia.

#### **SUSTAINABILITY**

##### **Housing**

##### *Improving Energy Efficiency*

##### 11. Labor will:

- a. develop a program requiring the measurement of the energy efficiency of all new dwellings and existing dwellings undergoing sale and for such measurements to be disclosed; and
- b. examine the introduction of incentives to encourage the retrofit of existing dwellings to become more energy efficient.

<http://www.wa.alp.org.au/>



## Liberal Party

### HOME OWNERSHIP: AFFORDABILITY AND CHOICE

#### THE GREAT AUSTRALIAN DREAM

It is the great Australian dream to own your own home to provide a comfortable and safe environment in which individuals and families can live.

Access to affordable and quality housing for all Western Australians is the centrepiece of the Liberal approach to housing.

As at 2001, 68 per cent of all occupied private dwellings throughout Western Australia were either fully owned or being purchased. This figure rises to 70 per cent in the Perth metropolitan area – four per cent higher than the national average. However, we must not take this for granted.

#### AFFORDABILITY

In reality, it is becoming increasingly difficult for younger people to enter the property market. The Liberal Party is faced with the challenge of preserving and enhancing the existing high levels of home ownership.

By encouraging home ownership, we can help to shape a community where people can have both physical and financial security.

#### Government taxes and charges

The family home has traditionally and rightfully been afforded tax-exempt status at both a State and Federal level. For example, State land tax and Federal capital gains tax are not payable on the owner-occupied family home.

The Liberal Party strongly opposes any new government tax or charge on the family home. In September and October 2001, the Liberal Party, together with concerned residents, successfully rallied against the Gallop Labor Government's introduction of the greedy and divisive "premium property tax" on the family home.

However, in its first budget, the Gallop Labor Government removed the principal place of residence land tax exemption for family homes held in the name of a trust or company. Many small business owners have no choice but to own their family home through their company. This measure, effective 1 July 2002, will force more than 1,500 WA home-owners to pay, on average, \$1,000 to \$5,000 per annum to remain in their family home. If those affected choose to transfer their home into direct ownership, they may be liable to pay capital gains tax on the unrealised increase in the value of the land. Either way, the Gallop Labor Government is forcing hundreds of home-owners to pay tax on their family homes.

Just as it did in 1995/96, the Liberal Party in Government will again reinstate the application of a land tax exemption for owner-occupied family homes owned by a company or a trust for legitimate business or estate planning purposes.

#### First home-buyers

In its second budget, the Gallop Labor Government increased stamp duties on property purchases by an average of 10 per cent across the board. As a result, the WA home buyer is paying \$5,500 in stamp duty on the purchase of a median-priced \$180,000 home. This almost

completely negates the financial benefit that first home-buyers receive through the Howard Government's \$7,000 first home-owners' grant.

### **Building costs**

The cost of building a home in Perth is less than any other capital city. According to recent ABS statistics, the cost of building a home in Western Australia (average cost across metropolitan Perth and rural and regional WA) in March 2002 was \$541 per square metre. This compares with \$639 per square metre in NSW, \$689 per square metre in Victoria and an average \$625 per square metre across Australia.

The major reason for this is the use of the sub-contract system for housing construction in WA – a system based on small business and private enterprise. Under the Gallop Labor Government's industrial relations "reforms", this industry, in particular the sub-contract system, will be under serious threat.

The Liberal Party is committed to an industrial relations system underpinned by choice and flexibility – free from inefficient operators. This is necessary to ensure the continuation of the sub-contract system and WA's comparatively low building costs.

### **Home indemnity insurance**

Another critical issue affecting the home building industry at present is that of home indemnity insurance. The Gallop Labor Government has not made this issue the priority it ought to be, despite pressure from the Liberal Party and industry groups. As premiums rise and insurance becomes more and more difficult to obtain due to the lack of competition in the market, many small businesses are being forced out of the building industry and those who remain must increase their prices.

Smaller and regional builders are most affected and are losing their market share to the big 3 or 4 Perth based builders. As the number of builders in our regional areas decline, consumer choice in will also be eroded.

The Liberal Party is currently consulting with industry groups and businesses in the housing sector with the aim of developing a sustainable long-term solution to the insurance crisis.

### **FIRST HOME BUYERS – A NEW INITIATIVE**

The WA Liberal Party is supportive of a joint State/Federal home ownership proposal, discussed by Prime Minister John Howard and state and territory Liberal leaders in September 2002.

The basic tenet of the proposal, put forward by the Menzies Research Centre, is to enable private homes to be purchased through a partnership agreement. The home would be purchased by a combination of a normal mortgage raised by a prospective householder and finance from an institutional investor who would provide equity capital.

The householder would pay less out of his or her own pocket over their lifetime. The only entitlement the institutional investor would have is that they receive a proportionate share of the sale price when the home is sold. The householder would occupy the residence and retain complete control of the property with the right to determine the timing of its sale.

This initiative would be aimed at encouraging first home-buyers, but if deemed to be financially viable, it may also be extended to home-buyers who were wanting to upgrade their owner-occupied residence. The tax advantages applicable to family homes may be able to be extended to the institutional investor making the partnership agreement equally as attractive to both parties.

Not only would this mean that prospective home buyers would not have to single-handedly bear the burden of entering the increasingly expensive property market, but the disposable income of families would increase as a result of the reduced cost of home ownership and the associated reduction in mortgage repayments.

### **CHOICE IN HOUSING**

A contemporary policy targeting home ownership must also recognise and account for the changing housing needs of an ageing population. The Liberal Party is committed to ensuring that Western Australian retirees and seniors have access to quality residential accommodation that meets the requirements of their individual lifestyle.

According to 2001 Census data, around 12 per cent of Western Australia's population is aged 65 years and over. In recent times, we have seen a significant increase in the number of seniors aged 75 years and over, many of whom live alone.

The Liberals will encourage greater levels of private sector investment in housing for seniors which is within the means of middle income earners and which includes a care component. It is also essential to examine ways in which the retirement village industry can be expanded in consultation with the private sector, local government, consumer and seniors groups. Innovative policies adopted in other jurisdictions will be examined and put out for public comment by the Liberal Party.

### **SOCIAL RESPONSIBILITY**

The WA Liberals remain committed to such successful programs as the *Right to Buy Scheme*, that gives long-term HomesWest tenants a chance to purchase their homes at a discounted market price. The Liberal Party will also look to build upon the success of its urban renewal *New Living Program* including lowering the concentration of HomesWest properties in certain areas, replacing and refurbishing inappropriate public housing, improving streetscapes and parks and enhancing community infrastructure. These initiatives will be developed further and detailed in a future Position Statement.

<http://www.wa.liberal.org.au/>



## The Greens (WA)

### Housing Detailed Policy 2004

Appropriate housing enhances people's health, dignity and life opportunities. It is an essential prerequisite to social equity. There is a major housing crisis in Australia. Affordable housing [1] must be provided in areas with access to jobs, education and public transport. Housing design must respond to changing demographics and community aspirations, as well as meeting energy efficient housing design standards. It is vital that these issues are addressed if we are to maintain our quality of life.

### SPECIFIC POLICIES

*The Greens (WA) will support actions and legislation that:*

*1. Encourage shared responsibility for an adequate supply of appropriate, affordable housing by:*

- supporting community dialogue on housing;
- providing more information and opportunities to enable the community to participate in planning decisions; and
- using inclusive consultation processes for major decisions so that local concerns are balanced against the needs of the region as a whole.

*2. Increase the supply of appropriate social housing [2] by:*

- directing funding from rent assistance back to the Commonwealth-State Housing Agreement (CSHA) to provide targeted, supported housing for those in need, including people with disabilities, young people, the aged, people escaping domestic violence and indigenous Australians, in rural and metropolitan areas;
- providing targeted rent assistance for those in need of short term accommodation, such as students;
- supporting and strengthening the community housing [3] sector, including a review of relationships with the Department of Housing and Works, such as headleasing fees; and
- consulting with the community to set targets for social housing, including diverse dwelling types targeted to people with special needs, in all Local Government Areas (LGAs) to achieve social mix and shared responsibility between State and Local Government.

*3. Increase the supply of affordable rental housing in the private market by:*

- investigating arrangements such as bonds, partnerships and tax credits to encourage investment in low cost rental housing in place of negative gearing; and

- o encouraging alternative arrangements such as lodgers, boarders, caravan parks and shared accommodation, with support readily available to tenants and landlords.

4. *Increase the affordability of home ownership by:*

- o requiring new residential developments over 30 dwellings to provide at least 10% affordable housing;
- o eliminating the tax bias towards passive investment in property by making expenses incurred deductible only against income from the same type of investment in current or future years;
- o improving the targeting of and coordination between property-related taxes and concessions, such as stamp duty, GST, First Home Owners Grant and land tax to support first home buyers in the bottom 40% of incomes; and
- o consulting with builders, real estate agents and lending institutions to promote smaller, more diverse housing as a legitimate option, not a resale risk.

5. *Foster affordable housing that translates into affordable living by:*

- o reviewing the provisions of the Building Code of Australia (BCA), Western Australian Residential Design Codes and Town Planning and Development Act to reduce barriers to medium-density and mixed-use developments in transport and amenity rich areas, particularly for seniors, singles and other people with special needs;
- o facilitating redevelopment around public transport to increase accessibility to employment and other facilities by means other than the private car;
- o increasing developer contributions for new fringe developments, directing government expenditure to support well-located, high-quality infill development;
- o assisting households to purchase in areas where living costs will be lower, through schemes such as location-efficient mortgages [4]; and
- o locating new public housing [5] close to employment, transport and other services.

6. *Improve the resource efficiency of new and existing buildings by:*

- o increasing minimum requirements for energy and water use efficiency and waste reduction in new construction and substantial alterations/additions, and providing incentives for people who wish to better these minimum requirements;
- o reviewing the energy provisions of the BCA to encourage innovation for sustainability;
- o providing incentives for people to renovate commercial or residential buildings to improve their energy and water use efficiency and waste reduction;
- o requiring the assessment and marketing of the energy efficiency of all existing as well as new buildings for sale;
- o including the testing and promotion of affordable, sustainable development models in the key objectives of the Department of Housing and Works and the Department for Planning and Infrastructure; and
- o supporting the development of appropriate new technology, including recycling of building waste in line with the State Waste Minimisation Strategy.

(See The Greens (WA) policies on Population and Planning which are closely related to this Housing Policy.

## BACKGROUND

There is a major housing crisis in Australia. The shift in government focus from the provision of social housing (Commonwealth-State Housing Agreement (CSHA)) to market incentives rent assistance, negative gearing and the First Home Owners Grant) has contributed to high property prices and a shortage of affordable rental stock in the public and the private sector. Housing-related poverty, inappropriate housing and homelessness are increasing, particularly among young people. The Western Australian Council of Social Services identified public housing as its priority in 2004.

Housing affordability is lowest in employment and amenity-rich areas. This compounds poverty by making it difficult to access jobs, training, public transport and other opportunities. The continued release of large areas of land on the urban fringe as a primary strategy for housing affordability is not sustainable, as higher transport costs are likely to be a major burden on low-income households. Further, expanding the urban area involves high costs to health (car dependence leads to urban air pollution, greenhouse gas emissions and physical inactivity), the environment (loss of natural habitat, encroachment on agricultural land and water catchments) and the economy (high infrastructure costs and vulnerability to changes in oil supplies).

There is broad support in the community for sustainable development, for example, more energy-efficient buildings and more compact, mixed use communities suited to walking, cycling and public transport. Demographic changes also point to a need for smaller, more diverse housing. In 2001 nearly half of all households were occupied by only one (23%) or two (25%) people. Despite this, local governments in inner areas are reducing density limits, and new residential construction is dominated by large homes that rely on air-conditioning rather than climate-sensitive design.

## GLOSSARY

- [1] affordable housing is housing that costs less than 30% of household income.
- [2] social housing is affordable rental accommodation and includes housing provided by the State and by the community sector.
- [3] community housing is rental accommodation provided by not for profit community-based organisations, church groups or Local Government that offers tenant participation in the management of their housing.
- [4] location efficient mortgages (LEMs) allow purchasers of homes near public transport who agree to own only one car to qualify for a larger loan, enabling access to communities that might otherwise be out of their reach. LEM's assume that less of their income will go toward car costs if they can walk, cycle, or take public transport.
- [5] public housing is rental accommodation provided by the State (Homeswest)

<http://wa.greens.org.au>



## Housing

*Official Democrat Policy - as balloted 6 June 2004*

### OBJECTIVES

1. The Australian Democrats aim to ensure equitable access to housing for all Australians, including public or community housing for those who require it, and that economic and planning practises of all levels of government are applied to meet these goals in a sustainable way.

### PRINCIPLES

- The Australian Democrats believe that government should play a role in smoothing the boom and bust cycles in the housing market by ensuring all legislation that encourages property investment and which impacts on lifestyle and affordability, is monitored and reviewed to minimise negative effects.
- We will ensure land taxes are extended to certain owner-occupier properties at the top end of the market and reduced for multiple investments in low cost rental housing.
- We will work towards the abolition of stamp duty on homes that are bought as a principal place of residence.
- We will legislate so that there is increased funding for public and community housing of an adequate standard, and that this funding is indexed and cannot be used for any other purpose.
- We will work to ensure that the Commonwealth and States governments support investment in affordable rental housing through a variety of taxation and other incentives.
- The Democrats commit to ensuring that housing strategies are developed to meet the needs of disadvantaged groups, including youth, people with a disability, indigenous people, senior Australians, and people with intellectually or mentally impaired.
- We will actively encourage governments at all levels to become more proactive in facilitating community housing and low-cost housing projects , by working together to reduce development, infrastructure and energy costs and provide an integrated approvals and funding process.
- We believe tenants should be given every opportunity to have an effective role in managing their own homes and communities.
- We support the universal introduction of tenancy tribunals to protect the rights of all people who rent, board or lodge.
- We will work towards uniform national laws that ensure security of tenure for renters.
- We believe State Governments should apply consistent and sustainable urban and environmental planning processes to ensure an adequate supply of affordable housing.
- support the enforcement of environmental standards within the building code, including energy efficiency standards.

- advocate design and construction practices that reduce reliance on non-renewable power sources.
- believe that the Commonwealth-State Housing Agreement should be maintained, and that the Commonwealth must play a continuing financial role in ensuring affordable and appropriate housing for all Australians.
- support initiatives for people on low and moderate incomes to have access to a choice of affordable housing options, as well as access to rent and mortgage subsidies.
- will provide incentives so that urban planning processes are improved to better integrate the environment with urban development, and improve community input into major infrastructure and planning decisions. will work towards legislative change so that all subsidies and schemes to assist people to rent or buy homes are means tested, combined with a review and revision of eligibility requirements.
- support the use of independent organisations to provide low cost land and housing infrastructure, and to encourage innovative planning to meet community needs.

Official Democrat Policy - as approved by National Executive 6 June 2004

#### HOUSING - AUSTRALIAN DEMOCRATS ISSUE SHEET

The Australian Democrats believe that affordable and accessible housing for Australia is not just a social welfare issue. Housing impacts on health, employment and training, access to employment, environment and wealth.

**Affordability** Australia has a housing affordability crisis. Too many Australian households spend more than a third of their income on housing, putting their families under heavy financial and social pressure. First home buyers are struggling to enter the market, despite low interest rates. Low cost rental properties including boarding houses are disappearing. Homelessness is increasing and rental costs are an important factor. Private renters on low incomes are among the worst off, with more than half of all private tenants suffering housing stress. In 2001-2 there were 330,360 Rent Assistance recipients paying more than 30% of their income on rent. House prices in Australia have doubled over the last decade. This is unsustainable and a significant contributor is rapid rise in investor activity in the market. The Australian Democrats believe that current personal tax settings – negative gearing and capital gains tax concessions – have driven this recent housing boom. This must be urgently reviewed.

**Environment and access** Australia's existing housing stock is placing unnecessary pressure on the environment. Poorly sited, nowhere near public transport and inadequately insulated housing causes households to overconsume water, energy and private transport. This consumption hurts the environment and it particularly hurts the pockets of lower income earners. Energy use can be reduced by good design and urban planning. Sustainable housing for the future should be adaptable for an ageing population with transport and social infrastructure to support older people ageing in place.

**A national housing strategy** Affordable and accessible housing is an essential component of any policy aiming to address employment, family, community or welfare issues, yet it gets little attention from political parties. The Australian Democrats along with community groups, unions and the housing industry believe it is well and truly time for housing issues to be put firmly on the national political agenda. We believe there must be a whole of Government approach to housing, with the Federal Government providing the impetus for national leadership and consistence. It is imperative that Australia develops integrated housing reform strategy, which links housing, urban and regional development, social security and community services policies.

Our national approach to housing will support proposals to:

- Create a federal Portfolio for Housing, Infrastructure and Regional growth;
- Increase the supply of affordable rental housing;
- Increase the supply and improve the quality of public and community housing;
- Have regard to the social community, health and transport needs of lower income Australians;
- Provide strong and sustainable environmental management policies for all housing
- Work towards practical planning reform. Action on housing

The first home owners grant should be means tested and targeted at greater social and environmental outcomes, including accessibility.

The Australian Democrats support continued reform and regulation of tenancy databases and the development of consumer protections against the misuse of information.

We will continue to push for the modification of negative gearing and the phased reduction of capital gains tax concessions for investment properties, while promoting new incentives to invest in affordable housing.

We will focus on national planning and design standards that balance the need for sustainable and affordable housing with simplified planning requirements.

We will address the challenging task of devising a long-term strategy of investment of public monies, to both stimulate the supply of private rental housing affordable to people on low incomes, as well as to increase the stock of public and community housing.

The Australian Democrats will use our balance of power role in the Senate to continue to hold governments accountable for inaction on housing. We believe that Government can no longer solely focus on the narrow economic issues and assume that low interest rates will solve housing problems. Housing is an integral part of the nation's economic infrastructure. If the present crisis is left unchecked, the lack of affordable housing will bring disruptive social, economic and political consequences to Australia.

**[www.democrats.org.au](http://www.democrats.org.au)**



## **FAMILY FIRST PARTY**

### **HOUSING**

*Family First recognises that housing should be affordable and accessible to all Australians. Family First recognises that housing stability and security are crucial to healthy and stable family life and ultimately for the optimal development and education of children. Family First also recognises that home ownership provides a fundamental plank in Australia's Social Security Safety Net and is an important aspect of sound retirement planning.*

#### **Specifically**

1. Family First will support the ongoing and improved availability of public housing, particularly to those in the community who are physically, socially and economically disadvantaged.
2. Family First will seek to identify and promote public policy that provides real incentive and opportunity for home ownership, particularly for first home buyers. Family First will seek to identify and support measures to redress the decline in housing affordability.

**<http://www.familyfirst.org.au>**

## 6. Analysis

The forum highlighted that all of the parties appear to agree on a number of issues. Most significantly, all parties have noted that affordability of home ownership is falling and that there is a need to promote access to affordable housing in general. The main differences between the various parties lies in the emphasis each party places on fostering affordable housing, particularly for people on lower incomes.

While the Liberal Party stresses that “a joint State/Federal home ownership proposal ... would enable private homes to be purchased through a partnership agreement”, the ALP speaks more generally of protection for all housing consumers and a range of initiatives for low and middle-income home purchasers.

Both the ALP and the WA Greens would require new housing developments to include a percentage of blocks for affordable homes as a general principle. However, only the Greens will commit to a specific (10%) requirement.

Each party mentions social housing, but again each position has a very different emphasis. The WA Greens propose to increase the supply of “appropriate social housing” in WA. The ALP makes no promise to increase supply, but intends to maintain public housing and to place greater emphasis on community housing as an option.

Family First “will support the ongoing and improved availability of public housing”, while the Liberal Party’s policy singles out two Department of Housing and Works programs under the heading of “Social Responsibility”: the Right to Buy scheme for long term Homeswest tenants, and the New Living Program of urban renewal.

Finally, there are some unique policies in each platform. For instance, the Liberal Party intends to encourage more private investment in the provision of housing for the aged, while the WA Greens promote community dialogue and input into increasing the supply of affordable housing. The ALP wants to use consumer protection policies as an aid to protecting access to housing.

The ratings presented below are intended as a ‘short, sharp’ assessment of the various parties’ housing policy platforms, their responses to the questionnaire and their presentation at the forum. It should be noted that these ratings reflect the parties’ positions on housing as they stand today, and Shelter WA hopes that new policy and funding announcements will improve the parties’ ratings as the election campaign progresses.

Overall, the ratings indicate that there is significant scope for improvement, particularly for the Government and Opposition. A shortcoming across all parties, with the exception of the WA Greens, is the lack of specific targets and funding commitments to back up the good intentions expressed in the platforms.

**AUSTRALIAN LABOR PARTY:**

The ALP has demonstrated that it recognises that housing is an important policy issue through its actions in its current term in Government. However, its policy platform is not sufficiently far reaching and does not make the specific financial commitments necessary to address the problems of housing affordability and homelessness.

Rating: Three out of five.



**LIBERAL / NATIONAL COALITION:**

While acknowledging housing as an important issue in word, Coalition policies contain little policy initiative and make no specific financial commitments to improving access housing for low-income consumers.

Rating: One and a half out of five.



**AUSTRALIAN DEMOCRATS:**

The Australian Democrats offer some very positive housing policy in a number of areas. However, the appropriate level of detail is lacking in other areas.

Rating: Two and a half out of five.



**GREENS (WA):**

The WA Greens offer detailed and well thought out policy in response to the need for fair and equitable access to housing for all Western Australians.

Rating: Five out of five.



**FAMILY FIRST PARTY**

While Family First policy is lacking in detail, it does make several commitments to improved access to housing.

Rating: One and a half out of five.



## Appendix 1: Responses in Full

Responses to the Shelter WA questionnaire have been reproduced exactly as they were sent and on the order that they were received.

### **THE GREENS (WA)**

- 1. In order to improve Indigenous housing, the State Government should make a financial commitment to improve the standard of Indigenous housing in urban, rural and remote areas.***

Greens (WA) support this aim. In concurrence with increased funding, the State Government must recognise that an integral part of indigenous self-determination is the ability for Aboriginal and Islander service providers to operate with full autonomy. Consequently, the Greens (WA) will encourage the Government to:

- o promote indigenous autonomy at all levels in full consultation with Aboriginal people, communities and representative organisations; and
- o develop an effective monitoring body to audit performance and outcomes of government agencies who have responsibility for service delivery to the Aboriginal community.

- 2. In order to improve the financial viability of social housing, the State Government should either recognise and fully fund the policy of targeting to high needs tenants as a community service obligation, or abandon the policy in favour of a broader mix of tenants, with a minimum requirement regarding the proportion of high need tenants***

Greens (WA) support this policy direction. To achieve an improvement in the supply and quality of social housing Greens (WA) will support actions and legislation that:

- o directs funding from rent assistance back to the Commonwealth-State Housing Agreement (CSHA) to provide targeted, supported housing for those in need, including people with disabilities, young people, the aged, people escaping domestic violence and indigenous Australians, in rural and metropolitan areas;
- o provides targeted rent assistance for those in need of short term accommodation;
- o supports and strengthens the community housing sector, including a review of relationships with the Department of Housing and Works, such as head leasing fees; and
- o consults with the community to set targets for social housing, including diverse dwelling types targeted to people with special needs in all Local Government Areas, in order to achieve social mix and shared responsibility between State and Local Government.

- 3. In order to increase social housing to 6% of total housing stock by 2025, the State Government should lobby the Commonwealth Government to increase their annual commitment to public housing in Western Australia by \$74.2 million to \$173.4 million per year. In addition, the State Government should increase its annual commitment to social housing by \$52.1 million to \$86.6 million per year.***

Greens (WA) support this policy and are committed to working with housing advocacy groups and individuals to lobby both the Federal and State Government to achieve this goal.

- 4. In order to encourage investment in low-cost rental housing, the State Government should overhaul relevant taxes, including stamp duty and land tax.***

Greens (WA) support this policy aim. To achieve greater investment in low cost rental housing, Greens will work towards increasing the supply of affordable rental housing in the private market

by investigating arrangements such as bonds, partnerships and tax credits to encourage investment in low cost rental housing in place of negative gearing. Further, the Greens (WA) will work towards increasing the affordability of home ownership by:

- eliminating the tax bias towards passive investment in property by making expenses incurred deductible only against income from the same type of investment in current or future years;
- improving the targeting of and coordination between property-related taxes and concessions, such as stamp duty, GST, First Home Owners Grant and land tax to support first home buyers in the bottom 40% of incomes; and
- consulting with builders, real estate agents and lending institutions to promote smaller, more diverse housing as a legitimate option, not a resale risk.
- In addition, the Greens support location efficient mortgages (LEMs), which allow the purchase of homes near public transport to purchasers who agree to own only one car in order to qualify for a larger loan. This enables them access to housing that might otherwise be out of their reach. LEM's assume that less of household income will go toward car costs if they can walk, cycle, or take public transport.

**5. In order to improve conditions in the private rental sector, the State Government should develop and codify specific minimum standards regarding both tenancy management and the physical condition of rental properties.**

Greens support this policy direction. Further, the Greens support resource efficiency of new and existing buildings by:

- increasing minimum requirements for energy and water use efficiency and waste reduction in new construction and substantial alterations/additions, and providing incentives for people who wish to better these minimum requirements;
- reviewing the energy provisions of the BCA to encourage innovation for sustainability;
- providing incentives for people to renovate commercial or residential buildings to improve their energy and water use efficiency and waste reduction;
- including the testing and promotion of affordable, sustainable development models in the key objectives of the Department of Housing and Works and the Department for Planning and Infrastructure; and
- supporting the development of appropriate new technology, including recycling of building waste in line with the State Waste Minimisation Strategy.

**6. In order to facilitate access to home ownership, the State Government should review all housing related grants and tax incentives with regard to their effectiveness.**

Greens (WA) support this proposal and will work with the community sector to achieve this aim.

**7. If elected, what measures will your party take to ensure that the issues related to housing people on low incomes are effectively addressed within Western Australia?**

As Greens (WA) spokesperson on housing matters, Giz Watson MLC will continue to work with housing advocacy groups to lobby for improved, accessible housing that is sustainable, energy efficient and that focuses on compact mixed-use communities located to encourage walking, cycling and public transport. We recognise that appropriate, affordable housing enhances people's health, dignity and life opportunities and is an essential prerequisite to social equity.

Giz Watson MLC

Member for North Metropolitan Region

**AUSTRALIAN LABOR PARTY**

1. *In order to improve Indigenous housing, the State Government should make a financial commitment to improve the standards of indigenous housing in urban, rural and remote areas.*

The State Government will continue its financial commitment to improving the standard of Indigenous housing in urban, rural and remote areas, in accordance with the 'Agreement for the provision of Housing and Infrastructure for Aboriginal and Torres Strait Islander People in Western Australia July 2002 – June 2007'. For 2004-05, the State has contributed \$22.483 million of the Agreement's funding pool, as per the table below:

<b>Funding Source</b>	<b>Budget \$m 2004/05</b>
<b>Commonwealth funding</b>	
Aboriginal Rental Housing Program	21.364 M
<b>State Treasury</b>	
Commonwealth State Housing Agreement	11.947 M
Aboriginal Community Strategic Investment Program	2.782 M
Remote Area Essential Services Program	3.754 M
<b>Department of Housing &amp; Works</b>	
	4.000 M
<b>Other</b>	
Aboriginal & Torres Strait Islander Commission	40.159
<b>Total</b>	<b>84.006</b>

2. *In order to improve the financial viability of social housing, the State Government should either recognise and fully fund the policy of targeting to high needs tenants as a community service obligation, or abandon the policy in favour of a broader mix of tenants, with a minimum requirement regarding the proportion of high needs tenants.*

The provision of rental subsidies to tenants costs approximately \$90 million per annum and has to be funded from operational income and grants provided by the Commonwealth. Although the Commonwealth accept their responsibility to provide rent assistance to tenants in the private rental sector, this form of income support is not provided to public housing tenants. If public tenants were eligible for rent assistance then this would bring an extra \$50 million per annum into the financing of the public housing sector.

The Commonwealth State Housing Agreement requires States and Territories to spend their funding for housing assistance under the agreement "to provide appropriate, affordable and secure housing assistance for those who most need it, for the duration of their need." Concentrating on those people most in need means that applicants for housing assistance will inevitably include a high proportion of people with complex needs in receipt of low incomes.

The Department's Homeless Helpline was set up in 2001 to act as a central contact point for homeless people literally without shelter to find accommodation and to assist secondary homeless to obtain assistance to seek their own accommodation. The Homeless Helpline liaises with relevant agencies, documents the details and liaises

with Homeswest regional offices and non-government accommodation services to ensure urgent accommodation is arranged where applicable.

The Homeless Helpline assisted 1,292 families into housing in 2003/04. Since its inception in 2001 the Homeless Helpline has assisted 3,681 families into housing.

Within the existing policy and funding environment, public housing assistance will continue to meet the housing needs of this group of highly disadvantaged people.

**3. In order to increase social housing to 6% of total housing stock by 2025, the State Government should lobby the Commonwealth government to increase their annual commitment to public housing in Western Australia by \$74.2 million to \$173.4 million per year. In addition, the State Government should increase its annual commitment to social housing by \$52.1 million to \$86.6 million per year.**

As at 30 June 2004 the Department of Housing and Works stock portfolio comprised a total of 39,247 housing properties encompassing:

- 35,038 rental properties;
- 1,752 units in joint venture projects with supporting organisations;
- 1,182 properties built in remote areas for Aboriginal people;
- 828 properties for other community housing groups; and
- 447 properties for crisis accommodation

In addition, there are a further 119 resident-funded joint venture properties, which appear on the State Housing Commission's asset register, effectively resulting in 39,366 properties. This has increased from 39,263 in 2002/03. The projected figure for 2004/05 is for a further 1203 units to be constructed bringing the total to 40,569 units of accommodation.

The demand for public housing has remained relative to population growth. There were 12,788 applicants on the waiting list as at 30 June 2004. This is a decrease of 193 (1.5%) applicants when compared to the previous year's total. The average waiting time is 15.27 months.

The funding allocation under the 2003 Commonwealth State Housing Agreement (CSHA) for 2004/05 financial years is as follows:

- \$70,708 million for Base Funding
- \$19,364 million for Aboriginal Rental Housing Program
- \$3,949 million for the Crisis Accommodation Program; and
- \$6,372 million for Community Housing Program

The State Government has committed to \$34.6 million for the 2004/05 financial year for public housing. During the Gallop government's term of office, \$172 million has been provided for public housing compared with \$33.5 million in the previous four years by the coalition government.

The current Commonwealth State Housing Agreement runs for a further 3½ years to 30 June 2008. Although the new agreement provides for indexation of grants, the Commonwealth is still applying the efficiency dividend of 1% per annum and this seriously erodes the benefit of indexation. The Commonwealth shows no inclination to change the funding arrangements for public housing and the next opportunity to discuss funding levels will arise in approximately two years time. Negotiations for a new funding agreement are expected to commence by January 2007.

The GST also remains an issue that impacts on the Department's funding.

- Residential rents are input-taxed under GST, which means that State Housing Authorities cannot charge GST on their rents nor can they claim back the cost of GST on their operations.

- Following a common stand by State and Territory Housing Ministers in 1999, the Commonwealth agreed in the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations to provide compensation for the impact of GST on public housing of \$269 million over the last three years of the 1999 CSHA.
- Western Australia received \$8.533 million per annum. The State provides an additional \$3.48 million per annum to compensate Homeswest for the quarantining of the GST compensation paid to beneficiaries in public housing from rent assessment.
- In the negotiations for the CSHA, the Commonwealth stated that there would be no further money from the Commonwealth in the next CSHA to compensate the States for GST. The Commonwealth said that jurisdictions should look to their Treasuries for any further funding.
- In the first year of the new agreement, Western Australia saw a loss of \$9.4 million in Commonwealth funding compared with 2002/03. Commonwealth funding then rises by just over \$1 million per annum except for 2005/06 when the additional funding for Indigenous housing for each of the three years to 2004/05 will have ceased.
- The Commonwealth claimed that the new housing agreement offer represented an additional \$213 million of Commonwealth funding over the five years compared to the funding levels that would have applied if the current agreement had been extended. However, this calculation did not take into account the loss of GST compensation, which would have totalled \$448 million over the five years, representing across Australia a fall of \$235 million in Commonwealth funds for public housing.
- Western Australia's position is a net reduction of \$21 million over five years, when the loss of GST compensation is netted off from the increase in funding. This represents a loss of some 200 public housing dwelling commencements over the period.

**4. In order to encourage investment in low-cost rental housing, the State Government should overhaul relevant taxes, including stamp duty and land tax.**

The Government announced as part of its May 2004 Budget that it will further reduce tax imposts for Western Australians in a number of key areas.

The measures include:

- A 10 percent cut to stamp duty rates on all property conveyances, effective from 29 October 2004
- An increase in the maximum value threshold for the conveyance duty exemption for first home buyers to \$250,000 for homes and \$150,000 for vacant land, which also came in to effect from 29 October 2004
- A \$150 reduction in land tax bills through an adjustment to the land tax scale, effective from 1 July 2005
- A reduction in the pay-roll tax rate to 5.5 percent effective from 1 January 2005; and
- A cut in red tape for some businesses by incrementally reducing the frequency of pay-roll tax return lodgement, starting from 1 January 2005

These measures will save Western Australian taxpayers in excess of \$1 billion over the next four years.

The Department of Housing and works is investigating the feasibility of a number of strategies relating to options for leveraging private investment for low cost rental. These, and a number of other measures to address housing affordability are

outlined in the Draft Housing Strategy, which is nearing the stage of seeking public comment.

**5. In order to improve conditions in the private rental sector, the State Government should develop and codify specific minimum standards regarding both tenancy management and physical condition of rental properties.**

The Department of Consumer Protection is conducting a review of the Residential Tenancies Act and has received submissions from many stakeholders, including the Department of Housing and Works. The review is yet to be finalised with submissions still being considered by the Department of Consumer Protection.

**6. In order to facilitate access to home ownership, the State Government should review all housing related grants and tax incentives with regard to their effectiveness.**

The Draft Housing Strategy WA canvasses a range of possible measures to address housing affordability.

The Department of Housing and Works currently operates the Aboriginal Home Ownership Scheme and Keystart schemes.

- The Aboriginal Housing Ownership Scheme is a shared equity home loan scheme and lends approximately \$6m per annum, assisting 60 households. The price limit is \$250,000 for eligible clients. The minimum required deposit is 2% compared to 5-10% at other lending institutions. Two types of loans are offered: shared equity loans for people on low incomes and low deposit 100% ownership loans for people on higher incomes.
- Keystart is a mainstream low deposit loan scheme for people on low-to-moderate incomes. On average approximately 4,600 home loans are provided per annum. Keystart also assists Aboriginal people whose incomes are too high for them to be eligible for the shared equity scheme.
- An Aboriginal Home Ownership Steering Committee has been established with the objective of steering and driving new initiatives for Aboriginal and Torres Strait Islander people to access home ownership. One such proposal is a discount scheme for the purchase of public housing properties by long-term Aboriginal tenants – the 'Aboriginal Home Purchase Incentive Scheme'. The Department of Housing and works will consider this new proposal in early 2005.
- The Aboriginal Home Ownership Strategic Plan has been developed to achieve the following outcomes:
  - A coordinated approach to marketing home ownership to Aboriginal people.
  - Develop home ownership schemes to better meet the needs of Aboriginal people.
  - Encourage rental accommodation providers, both public and community sector, to make properties available for sale to their tenants.
  - Aboriginal land tenure securable by credit providers.

Keystart provides affordable access to home ownership in Western Australia for low and moderate-income households. During 2003/04 Keystart had a successful year. Key statistics include:

- The approval of 4183 loans totalling \$521.4 million
- A total of 2816 loans approved for first homeowners
- \$316.8 million was provided for the purchase of 2905 established homes

- \$204.6 million approved for new construction represented by 1278 new buildings starts
- The Keystart Safety Net mechanism continues to be well received by families experiencing short-term financial difficulties with 84 families assisted during the year.

The State Government has recently facilitated access to home ownership providing a 100% rebate on stamp duty to first homebuyers purchasing a home valued up to \$250000. There is a sliding rebate for homes valued between \$250-\$300000.

The major grant to first homeowners is the First Home Owners' Grant of \$7,000. While this grant is administered by the Department of Treasury and Finance in Western Australia, the Commonwealth controls the parameters of the grant.

The State Government supports the Productivity Commission's recommendation in its final report on First Home Ownership that the grant should be means tested or "*.. the funds may generate larger social benefits if used to address the broader housing needs of the lowest income Australians, which should be the subject of a separate public review.*" The Federal Treasurer rejected this recommendation.

The State Government also introduced the Restart Home Loan Scheme. Restart is a loan scheme designed to help households facing short term mortgage difficulties in situations where household income has decreased due to either temporary unemployment, retrenchment, or a relationship breakdown.

Restart is financed and managed through Keystart. With short term financial assistance borrowers are often able to regain their financial independence and keep their family home.

**7. If elected, what measures will your party take to ensure that the issues related to housing people on low incomes are effectively addressed within Western Australia?**

The Gallop Government is committed to responding to the hopes of all Western Australians for their housing and construction needs. To provide housing for Western Australians who cannot otherwise afford their own homes by arranging affordable rental housing, home finance, and land.

The Gallop Government will provide a strong construction and refurbishment program of 1903 commencements to assist public housing applicants in 2004/05. This includes 436 units under the New Living program.

DHW Region	Construction		Refurbishments		Total	
	Units	\$M	Units	\$M	Units	\$M
Metro North	305	32.442	129	3.885	434	36.327
Metro Fremantle	189	19.930	75	3.288	264	23.218
Metro Southeast	189	19.930	135	3.963	324	23.893
Southern	95	10.038	16	0.425	111	10.463
Southwest	132	13.966	49	1.690	181	15.656
Central (Goldfields)	94	9.892	25	0.465	119	10.357
Wheatbelt	39	4.073	10	0.250	49	4.323
North Central (Gascoyne)	40	4.219	95	1.492	135	5.711
Pilbara	62	7.363	71	8.240	133	15.603
Kimberley	80	9.649	73	10.428	153	20.077
<b>TOTAL</b>	<b>1225</b>	<b>131.502</b>	<b>678</b>	<b>34.126</b>	<b>1903</b>	<b>165.628</b>

The Gallop Government is committed to a four year stock replacement and refurbishment program commencing in 2004/05. The program will target properties over 30 years old in regional and remote town locations and will largely be focused on the South West, Southern and Wheatbelt regions of the State.

To assist people on low incomes into home ownership over 4,700 loans will be made available in 2004/05 including funding of \$506.4 million for Keystart and a further \$9.2 million under the Goodstart and Access schemes.

This is a significant increase of 40% from the 2001 levels of \$361 million. In the next four years the scheme will provide funding of over \$2 billion being the largest program in the history of the scheme. The initiatives to introduce brokers to refer loans to Keystart and the introduced policy changes now make it easier for Western Australians to enter home ownership.

The land program continues to be strong with funding of \$80.2 million in 2004/05 to produce 2718 lots.

Hon Nick Griffiths MLC

MINISTER FOR HOUSING AND WORKS

## Appendix 2: Attendees and Apologies

Name	Organisation	Accept	Apology
Kent Acott	Marketing & Communications DHW	X	
Arthur Bogias		X	
Curtis Clark	United Nations Assoc. & Sustainable Transport Coalition	X	
Marie-Anne Deighton	Anglicare Inc	X	
John Drew	Department of Community Development Northam	X	
Wendy Duncan	State President Nationals WA	X	
Hon Nick Griffiths	Minister for Housing	X	
Sandy Groves	Anglicare Busselton	X	
Lori Hackney	People with Disabilities	X	
Andrew Hall	Joondalup Youth Support Services	X	
Hon Ray Halligan	MLC Liberal Party	X	
John Hart	ALP candidate for Greenough	X	
Joe Heffernan	Northern Suburbs Community Services	X	
Hon Shane Hill	MLA, Member for Geraldton	X	
Helen Hill	DCD	X	
Dolly Holzinger	City of Wanneroo	X	
Nigel Irvine	Family First representative	X	
Nihal Iscel	Edmund Rice Centre	X	
Lyn MacLaren	Greens WA	X	
Liz McComishe	Mission Australia - Northern Suburbs	X	
Kristy Meos	Welfare Rights and Advocacy Centre	X	
Tina Merry	Community Housing Coalition of WA	X	
Helen Miskell	Department of Community Development	X	
Monica Montalvo	Communicare Inc	X	
Ron Nossitter	Subiaco Independent Housing Group	X	
Pat Oliver	Democrats representative	X	
Anne-Marie Paulsen	Consumer Legal and Advocacy Centre	X	
Kerri Powell	Tenant Advocacy (South West)	X	
Ranjan Ray		X	
Gayle Rewell	DCD Cannington	X	
Rob Spinks	Tenants Advice Service	X	
Elaine Wallam	Deaths in Custody	X	
Debbie Wardle	Tenants Advice Service	X	
Hon Giz Watson	MLC Greens (WA)	X	
Lynda Wennstrom	Consumer Legal and Advocacy Centre	X	
Fiona Willan	Voice News	X	
Gail Wolf	Department of Community Development	X	
Hon Colin Barnett	MLA		X
Hon John Bradshaw	MLA		X
Sandra Burmester	Yaandina SHAP (Roeburn)		X
Hon Kim Chance	MLC		X
Hon Ed Dermer	MLC		X
Hon Dr Judy Edwards	Minister for the Environment		X
Hon Paddy Embry	MLC New Country Party		X
Hon Adele Farina	MLC		X
Paul Flatau	Economics, Murdoch University		X
Beverly Ford	National Party candidate for Albany		X
Hon Dr Geoff Gallop	The Premier		X
Hon Barry House	Member for South West		X
Hon Bernie Masters	Independent MP for Vasse		X
Beryle Morgan	National Party candidate for Vasse		X
Ray Russell	Individual		X
Maureen Sexton	Federation of Housing Collectives		X
Peter Stubbs	National Party candidate for Moore		X
Hon Ken Travers	MLC		X
Grant Woodhams	National Party candidate for Greenough		X

## Appendix 3: Agenda

### Pre Election Housing Forum

Tuesday 18 January 2004, City West Lotteries House Conference Room

Presenters have been asked to speak for 10 minutes, with question time immediately afterwards (10 minutes for the ALP and Liberal Party presenters, 5 minutes for the minor parties).

- 9:30 Bronwyn Kitching (Shelter WA): opening
- 9.40 Lisa Baker (WACOSS): overview
- 10.00 Hon Nick Griffiths – Australian Labor Party
- 10:20 Hon Ray Halligan – Liberal Party

#### **10:40-11:10 Break**

- 11:10 Hon Giz Watson – Greens (WA)
- 11:25 Mr Nigel Irvine – Family First Party
- 11:40 Ms Pat Olver – Australian Democrats
- 12:00 Questions from the floor
- 12:20 Bronwyn Kitching (Shelter WA): close

#### **12:30 Light Lunch**