

2003 COMMONWEALTH STATE HOUSING AGREEMENT

BILATERAL AGREEMENT BETWEEN THE AUSTRALIAN GOVERNMENT AND THE GOVERNMENT OF WESTERN AUSTRALIA JULY 2003 to JUNE 2008



Australian Government
Department of Family and Community Services



Department of
Housing and Works

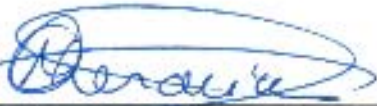
This agreement ('Bilateral Agreement') is made on between Western Australia and the Commonwealth ('the parties') to give effect to subclause 6(1) of the 2003 Commonwealth State Housing Agreement (2003 CSHA) signed between the parties in July 2003. This Bilateral Agreement, made pursuant to subsection 6(3) of the Housing Assistance Act 1996 of the Commonwealth, is designed to outline directions for delivery of housing assistance in Western Australia focusing on key areas of strategic interest to the parties.

IN WITNESS WHEREOF the parties have executed this Bilateral Agreement.

SIGNED for and on behalf of the
COMMONWEALTH OF AUSTRALIA
by the Minister for Family and Community Services,



in the presence of



Witness

SIGNED for and on behalf of the
STATE OF WESTERN AUSTRALIA
by the Minister for Housing and Works,



in the presence of



Witness

1 The Housing Context – the level and nature of housing need in Western Australia

Introduction

Western Australia's population totalled 1.05 million in 1971 and had almost doubled to 1.9 million by 2001. Over this 30-year period, Western Australia's share of the national population increased from 8.1% to 9.8%, and is projected to climb to 11% by 2031.

The 2001 Census of Population and Housing recorded 772,778 dwellings in Western Australia, of which 695,649 were occupied. Seven out of every ten occupied dwellings were either owned outright or being purchased. Housing tenure in Western Australia for 1996 and 2001 is shown in Table 1 and demonstrates a continued high proportion of households in home ownership.

Table 1: Housing Tenure in WA, 1996 and 2001

Tenure	1996	2001
Owned	38.2%	37.6%
Purchasing	31.5%	33.1%
Public Rental	5.1%	4.5%
Other Rental	22.5%	20.0%
Other	2.7%	4.8%
Total	100.0%	100.0%

Note: 'tenure not stated' has been excluded

Source: ABS, 1996 and 2001 Census of Population and Housing

Public housing, as a percentage of the total occupied housing stock, has declined from 5.1% in 1996 to 4.5% in 2001. This relative decline in public housing provision is failing to keep pace with the population growth rate and has not been offset by an increase in the stock of low-cost private rental accommodation.

The future demand for housing assistance in Western Australia will increase as a result of:

- Increasing numbers of aged people with poor provision of retirement income;
- Higher numbers of people with a range of disabilities;
- Continued growth in part-time, casual and contract employment
- An Indigenous population growing at twice the rate of the population as a whole.

The Department of Housing and Works is currently preparing Western Australia's first State Housing Strategy (Housing Strategy WA). The strategy will cover the whole housing system in Western Australia and address many of the housing issues raised by this Agreement. The draft housing strategy is due for release for public comment by mid 2004 with finalisation of the strategy late in the year and implementation starting in the financial year 2004/05. This bilateral housing agreement will be varied as necessary to include appropriate strategies from the State Housing Strategy.

Affordability and Housing Stress¹

Analysis of 2001 Census data for Western Australia found that 11% of households buying their home in August 2001 spent more than 30% of their weekly household income on mortgage repayments. For homebuyers in the lowest two income quintiles (below \$954 per week), the proportion committing greater than 30% of household income to repayments was 28%. An estimated 25,000 Western Australian households were experiencing some level of housing stress due to repayment costs, although households making accelerated repayments may have inflated this figure.

¹ The definition of housing stress is the generally accepted one of those households in the lowest 40% of the income distribution who were paying more than 30% of their income in housing costs.

As at August 2001, 23% (24,500) of private rental households spent more than 30% of their household income on rent. For private rental households in the lowest two income quintiles (<\$539 per week), 60% were paying more than 30% of their income on rent. This suggests that in 2001 approximately 28,000 of WA's households were experiencing some level of housing stress from rental costs.²

Key points on rental affordability for Perth in 2001 were:

- Private rental households increased 3% from 90,500 in 1996 to 93,200 in 2001;
- There was significant variability in median rent and income levels at a sub-regional level, ranging from \$187 and \$798 in the western suburbs to \$137 and \$555 in outer south eastern suburbs;
- 24% of private rental households paid more than 30% of household income on rent;
- Of private rental households in the lowest two income quintiles (<\$539), 62% spent more than 30% of household income on rent, slightly above the figure of 60% for WA as a whole.

In regional Western Australia, the key points from the 2001 Census were as follows:

- 23% of private rental households were located in regional WA;
- The proportion of households renting privately varied from 9.9% in the Wheatbelt to 19.6% in the Goldfields with an overall average of 15.6% for regional WA;
- A high degree of income variability and rent levels and corresponding affordability for private renters, with approximately 52% of regional rental households in the lower two income quintiles experiencing some level of housing stress.

Stock of Low-priced Accommodation

An analysis³ in 2001 by the Department of Housing and Works of low-priced private rental accommodation in Western Australia found the following:

- The stock of low-priced rental dwellings in Western Australia declined by an estimated 39% between 1986 and 1996;
- Low-priced stock declined by 20% in Perth, and by 62% in the rest of the State.

Updating this analysis with data from the 2001 Census showed that the decline in lower-priced private rental accommodation that was so evident in the ten-years up to 1996 continued in Perth in the five-years to 2001, albeit at a much lower rate of decline. However, the rest of the State went against the trend. Rents for 2001 were indexed⁴ so that the upper limit for low cost rental of \$100 per week rent in 1996 was equivalent to \$111 in August 2001 and the range for moderate priced accommodation of \$100-\$150 per week in 1996 increased to \$111-167 per week in 2001.

² The ABS use a gross measure of affordability that treats RA as an income supplement with the gross rent taken as a proportion of total income including RA. While it is preferable to use rent net of RA as a proportion of income excluding RA, ABS data from the 2001 Census is the only data source that includes all low income households. RA data sets exclude those low-income households that are ineligible for RA such as single people without dependents and on a low wage. It is also acknowledged that Census data will include private renters that are self-employed with incomes that could be artificially low.

³ See "Supply of Low Cost Rental Housing in WA", Office of Policy and Planning, August 2001

⁴ Rents were indexed by the All Groups CPI average for the eight capital cities.

Table 2: Changes in Occupied Private Rental Housing in WA, 1996-2001

	Perth	Rest of State	Total State
Low Cost Rental			
1996	15,800	6,820	22,620
2001	14,879	7,948	22,827
% change	-5.8%	+16.5%	+1.0%
Low to Moderate Rental			
1996	47,802	12,498	60,300
2001	44,781	13,163	57,944
% change	-6.3%	+5.3%	-3.9%
Total Private Rental			
1996	90,873	25,330	116,203
2001	93,230	28,665	121,895
% change	+2.6%	+13.2%	+4.9%

Source: Census 1996 and 2001 Custom Tables, ABS

Table 2 shows that the stock of low-priced rental housing fell by just under 6% in Perth in the five years but in the rest of the State there was a substantial increase of 16.5% in this type of stock. For the low-to-moderate priced rental stock, again there was a fall in Perth of 6% compared with an increase of just over 5% in non-metropolitan areas.

The total occupied stock of private rental housing increased by 2.6% in Perth, by 13.2% in non-metropolitan regions and by 4.9% for Western Australia as a whole. These increases in private rental stock were lower than for total occupied dwellings, which increased by 10.2%, 11.5% and 10.5% respectively.

Interrogation of June 2002 Commonwealth Rent Assistance (CRA) data⁵ for private renters in Western Australia, provides a number of other insights into those households vulnerable to housing stress in the private rental market:

- CRA supported at least half of WA's private rental households, making close to 10% of WA's households (695,600) receiving CRA. This is in addition to the 5% of public and social housing tenants;
- single people or lone persons (50%) and single parents (27%) dominate CRA recipients with approximately a third of single people identified as single sharers living in a group housing arrangement;
- 69% of CRA recipients experienced pre CRA housing stress (>30% income on rent), which fell to 32% when CRA was taken into account;
- Effectively nearly half (47%) the single people were in post CRA housing stress.

Demand for Public Housing Assistance

The waiting list for public rental housing in Western Australia fell from 14,326 in 30 June 1999 to 12,981 as at 30 June 2003. The distribution of the waiting list by region and the change over the four-years to 30 June 2003 are shown in Table 3.

⁵ The data were derived from a constructed unit record file obtained through the housing data repository maintained by the Australian Institute of Health and Welfare and may not be representative of, nor correspond with, official Commonwealth figures.

Table 3: DHW Waiting List, as at 30 June 1999 and 2003

Region	30 June 1999	30 June 2003	% change
North Metro	5,452	4,355	-20.1%
South Metro	2,761	2,869	+3.9%
SE Metro	2,535	2,317	-8.6%
Southern	501	399	-20.4%
South West	875	786	-10.2%
Central	627	497	-20.7%
Midwest	466	437	-6.2%
Pilbara	455	371	-8.5%
Kimberley	654	950	+45.3%
State Total	14,326	12,981	-9.4%

Source: Department of Housing and Works

Despite the lower number on the waiting list, the average waiting time for public housing has increased from 13.25 months in 1999/2000 to 15.8 months in 2002/03. Average waiting times in 2002/03 varied from a low of 9.7 months in the Great Southern to 24.3 months in the South Metropolitan region. The waiting time in the Kimberley averaged 20.7 months.

Priority waiting times in 2002/03 for applicants in urgent housing need, for example through homelessness, to avoid domestic violence or for medical reasons, varied from a low of 24 days in the Mid West up to 3.4 months in the north metropolitan region.

Special Needs Groups

Over the last two decades, the demand on public housing assistance has been affected by increasing numbers of people with special housing needs, such as young people, seniors, people with a disability and Indigenous people. The increase in the numbers of homeless people in recent years is also having an impact on the housing responses demanded from social housing providers. For the development of the State Housing Strategy, the size of each group was estimated and is shown in Table 4.

Table 4: Size of Target Groups with Special Housing Needs – 2001, 2016 & 2031

Source: Department of Housing and Works Research, ERP data from 2001 Census

	Population #		
	2001	2016	2031
Youth	271,600	317,000	354,000
Seniors	287,000	476,000	700,000
Disabilities	355,000*	512,000^	664,000^
Total Population	1,901,159		

Population figures are Estimated Resident Population (ERP) unless otherwise noted

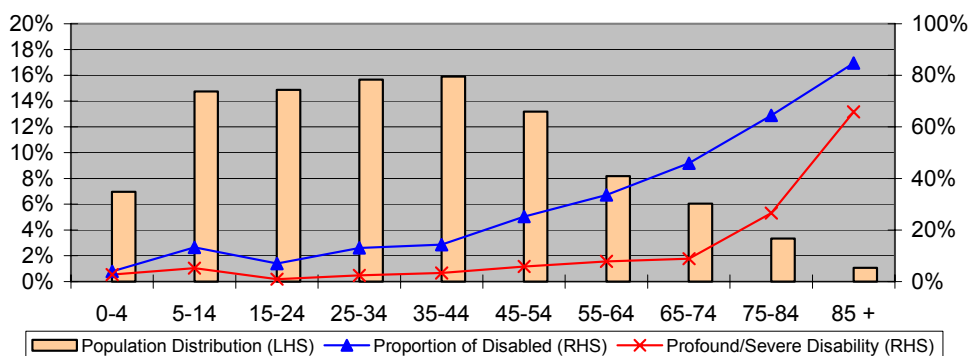
*1998 ABS Disability, Ageing and Carers Survey

^ ABS projections from Disability Services Commission

The fact that we need to plan for an ageing population is by now well recognised. However, how this ageing will impact on the numbers of people with a profound or severe disability is not. Figure 1 shows the rates of disability and profound/severe disability according to age cohort.

Figure 1: WA Age Disability Rates & Impact of Ageing on Profound/Severe Disabilities, 1998

Source: Disability, Ageing and Carers, Australia: Summary of Findings, Cat No. 4430.0, ABS, 1999



The Western Australia Disability Services Commission has forecast that over the 30 years to 2031, demographic changes in Western Australia will be quite unlike the state's previous experience. Population growth will be greatest in the 65 years and over age group, which has the highest rate of disability, and will be lowest in the under 45 years age group, which has lower rates of disability. Effectively, therefore, 'disability' will have a multiplier effect on population 'ageing', such that in 2031 the number of older persons with disability will be more than two and a half times that reported in 2001.

Indigenous people

Indigenous people experience significant housing disadvantage relative to non-Indigenous Australians. Disadvantages include:

- Low levels of home ownership (in WA 26% compared to 70% for the population as a whole)⁶;
- High levels of dependence on public rental housing, with an estimated 20% of all Indigenous West Australians currently housed in public housing;
- High levels of dependence on statutory benefits and housing programs;
- High levels of overcrowding, with 7% of Indigenous households Australia wide living in dwellings with 10 people or more, compared to 0.1% of non-Indigenous households;
- Higher rates of homelessness and people living in improvised or sub-standard dwellings;
- Higher rates of tenancy turnover;
- Greater difficulty accessing affordable private rental housing options;
- High levels of housing poverty, with 16.4% of all Indigenous households (Australia wide) determined to be in "after housing poverty" compared to 8.6% for non-Indigenous households⁷.

At the time of the 2001 Census, Indigenous people represented 3.2% of the total Western Australia population and 14.3% of Indigenous people in Australia. Population growth rates of Indigenous people are significantly higher than for the non-Indigenous population, with a 22% increase in the five-years to 1996 and 15% between 1996 and 2001. In contrast the non-Indigenous WA population in this period grew by 7.6% and 5.6% respectively.

A significant backlog of housing need exists in the Indigenous community, particularly in rural and remote areas of Western Australia. There is insufficient housing to meet the need in these areas and much of the existing stock requires major repairs. To make significant in-roads into the backlog of need requires a significant increase in available funding and improved maintenance and sustainability strategies. A budget requirement for the five years from 2004/05 to 2008/09 has been estimated to total \$538.5 million, of which

⁶ ATSIC, 2002, Indigenous Home Ownership - Summary of ABS Census 2001 data.

⁷ Commonwealth Grants Commission, Report on Indigenous Funding 2001, p149. The figure may be higher in WA given the higher proportion of Indigenous people living in remote communities where employment opportunities are limited.

\$158 million was unfunded as at the start of the financial year 2003/04. Additional funding options are being examined to address the shortfall and will be outlined in the Indigenous housing operational plan (available on the Aboriginal Housing page at www.dhw.wa.gov.au).

2 Environment for the Provision of Housing Assistance in Western Australia, including Social, Economic and Market Pressures and the Funds and Assets Available

Western Australia makes up approximately 33% of the total land mass of Australia, yet its proportion of the total population is only 9.8%. Nearly three quarters of the population live in Perth. Just over 7% of the population live in remote or very remote areas of Western Australian, making it the highest proportion in Australia after the Northern Territory. The size, remoteness and harsh environmental conditions in parts of the state present special challenges for Western Australia in delivering housing assistance.

Housing provision in the remote parts of Western Australia is affected by a number of factors, which increase the cost of construction. Construction and maintenance costs of housing are higher in rural and isolated areas due to the distances involved in accessing these locations (travel costs), the lack of local materials (freight costs), the lack of competition amongst local contractors and the difficulty in finding qualified local labour. Table 5 highlights the costs involved in constructing a three-bedroom single detached house in various locations throughout the State. The greater the distance from the metropolitan area the higher the construction cost, such that the building costs in a remote community are double those in Perth.

Table 5: Percentage that Construction Costs in Country WA exceed Perth Building Costs, 2003
(3 Bedroom single detached house, includes site works, excludes land)

AREA	COST INDEX – 3BR HOUSE
Geraldton	+15%
Moora	+23%
South Hedland	+50%
Broome	+55%
Derby	+65%
Fitzroy Crossing	+80%
Oombulgurri	+95%

Source: Department of Housing and Works

The harsh climate and environment in remote areas of Western Australia add to the costs associated with providing public housing in these areas. Tropical heat, torrential rain and cyclones increase recurrent maintenance costs. Any maintenance required must be completed to Australian Standard cyclone specifications eg cyclone screens and thicker glass. Torrential rain and cyclonic conditions also increase the likelihood of roof leaks and damage.

Average maintenance costs per property are up to four times higher in the North West of the State when compared to the metropolitan area (See Table 6). Cyclones, depending on the number and severity, have the ability to inflict several millions of dollars in damage to Department of Housing and Works properties, for example in 1998/99 cyclones caused \$3.1 million damage.

Table 6: Average Maintenance Costs Per Property, 2002/2003
(All Properties)

AREA	VACATED	DAY TO DAY
Metropolitan	\$160	\$408
Country	\$388	\$704
North-West	\$670	\$1086

In country and remote areas of Western Australia, there is often a lack of private rental properties, particularly accommodation for low income households. Public housing comprises up to 20% of the total housing stock in some country regions, compared to 5.3% for the State as a whole.

Western Australia is also one of the fastest growing States in terms of population. It has recorded rapid and sustained population growth, from about 1.5 million in 1986 to more than 1.7 million in 1996, and is predicted to reach 2 million by 2006.

Western Australia has a relatively high proportion of Indigenous people, 3.2% in 2001 compared to the national average of 2.2%. This difference was also compounded by the fact that 45% of Indigenous Western Australians were located in remote and very remote areas of the state, with many living in communities that lack essential infrastructure such as potable water, sewerage or adequate housing.

Changing demographic characteristics such as an ageing population, falling fertility rates, increased life expectancy and changes to the structure of families will impact on the demand for housing assistance and type of housing assistance required.

Housing Market Pressures

As at July 2003, the median house price for July 2003 was \$214,400⁸, a 14% increase from 12 months previously. The median unit price in Perth was \$151,800.

In country WA, the median house price was \$153,100 for the June quarter 2003⁹, representing a 10.6% increase over the previous 12 months. This figure covered a large variation in median house prices, ranging from \$310,833 in Broome down to \$151,583 in Bunbury.

With the flight from the share market in 2002 and 2003 and poor or negative superannuation returns, there has been increased investor demand for established properties in Perth. One consequence of this investor interest in the rental market in Perth has been the relatively high vacancy rate of 4.7% in July 2003. This was 0.2 percentage points higher than in July 2002. A high vacancy rate has kept a moderating pressure on rental levels and kept the increase in the median rent below the rise in the consumer price index. The median weekly rent for Perth was \$157 per week¹⁰, which was only 1% higher than the median rent in July 2002, compared to a 2.1% rise in the CPI for the 12-months to the June quarter 2003.

Community Housing Sector

Community housing plays an important role in providing viable alternative housing options for customers who through choice or need are unable to access mainstream housing options. The community housing sector in Western Australia is characterised by a large number of small providers. The size and number of these groups have previously restricted the growth of the sector. A major outcome being sought under this bilateral plan will be the implementation of a Community Housing Strategic Plan to enable the sector to continue to grow. Issues such as the rationalisation of providers through the expansion of regional housing associations and the improvement of management and accountability standards will be addressed in the plan.

Funds Available

Funds available through the CSHA from the Australian and Western Australian governments and outlined in Table 7.

⁸ Market Update July 2003, Real Estate Institute of WA (REIWA)

⁹ Market Facts, June Quarter 2003, REIA

¹⁰ Market Update, ibid

Table 7: Available CSHA Funds, 2003/04 – 2007/08

	Australian Government Funding				State Funding	Total New Funding Available ('000)
	Base Funding ('000)	ARHP ('000)	CAP ('000)	CHP ('000)	Matching ('000)	
2003-2004	\$69,629	\$18,177	\$3,889	\$6,276	\$34,083	\$132,054
2004-2005	\$70,538	\$18,380	\$3,939	\$6,356	\$34,528	\$133,741
2005-2006	\$71,458	\$16,272	\$3,988	\$6,438	\$34,978	\$133,134
2006-2007	\$72,389	\$16,480	\$4,040	\$6,520	\$35,434	\$134,863
2007-2008	\$73,333	\$16,692	\$4,092	\$6,603	\$35,896	\$136,616

Notes: Allocations for financial years 2004-05 to 2007-08 are estimates only. They will be subject to revised population figures and revised annual indexation. The distribution basis for ARHP funding from 2004-05 is to be reviewed.

A key aspect of the new CSHA is the requirement to attract new resources into the social housing sector. Failure to perform in this regard could lead to up to 5% of base funding being withheld by the Australian Government. The Department of Housing and Works has over the years been seeking to attract additional resources such as land and cash from partners in the joint venture program. When the program first started in 1980s, only land was required but in recent years this has been expanded to include a cash contribution as well.

The Keystart program offers through the Department a number of homeownership options for low to moderate-income borrowers. This includes low deposit, low cost loans and the opportunity for people who can't afford full home ownership to enter into an arrangement with the Department to buy part of their home now and purchase the remainder later. There are specific loan schemes for people with disabilities (Access) and Indigenous people (Aboriginal Home Ownership Scheme).

The scheme is funded from private sector borrowings sources through WA Treasury Corp. The income bracket of borrowers would make many of them eligible for either public housing assistance or CRA.

The Department's New Living program, which started in 1995 with the redevelopment of Kwinana and Lockridge, has brought private sector resources into the program. The program continues with seven projects underway in metropolitan Perth covering 17 suburbs and eight in country areas. The private sector partner in the redevelopment area has financed the redevelopment and refurbishment of public rental properties.

Strategies being developed under the State Housing Strategy will increase the supply of affordable rental housing in WA. The Department is also conducting a feasibility study on the development of a not-for-profit housing company to provide affordable housing for people on low incomes.

3 Western Australia's Strategic Response

The State of Western Australia will:

1) Provide appropriate and viable public housing meeting customer needs:

The Department of Housing and Works will address the changing customer profile by ensuring that its rental housing stock better matches the waiting list. Public rental housing in WA will continue to be responsive to its tenants and applicants for housing assistance through the efficient management of both the waiting list for housing assistance and the stock of public housing.

2) Improve access to mainstream social housing assistance and support self-sufficient Indigenous tenants.

Meeting the very high housing and related infrastructure needs of Indigenous people in rural and remote areas of Western Australia is being addressed through the Aboriginal Housing Agreement, which is jointly funded by the Australian and State Governments.

Indigenous people living in urban and country areas of the State also have housing needs and are severely disadvantaged compared to the non-Indigenous population. Although eligible Indigenous people can apply for public housing assistance, there is a perception that they are underrepresented in mainstream public housing given their higher housing needs. The Department will over the term of this agreement seek to improve methods of data collection to determine the representation of Indigenous people in public housing in WA.

Through specific initiatives, the Department will improve the access of Indigenous people to the full range of mainstream social housing options. In addition the self-management and socio-economic independence of Indigenous people will be encouraged and supported.

The Department, within the scope of its operations, will endeavour to reduce workforce disincentives and support Indigenous people in achieving and maintaining employment.

3) Provide a range of affordable housing options.

A range of housing options will continue to be provided to those Western Australians who are unable to obtain adequate and appropriate housing in the private market because of their special housing needs, lack of income or discrimination. The three main forms of housing assistance are rental housing, home loans and bond assistance.

Increasing the availability of affordable housing options is enhanced through involving the private sector, community and local government in the provision of housing. The Department will seek to attract further private investment and continue managing its partnerships and joint ventures between State governments and other government, community or private sector organisations.

The private sector, community, and local government is involved in urban renewal and stock reconfiguration through the New Living program. The program's purpose is to redevelop older public housing estates to create more attractive living environments and subsequently reduce the Department's rental presence and encourage home ownership. The opportunity to purchase Commission land, priced in the low to medium price bracket, is targeted to first homebuyers.

The joint venture method is used by the Department's land development and marketing program to reduce the demands on the Department's cash flow, releasing funds for other activities. The benefits of joint ventures to the Department have been:

- access to the innovative presentation and marketing strengths of the private sector;
- the creation of sustainable communities; and
- sharing the risk in major developments.

Joint venture housing projects with non-profit organisations, local authorities and church groups will continue to be undertaken and expanded where possible, to provide additional housing options in local communities.

4) Support self-sufficiency in public housing tenants.

The Department will, within the scope of its operations, endeavour to reduce workforce disincentives and support people in achieving and maintaining employment. Research is currently being conducted at a national and state level into public housing rent-setting mechanisms and the extent of barriers that stop public tenants taking up paid employment. The research findings will be assessed and the Department will implement viable recommendations over the course of this housing agreement.

5) Improve linkages with government and non-government agencies.

Public housing in Western Australia, as in the rest of Australia, is facing increasing demands from people with complex housing needs. The demand is coming from people who are homeless, have a mental or psychiatric illness or suffer from an alcohol and/or substance abuse problem. Meeting these demands requires an across government coordination of service delivery and support.

The Department already participates in a number of inter-agency initiatives. It will continue to improve these linkages with government agencies providing support services and strengthen links with community housing and welfare agencies to manage the accommodation for people with special needs.

Outcomes, Performance Measures, Strategies and Milestones.

Preface:

Some of the performance indicators contained in the following outcomes are a reflection of the national performance indicators. These provide a more operational state specific perspective. The national indicators are designed to be comparative across all states.

In relation to those performance measures that will be based on 2003-04, 2004-05 and 2005-06 results, the Department of Housing and Works and the Australian Government Department of Family and Community Services will agree targets by December of the following year.

Outcomes achieved under the Housing Strategy WA and the Community Housing Strategic Plan will be included in the annual Bilateral reporting.

4 Outcomes, Performance Measures, Strategies and Milestones.

Outcome 1

**Appropriate and viable public housing meeting customer needs.
(Refers to Guiding Principles 1, 2, 3 and 9 of the 2003 CSHA)**

Strategy 1: Ensure appropriate stock to meet emerging housing needs

The Department, through the State Housing Commission has a total of 39,062 housing properties as at 30 June 2003, encompassing:

- 32,515 mainstream public housing;
- 2,510 state and territory owned and managed Indigenous rental properties;
- 1,708 units in joint venture projects with supporting organisations;
- 1,115 properties built in remote areas for Indigenous people;
- 789 properties for other community housing groups; and
- 425 properties for crisis accommodation.

This represents the base level of stock to be maintained throughout the life of the Agreement.

An ageing population and the trend to smaller sized households mean that public housing stock must change to meet a changing customer profile. This will be achieved through reconfiguration of existing stock (refurbishment and bedsitter conversion) and a building program (construction, acquisition and stock replacement) targeted to those needs groups.

The stock capacity ratio shows to what extent there is a match between the number of properties available for allocation to clients on the waiting list and the numbers of a need group on the waiting list. The ratio of total allocations in a year to the waiting list shows to what extent demand is being met for the different needs groups. A lower ratio means that demand is being met to a lesser extent than for a group with a higher ratio. The target is to achieve the same ratio for each need group which indicates stock capacity is uniformly matched to demand.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES						
2003-04 to 2007-08	Performance Indicator 1.1						
	Stock availability ratio. (Number of properties allocated in the year: Number of people on the waiting list).	Need Group	Total properties ¹ at 30-6-03	Number of properties allocated 2002-03	Number of people on the waiting list at 30-6-02	Ratio ²	Target alignment of ratios. $\pm 10\%$ by 2008 ³
		Family	20,502	2,522	6,858	1:2.7	2003-04: 0.75 2004-05: 0.80 2005-06: 0.85 2006-07: 0.90 2007-08: 1.0
		Seniors	9,965	957	2,031	1:2.1	2003-04: 0.75 2004-05: 0.80 2005-06: 0.85 2006-07: 0.90 2007-08: 1.0
		Singles	2,048	1,227	3,923	1:3.2	2003-04: 0.75 2004-05: 0.80 2005-06: 0.85 2006-07: 0.90 2007-08: 1.0
Total		32,515	4,706	12,812	1:2.7		

¹Total properties are mainstream public rental properties inclusive of properties that are occupied, undergoing maintenance, available for allocation and non-lettable.

²The performance indicator is based on the number of properties allocated in the year as a ratio of the number of people on the waiting list at the start of the year.

³Calculation example: 2.1 (best ratio) \div 3.2 (ratio requiring alignment) = 0.66 . The optimum ratio is 1:1 for all needs groups. Targets have been set to bring the worst ratio into alignment with the best.

The building program for each year will be structured to match waiting list demand. The program for each year must also take into account the need to replace aged stock and market efficiency in delivering certain types of housing. Each year's program must also take into account land availability, priority needs and other influences. Annual reporting will explain the break up of the program.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES	
2003-04 to 2007-08	Performance Indicator 1.2	Annual Target
	Actual building program completions versus budgeted completions.	Refer to Output Targets provided annually (see page 35) which include stock numbers, refurbishments and bedsitter conversions. Completions compared with output targets.

Strategy 2: Deliver public housing assistance efficiently and effectively

Rental housing must be responsive to customer needs and this is achieved by regular reviews of existing policies, cost control and the timely delivery of housing through efficient property management. As an example, the ability to relet properties efficiently impacts on the ability to house tenants and manage rental revenue. Additionally the Department will continue to assist those most in need by housing them in a timely manner.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES				
	Performance Indicators 1.3-1.6	Current Performance	Actual 2002-03	Cumulative Actuals	Annual Target
2003-04 to 2007-08	Percentage of rental applicants (new occupations) housed within time periods.	(i) Less than 3 months (ii) 3-6 months (iii) 6-12 months (iv) 1-2 years (v) 2+ years	40.2% 11.6% 12.5% 12.9% 22.8%	40.2% 51.8% 64.3% 77.2% 100%	65% to be housed in 12 months and 75% to be housed in 2 years for the term of this agreement.
2005-06 to 2007-08	Overall customer satisfaction of rental tenants.	In 2003 Western Australia had an overall satisfaction result of 68%.			Maintain or better 68% over the term of this agreement.
2003-04 to 2007-08	Average number of days to relet rental properties from vacation of one household to the occupation by another household. ¹	Less than 10 working days			Less than 10 working days.
2003-04 to 2007-08	Operating cost per rental property.	Operating cost per rental property: Nominal cost 2002-03 \$6,699 Operating cost per rental property: Real cost 2002-03 \$5,881 Real cost per rental property has been adjusted for inflation (Consumer Price Index – All Groups Perth, 1998-99 prices).			Increases limited to 1% point below CPI.

¹This includes the period the property is under maintenance and the allocation period, it excludes any other action outside the control of the property manager, for example, properties undergoing refurbishment, vandalism and fire damage.

Rental housing must be effectively and efficiently delivered to special needs groups. A key special needs group is people with disabilities.

The Department has a policy in place to guide its delivery of housing services to people with disabilities. Assistance has been via a broad range of housing models and rental/purchases arrangements, including units for individual clients, modified homes for families with a member with a disability and group housing models of various designs. Many of the people assisted have successfully moved into community living after long periods of institutional care.

It is recognised that attitudes and expectations of people with disabilities, their carers and the broader community have changed over the last decade, and are continuing to change. In this context the Department has recognised the need for a review of the existing policy and for the development of a more strategic focus to guide its directions in disability housing over the next five to ten years.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES
2003-04 June 2004	<i>Milestone: The (1993) Strategic Housing Policy for People with Disabilities reviewed and updated. A new Disability Service Plan developed from results of the review. Milestone: Disability Services Plan 2003-2008 completed.</i>
	Performance Indicators 1.7 to 1.8
2004-05 to-2007-08	Performance Measure: Plan implemented and annual reports provided regarding progress and impact.
2004-05 to 2007-08	Performance Measure: Post Occupancy Evaluations are conducted on recently constructed purpose built accessible dwellings to evaluate the appropriateness of housing. In those years in which evaluations are undertaken, reports on the evaluations will be provided in bilateral reports.

Rent setting should be understandable to public housing tenants and this will be achieved by making the rent models consistent and simplifying the rent assessment rules.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES
2004-05	<i>Milestone: Rent assessment rules simplified to ensure consistency and equity across all rent models by June 2005.</i>

The eligibility of public housing tenants should be regularly reviewed to ensure that housing is directed to those most in need. Processes should be in place to facilitate movement of people who are no longer eligible out of the public housing system.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES
2003-04 to 2007-08	<i>Activity: Annual eligibility reviews of all tenants conducted</i>
2003-04 to 2007-08	Performance Indicator 1.9
	Performance Measure: Annual report on outcome of the review, including number of those no longer eligible.

Outcome 2

Appropriate and viable public housing options meeting Indigenous customer needs and supporting self-sufficiency of Indigenous tenants.

(Refers to Guiding Principle 4 of the 2003 CSHA)

This agreement complements the Agreement for the provision of Housing and Infrastructure for Aboriginal and Torres Strait Islander people, between Western Australia, the Commonwealth Department of Family and Community Services and the Aboriginal and Torres Strait Islander Commission. It also relates to Indigenous Strategic and annual Operational Plans, which include specific outcomes, targets and strategies to address the housing needs of Indigenous people in rural and remote areas.

Outcome two does not seek to duplicate the outcomes contained in the “Building a Better Future – Indigenous Housing to 2010” or the Indigenous housing operational plan and, therefore, should be read in conjunction with those documents in gaining an understanding of how the Western Australian Government is addressing Indigenous housing needs in the State over the next five years. The Indigenous housing agreement and operational plan are available on the Aboriginal Housing page of the Department of Housing and Works’ web site at www.dhw.wa.gov.au. Refer to reporting under the National Reporting Framework.

This outcome seeks to improve the access of Indigenous people living in urban and regional and rural Western Australia to appropriate and affordable housing.

Strategy 1: Ensure appropriate stock to meet Indigenous housing needs (within Indigenous specific housing)

The Indigenous population is growing at twice the rate of the population as a whole. Western Australia has a relatively high proportion of Indigenous people, 3.2% in 2001 compared to the national average of 2.2%. Indigenous people have high levels of dependence on public rental housing, with an estimated 20% of all Indigenous West Australians currently housed in public housing.

Catering for the growth in the Indigenous population will be achieved through reconfiguration of existing stock (refurbishment and bedsitter conversion) and a building program (construction, acquisition and stock replacement).

The stock capacity ratio shows to what extent there is a match between the number of properties available for allocation to clients on the waiting list and the numbers of a need group on the waiting list. The ratio of total allocations in a year to the waiting list shows to what extent demand is being met for the different needs groups. A lower ratio means that demand is being met to a lesser extent than for a group with a higher ratio. The target is to achieve the same ratio for each need group which indicates stock capacity is uniformly matched to demand.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES						
2003-04 to 2007-08	Performance Indicator 2.1						
	Stock availability ratio. (Number of properties allocated in the year: Number of people on the waiting list).	Need Group	Total properties ¹ at 30-6-03	Number of properties allocated in 2002-03	Number of people on the waiting list at 30-6-02 ²	Ratio ³	Target alignment of ratios \pm 10% by 2008 ⁴
		Family	2,262	1,283	1,243	1:1	2003-04: 0.50 2004-05: 0.60 2005-06: 0.70 2006-07: 0.80 2007-08: 0.90
		Seniors	189	56	44	1:0.8	2003-04: 0.50 2004-05: 0.60 2005-06: 0.70 2006-07: 0.80 2007-08: 0.90
		Singles ⁵	59	249	519	1:2.1	2003-04: 0.50 2004-05: 0.60 2005-06: 0.70 2006-07: 0.80 2007-08: 0.90
Total		2,510	1,588	1,806	1:1.1		

¹Total properties are state and territory owned and managed Indigenous rental properties inclusive of properties that are occupied, undergoing maintenance, available for allocation and non-lettable.

²This figure includes some applicants who do not identify themselves as Indigenous, however during the allocation process they are identified as Indigenous.

³The performance indicator is based on the number of properties allocated in the year as a ratio of the number of people on the waiting list at the start of the year.

⁴Calculation example: 1.0 (best ratio) \div 2.1 (ratio requiring alignment) = 0.5. The optimum ratio is 1:1 for all needs groups. Targets have been set to bring the worst ratio into alignment with the best.

⁵Indigenous singles are chiefly assisted through integration into mainstream building stock.

The building program for each year will be structured to match waiting list demand. The program for each year must also take into account the need to replace aged stock and market efficiency in delivering certain types of housing. Each year's program must also take into account land availability, priority needs and other influences. Annual reporting will explain the break up of the program.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES	
2003-04 to 2007-08	Performance Indicator 2.2	Target
	Actual building program completions versus budgeted completions.	Refer to Output Targets provided annually (see page 35) which include stock numbers, refurbishments and bedsitter conversions. Completions compared with output targets.

Strategy 2: Improve access of Indigenous people to mainstream public and community housing assistance.

This strategy aims to improve the recording of Indigenous status and examining methods to identify the barriers to access and implementing policy responses to those barriers. Before the success or otherwise of Indigenous people accessing housing can be properly determined, good data is needed. The Department collects information on Indigenous status, but disclosure is not compulsory and determining actual numbers of Indigenous people accessing public and community housing is difficult and there are indications that the numbers are under stated. The dual thrust of this strategy will be to fix up data and examine the barriers to access.

Under this strategy, access and the length of tenancies will be measured. The length of tenancy is a measure of stability. People leave public housing for a number of reasons. They may purchase their own home, move into private rental accommodation, abandon their property or be evicted. The Department has programs in place to support tenants who are at risk of losing their tenancies.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES		
2004-05 2005-06	<i>Milestone: Methods for improving data collection of access by Indigenous people to mainstream social housing assistance investigated.</i> <i>Milestone: Recommendations implemented.</i>		
	Performance Indicators 2.3 to 2.5	Current Performance	Target
2006-07 to 2007-08	Alignment of Department's Indigenous public housing tenancy data with Australian Bureau of Statistics Census of Population and Housing data.	Department - 13.89% ABS 15.1% (2001 Census data)	Greater than or equal to ABS Census data 2006.
2006-07 to 2007-08	Maintain or increase percentage of Indigenous people accessing public housing and long term community housing properties (Community Housing Program, Joint Venture and Community Disability Housing Program). ¹		Base year equals 2006-07.
2003-04 to 2007-08	Average length of tenancy for Indigenous people compared to non-Indigenous in public rental housing.	Indigenous: 41.1 months Non-Indigenous: 52.9 months	Indigenous 2003-04: 42 months 2004-05: 44 months 2005-06: 46 months 2006-07: 48 months 2007-08: 50 months

¹Current source of information is the Commonwealth Productivity Commission survey.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES					
2004-05 2005-06 2006-07	<i>Milestone: Review current policies and practices to identify barriers to access to housing, taking into account the AHURI project, "Indigenous access to mainstream public and community housing".</i> <i>Milestone: Develop and implement policy responses.</i> <i>Milestone: Review outcomes.</i>					
	Performance Indicator 2.6					
2006-07 to 2007-08-	Performance Measure: Annual outcomes from policies implemented.					
	Performance Indicator 2.7	Current Performance				
	Proportion of allocations to waiting list. (Number of properties allocated in the year: Number of people on the waiting list.)		Number of properties allocated in 2002-03	Number of people on the waiting list at 30-6-02	Ratio ¹	Annual Target
		Indigenous	1,588	1,806	1:1.1	Maintain an Indigenous ratio of 1:1 for the term of the Agreement.
	Non-Indigenous (for comparison)	3,571	12,388	1:3.5		

¹The performance indicator is based on the number of properties allocated in the year as a ratio of the number of people on the waiting list at the start of the year.

Strategy 3: Provide work opportunities to Indigenous unemployed people through Departmental programs.

The Department has been involved in improving employment prospects for Indigenous people both in public rental housing and others through a number of employment programs, traineeships and apprenticeships. It works closely with other agencies by providing work opportunities in its projects to obtain skills and qualifications in the building trade.

TIME-FRAME	PERFORMANCE MEASURES /MILESTONES	
	Performance Indicator 2.8	Target
2003-04 to 2007-08	Number of participants commencing traineeships, apprenticeships and gaining employment each year (including breakdown of how many are social housing tenants).	Maintain or increase 2002 –03 levels.

Strategy 4: Provide support for Indigenous tenants.

The Department has a number of early-intervention strategies to support Indigenous tenants to sustain their tenancies, including support and access to budget and other life skills training programs.

The Aboriginal Tenants Support Service (ATSS) program provides culturally appropriate support and information to indigenous tenants or prospective indigenous tenants to assist them to understand their tenant rights and responsibilities, and thereby obtain housing and maintain their tenancy.

TIME-FRAME	PERFORMANCE MEASURES/MILESTONES	
2003-04 2004-05	<i>Milestone: Review of Aboriginal Tenant Support Service (ATSS) completed.</i> <i>Milestone: Recommendations implemented.</i>	
	Performance Indicator 2.9	Target
2004-05 to 2007-08	Number of households assisted through ATSS by the type of support provided.	2004-05 actual to be benchmark.

The In House Practical Support Program provides support and skill development for Indigenous families in conventional housing. Families using the service develop their knowledge, skills and confidence to effectively manage a home and maintain a healthy family life.

2003-04	<i>Milestone: In House Practical Support Program implemented in Halls Creek, Newman/Parnpajinya, Bidyadanga and Queens Park.</i>	
	Performance Indicator 2.10	Target
2004-05 to 2007-08	Number of households assisted through the In House Practical Support Program.	2004-05 actual to be benchmark.

Strategy 5: Maintain and improve inter-agency co-operative arrangements including those established through the Department's response to the State Homelessness Strategy.

The Department will continue inter-agency co-operative arrangements to ensure a coordinated approach to the provision of services for Indigenous people. The Department actively contributes and participates in across government and community interactive programs and initiatives that aim to improve social outcomes for Indigenous people. Many of these initiatives are not entirely housing focused (however, housing difficulties may be one issue faced by the client) and seek to provide a collaborative approach to improve outcomes for individuals and the community.

TIME-FRAME	PERFORMANCE MEASURES/MILESTONES
2003-04 to 2007-08	Performance Measure: Annual report on participation in the Indigenous Families Program involving the Departments of Community Development, Justice, Police, Health and Education.
2003-04 to 2007-08	Performance Measure: Annual report on participation in programs under the Aboriginal Cyclical Offending Program, involving cooperation with Departments of Justice, Police, Community Development and relevant community organisations.

Outcome 3

Housing assistance providing a range of affordable housing options. (Refers to Guiding Principles 2 and 6 of the 2003 CSHA)

Strategy 1: Provide a range of products that target public rental, private rental (bond assistance) and home ownership tailored to customer needs.

Housing needs are diverse and can be better met through the Department offering a range of flexible housing responses. These responses must be appropriate to meet the financial capacity of customers to obtain housing whether through homeownership or rental accommodation. The three main forms of housing assistance are rental housing (including loans to cover the cost of security bonds in order that income-eligible applicants can access housing in the private rental market), home loans and the opportunity to purchase Department land, priced in the low to medium price bracket.

The following indicator measures the Department's capacity to respond to the demand as expressed by the waiting list for public housing. The ratio of the total number of units of housing assistance provided each year, to the number on the waiting list at the 30th of June of the previous year, is an indicator of the Commission's capacity to respond to expressed demand for housing assistance from low income Western Australians. The higher the ratio the greater the capacity to offer assistance.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES			
	Performance Indicator 3.1	Current Performance		Target
2003-04 to 2007-08	The extent to which the Department responds to the housing needs of eligible Western Australians. (Ratio of the number of units of housing assistance's per annum to the number on the waiting list).	Total units of housing assistances ¹	25,046	Maintain or improve on 25,046 assistances.
		Public rental waiting list at June previous financial year.	14,194	It is assumed the waiting list will remain reasonably constant over the five years.
		Ratio (Number on waiting list: Number of assistances)	1:1.76	Maintain a ratio of 1:1.
2003-04 2004-05 2004-05 2005-06 to 2007-08	<i>Milestone: Review of methodology for setting income eligibility limits completed.</i> <i>Milestone: Implement recommendations from review as appropriate.</i> <i>Milestone: Report on recommendations implemented.</i> <i>Milestone: Report on impact of what is implemented from the review.</i>			

¹ For 2002-03 total units of housing assistance comprised:

- Number of public rental occupations 5,159
- Number of bond assistance loans approved 15,359
- Number of home loans approved 3,492
- Number of land sales <\$75,000[#] (1998-99 – 2000-01= <\$59,999; 2001-02= <\$64,999) 1,036

[#] These figures represent lots priced at the lower end of the market. Land sales <\$75,000 is based upon the lower quartile benchmark of all land sales in Perth. Source: REIWA December Quarter, 2002 lower quartile \$76,000.

The Department makes available loans to cover the cost of security bonds in order that income-eligible applicants can access housing in the private rental market. The Department will look to strengthening this area of assistance through strategies arising from relevant research.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES		
2003-04	<i>Milestone: Survey of bond applicants to identify why some bond loan applicants apply for a Bond Assistance Loan but then do not take out a bond loan and the success or failure of bond applicants within their private rental home, completed.</i>		
2004-05	<i>Milestone: Strategies developed and implemented.</i>		
2006-07	<i>Milestone: Review impact of new strategies.</i>		
2007-08	<i>Milestone: Report on the impact of new strategies.</i>		
	Performance Indicators 3.2 to 3.5		Target
2003-04 to 2007-08	Percentage of eligible bond applicants who take up a Bond Assistance Loan.		Target will be dependent on strategies developed in the previous milestone.
2003-04 to 2007-08	Bond Assistance Loans approved as a percentage of waiting list and eligible bond applicants.	Current Performance 54%	Maintain or improve on 54%
2003-04 to 2007-08	Average length of tenancy in private accommodation where a Bond Assistance Loan is provided.		Target will be dependent on strategies developed in the previous milestone.
2003-04 to 2007-08	Maintain or improve the percentage of Homeless Help Line clients referred for bond applications who take up bond assistance.	37%	2002-03 actual to be benchmark.

Strategy 2: Attract investment from outside the social housing sector

Increasing the availability of affordable housing options is enhanced through involving the private sector, community and local government in the provision of housing. The Department will seek to attract further private investment and continue managing its partnerships and joint ventures between the State and Local governments, community and private sector organisations. The Community Housing Strategic Plan will seek to develop or improve the financial ability and accountability of the sector so that private sector investors will have more confidence and therefore invest more money in community housing.

Joint venture partnerships are used by the Department's land development and marketing program to reduce the demands on the Department's cash flow, releasing funds for other housing activities. The benefits of joint ventures to the Department have been:

- access to the innovative presentation and marketing strengths of the private sector;
- the creation of sustainable communities; and
- sharing the risk in major developments.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES	
	Performance Indicators 3.6 to 3.8	Target
2003-04 to 2007-08	Contributions as a percentage of completed project expenditure for community housing programs (<i>including project management costs</i>).	2003-04 actual to be benchmark.
2003-04 to 2007-08	Contributions from private sector developer (dollars) to New Living Program.	\$500,000 per annum. Review targets midway through CSHA.
2003-08	Joint venture contributions as a percentage of total Landstart project expenditure.	2003-04 actual to be benchmark

The Community Housing Strategic Plan 2003- 2008 introduces a series of reforms that will shape the future of Community Housing over the next five years and beyond. It aims to build on and strengthen programs such as the Community Disability Housing program, Joint Venture Housing program and the Crisis Accommodation program and the Community Housing Program.

The plan is still at the high level in terms of its detail with a series of key goals under which are a number of strategies. Time frames, action plan and performance indicators are yet to be developed. This Bilateral agreement will be reviewed and reporting incorporated to reflect these developments.

Some of the key reforms suggested within the plan include:

- The key provider strategy which aims to develop a small number of key housing providers within the metropolitan area that will receive capital funding preferences each year. They are expected to assist with consolidation of the sector and to be able to bring other financial resources into Community Housing through partnerships with the private sector and Local Government. The key provider strategy will introduce three categories of provider as key, compliant and non-compliant. The criteria applying to these categories are yet to be finalised with the community housing sector. However, broadly speaking:
 - A Key Provider organisation will be able to demonstrate property management expertise across a broad range of community housing tenures, programs and client groups, be financially viable and have potential to access alternative sources of capital to provide new social and affordable housing. It may form linkages with other community housing organisations that provide specialist support or tenancies services. The organisation will comply with the conditions of legal agreements and reporting requirements of the Department.
 - A Compliant organisation is regarded as one that is financially viable but less broad in its housing focus. It will have limited or no capacity to attract private finance to future housing developments. It may provide a specialised accommodation service to a discrete client group (eg. people with disabilities or youth in crisis accommodation) or it could be a smaller housing organisation in a rural or remote location. The organisation will comply with the conditions of legal agreements and reporting requirements of the Department.
 - A Non-Compliant organisation is one outside the other two categories. It will be a housing organisation that lacks financial viability and fails to comply with the legal conditions or reporting requirements of the Department.

- An increased emphasis on good governance and sustainability practises.
- Encouragement of innovation and leading practise.
- An improvement in equity of access between Community and Public rental housing.
- The pooling of rental surplus.
- Developing an affordable housing policy.

The aim of the Community Housing plan is:

- To provide the strategic framework that will assist this housing sector to consolidate and expand.
- To form new Key Provider organisations that will enhance the capacity to not only deliver additional social housing, but enable organisations to develop housing projects that include a mix of affordable and social housing tenures.
- To provide the opportunity to attract additional private investment and increase the financial viability of organisations.

The Community Housing strategic plan aims to achieve a minimum increase of 40% on existing housing stock levels (3,925 units). This represents a minimum target of an additional 1,570 properties in the next five years. The increase in stock is not intended to be sourced from existing housing stock, it will be funded through the Commonwealth State Housing Agreement Community Housing Program, Crisis Accommodation Program funds and base funding and contributions from private investment and local government.

The provision of these additional properties will accommodate at least 1,570 households. The impact this will have on the public housing waiting list is difficult to predict given the number of variables that impact demand for public housing.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES	
<i>September 2003</i>	<i>Milestone: Community Housing Strategic Plan completed.</i>	
<i>December 2003</i>	<i>Milestone: Strategic Plan approved.</i>	
2004-05 to 2007-08	Performance Measure: Annual report on Community Housing Strategic Plan strategies implemented over the term of the Agreement.	
September 2004	<i>Milestone: Selection and appointment of Key Provider organisations.</i>	
	Performance Indicators 3.9 and 3.10	Target
2003-04 to 2007-08	Target community housing program funds to Key Providers.	2004-05: 50% 2005-06: 60% 2006-07: 70% 2007-08: 80%
2003-04 to 2007-08	Increase community housing stock from 3,925 to 5,495 by 2008:	2003-04: 4,239 2004-05: 4,553 2005-06: 4,867 2006-07: 5,181 2007-08: 5,495

It is a key strategy of the Department to ease the pressure on the waiting list for public housing by offering low-moderate income earners the opportunity to purchase their own home, either through the purchase of a low to medium priced housing lot or through a home loan.

The Keystart program offers through the Department a number of homeownership options for low to moderate-income borrowers. This includes low deposit, low cost loans and the opportunity for people who can't afford full home ownership to enter into an arrangement with the Department to buy part of their home

now and purchase the remainder later. There are specific loan schemes for the disabled (Access) and Indigenous people (Aboriginal Home Ownership Scheme).

The scheme is funded from private sector borrowings sources through WA Treasury Corp. The income bracket of borrowers would make many of them eligible for either public housing assistance or CRA.

The Department has a loan scheme, which directly results in people leaving public housing and coming off the public housing waiting list. The GoodStart Shared Equity Loan Scheme is designed to provide an affordable process for Homeswest tenants to purchase from 70 to 100 per cent equity in their current rental property. Applicants on the Homeswest rental waiting list or those eligible to apply for the list are also able to purchase 70 per cent or more in an ex-rental Homeswest home in selected areas.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES	
	Performance Indicator 3.11 and 3.12	
2003-04 to 2007-08	Number and value of Keystart loans approved compared to budget.	Refer to Output Targets provided annually (see page 35).
2003-04 to 2007-08	Number of people assisted by Keystart loans who would otherwise have required either public housing or rent assistance.	2003-04 actual will be the benchmark, which is to be improved or maintained.
2003-04 to 2007-08	<i>Milestone: Use Keystart to fund Access and AHOS loans previously funded through CSHA monies by June 2004.</i>	
	Performance Indicator 3.13 and 3.14	
2003-04 to 2007-08	Annual dollars provided through Keystart.	
2003-04 to 2007-08	Number of Goodstart loans approved compared to budget.	Refer to Output Targets provided annually (see page 35).

The Department is developing ways to increase the supply of affordable housing for low-income households. The development of the State Housing Strategy (Housing Strategy WA) is exploring the State's capacity to continue providing quality affordable housing over the next 30 years. The Strategy is taking a systematic approach to the housing market, looking at supply and demand, market failure and intervention across a number of themes and sub-markets.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES
2003-04	<i>Milestone: Feasibility study of affordable housing models including the establishing of a not-for-profit housing company completed.</i>
2004-05	<i>Milestone: Implement affordable housing project.</i>
2004-05	<i>Milestone: Policies developed with Department of Planning and Infrastructure to increase the supply of affordable housing.</i>
2004-05	<i>Milestone: The availability of concessions on State government charges, such as stamp duty and land tax, to develop affordable housing opportunities investigated.</i>
2004-05	<i>Milestone: Housing Strategy WA finalised.</i>
2004-05 to 2007-08	<i>Milestone: Annual report on milestones achieved under Housing Strategy WA.</i>

Landstart is the Department of Housing and Works' branch for residential land development for sale, mainly targeted at first home buyers and people on low to moderate incomes. The activities of Landstart are funded from non-CSHA funds and its profits are partly used to fund the requirement under the CSHA for the State to match a proportion of the Australian Government's base CSHA funding. Landstart profits over and above this matching requirement are available to invest in social housing. The profits will vary from year to year according to market conditions and the activities of Landstart.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES
2003-04 to 2007-08	<i>Milestone: Continue to take advantage of opportunities to gain access to surplus government land for social housing.</i>
	Performance Indicator 3.15
2003-04 to 2007-08	Annual report on value of land made available for use in social housing.
2003-04 to 2007-08	<i>Milestone: Surplus profits from Landstart, over and above the amount needed for State Matching, will be invested in the social housing sector.</i>
	Performance Indicator 3.16
2003-04 to 2007-08	Annual report on profits of Landstart (over and above CSHA matching) invested in social housing.

Outcome 4
Self-sufficient public housing tenants.
(Refers to Guiding Principles 7 and 8 of the 2003 CSHA)

Strategy 1: Reduce workforce disincentives.

Western Australia is committed to the Commonwealth priority of reducing or removing barriers to employment. The Department, within the scope of its operations, will endeavour to support work ready public tenants people in achieving and maintaining employment.

Determining the barriers to employment is a critical step in finding possible solutions to getting people into work. The Department will undertake research to identify these barriers. The Department will also provide information to tenants to improve access to employment opportunities.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES
2003-05	<p><i>Milestone: Research completed on:</i></p> <ul style="list-style-type: none"> • <i>Barriers to social housing tenants accessing paid employment.</i> • <i>Customers that can participate in workforce.</i> • <i>Location of public housing mapped in relation to services to find gaps in provision that might act as barriers to employment.</i> • <i>Rent setting policies, including Housing Ministers' Advisory Committee work tailored to WA.</i>
	Performance Indicators 4.1 to 4.3
2003-05	Performance Measure: Annual report on findings
2005-06	<p><i>Milestone: Policy development process completed.</i></p> <p>Performance Measure: Report on strategies identified.</p>
2006-08	<p><i>Milestone: Implement policies and processes.</i></p> <p>Performance Measure: Report on outcomes or impact of new policies.</p>

People seeking employment will only enter the workforce if there is a tangible benefit to be gained from employment. There is a disincentive to work if the financial benefits of employment are insufficient to increase the position of the worker in relation to their ability to cover rents and other costs of living. The Department will examine ways of making the benefits of employment viable for its tenants.

The management of public housing must be flexible enough to allow tenants to obtain employment opportunities in other locations. The Department recognises the need to transfer tenants when they gain employment in areas outside which they are housed.

The Commonwealth is keen to ensure that the rent setting policies of State/Territory Housing Authorities do not act as disincentives to public housing tenants returning to work. The Department will examine the impact of the Australian Government Working Credit initiative on rent policy and consider possible changes.

The Department already has in place a working allowance to offset the costs incurred by tenants moving from a statutory income to paid employment, particularly low wage earners. Tenants may earn \$30 per week without this affecting the rent paid. In 2004-05 the Department will enhance working allowance and will make available a brochure to assist tenants moving into the workforce. The brochure will include information about the working allowance.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES	
2003-04	<i>Milestone: Options considered of impact of working credit on rent policy and possible system changes.</i>	
2003-04	<i>Milestone: Selected option implement in 2004.</i>	
June 2005	<i>Milestone: Revise the working allowance to help reduce disincentives for tenants entering the workforce.</i>	
	Performance Indicator 4.4	Target
2005-06	Number of people who use the working allowance.	2005-06 actual to be the benchmark.
2004-05	<i>Milestone: Brochure publicising assistance that can be provided to all tenants moving into workforce, distributed to tenants and applicants.</i>	
2003-04	<i>Milestone: "New employment requiring a transfer" developed as a valid reason for obtaining a priority transfer in public housing.</i>	
	Performance Indicator 4.5	Target
2004-05	Number of people who take up employment and transfer in public housing.	2004-05 actual to be the benchmark.

Strategy 2: Provide support for tenants.

A stable living environment is an important factor in sustaining people in employment. The Department has a number of early-intervention strategies to support tenants to sustain their tenancies, including support and access to budget and other life skills training programs. Tenancy performance involves paying rent on time, keeping the property up to standard and socially acceptable behaviour.

The Supported Housing Assistance Program (SHAP) aims to provide tenants with access to appropriate skills development and support to enable them to fulfil their obligations and responsibilities as tenants. The support includes:

- Regular property visits
- Financial counselling
- Family and child support
- Home skills; and
- Drug and alcohol counselling

The Department works closely with agencies to ensure appropriate coordination and assistance is provided.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES		
	Performance Indicator 4.6 to 4.8	Current Performance 2002-03	Annual Target
2004-05 to 2007-08	Proportion of tenants on the Supported Housing Assistance Program (SHAP) who have made an improvement in tenancy performance.	Not available until 2004-05.	2004-05 actual to be benchmark.
2004-05 to 2007-08	Proportion of successful exits from SHAP.	39%	Maintain or improve on 39%
2003-04 to 2007-08	Performance Measure: Annual report on support provided and outcomes through participation in the Strong Families Program involving the Departments of Community Development, Justice, Police, Health and Education.		

PERFORMANCE MEASURES / MILESTONES			
	Performance Indicators 4.9 to 4.12	Current Performance 2002-03	Annual Target
2003-04 to 2007-08	Number of properties provided on a rolling basis to the Transitional Housing Program.	8	10
2003-04 to 2007-08	Evictions as a proportion of tenants referred to appropriate tenancy support programs.	Not available until 2003-04.	2003-04 actual to be benchmark.
2003-2008	Proportion of tenancies with court orders for eviction that were restored prior to eviction.	33%	Maintain or improve on 33%
2003-04 to 2007-08	Performance Measure: Annual report on support provided and outcomes through partnerships with Anglicare, Fremantle Community Youth Services and the Rockingham Youth Accommodation Program, (support funded by Department for Community Development).		
Also refer to Outcome 2, Strategy 4.			

Outcome 5

The provision of assistance through linkages with government and non-government agencies.

(Refers to Guiding Principles 5 and 10 of the 2003 CSHA)

Also refer to Outcome 4.

Strategy 1: Maintain and improve support services through inter-agency co-operative arrangements including those established through the Department's response to the State Homelessness Strategy.

Over the last two decades, the demand on public housing assistance has been affected by increasing numbers of people with special housing needs. To ensure better support for these people, it is necessary to link effectively with programs from other agencies.

The Department actively contributes and participates in across government and community interactive programs and initiatives that aim to improve social outcomes for targeted groups including Indigenous people, troubled youth, offenders leaving prisons, families with multiple social problems and the homeless. Many of these initiatives are not entirely housing focused (however, housing difficulties may be one issue faced by the client) and seek to provide a collaborative approach to improve outcomes for individuals and the community.

TIME-FRAME	PERFORMANCE MEASURES / MILESTONES	
	Performance Indicators 5.1 to 5.2	
2003-04	<i>Milestone: Pilot Transitional Accommodation and Support Program for prisoners. (Thirty-three properties available for the program).</i>	
2004-05 to 2007-08	Performance Measure: Annual report on the Transitional Accommodation and Support Program for prisoners (dependent on program continuing after pilot).	
2003-04	<i>Milestone: Joint pilot Community Offender Work Project with Department of Justice to develop community-based projects providing offenders with meaningful work opportunities allowing them to fulfill their obligations to the court and community and enhance their work and social skills, implemented in Cannington, Bunbury, Albany and Geraldton region.</i>	
2003-04	<i>Milestone: Expand the program to Mirrabooka region.</i>	
2004-05	Performance Measure: Annual report on the Community Offender Work Project (dependent on program continuing after pilot).	
	Performance Indicators 5.3 to 5.7	Target
2003-04 to 2007-08	Number of additional units of supported accommodation provided for people with disabilities through the Memorandum of Understanding (MOU) with the Department of Health for the Independent Living Program.	60 per annum.
2003-04 to 2007-08	Number of additional units of supported accommodation provided for people with disabilities through the MOU with the Disability Services Commission.	65 per annum.
2003-04 to 2007-08	Performance Measure: Annual report on protocol with the Department for Community Development for the Tenancy Referral Program for families.	

2003-04 to 2007-08	Performance Measure: Annual report on protocols with Department for Community Development including the development of operational protocols between Department regional offices and Supported Accommodation Assistance Program services at the service delivery level, to ensure that homeless people are provided supported accommodation.		
2003-04	<i>Milestone: Protocol reviewed to enable earlier referral of at risk clients.</i>		
2003-04 to 2007-08	Performance Measure: Increase crisis and short-term supported accommodation properties for homeless people or imminently homeless from 445 in 2002-03 to 645 in 2007-08 under the Crisis Accommodation Program.		2003-04: 485 2004-05: 525 2005-06: 565 2006-07: 605 2007-08: 645
	Performance Indicator 5.8	Current Performance	Target
2003-04 to 2007-08	Percentage of requests to the Homeless Help Line for accommodation assistance either in the private or public rental market or overnight accommodation services that are met.	72%	2002-03 actual to be benchmark.
Also refer to Outcome 2, Strategy 5.			

5 Outputs And Targets

As specified in subclause 6(1)(c)(v) of the CSHA, where not defined in this Bilateral Agreement, annual targets for outputs for housing assistance for each of the subsequent years of the 2003 CSHA will be agreed between Western Australia and the Commonwealth in writing prior to:

- (i) 1 May 2004, for the second year of the Agreement;
- (ii) 1 May 2005, for the third year of the Agreement;
- (iii) 1 May 2006, for the fourth year of the Agreement; and
- (iv) 1 May 2007, for the fifth year of the Agreement.

Targets for outputs for housing assistance provided under this Bilateral Agreement for the 2003/2004 financial year are set out in Annexure A and will be provided annually as per Subclause 6(1)(e)(i-iv).

6 Community Consultation

The Department of Housing and Works has established the Housing Advisory Committee (HAC) to provide advice to the Minister for Housing and Works and the Department on all housing matters, including the operation of the various housing assistance programs under the CSHA. The committee's membership is drawn from across the housing sector, including community organisations, industry and relevant Government departments.

As part of the development of this Bilateral Agreement, HAC input was sought and a sub-committee of members has provided comment on the draft plan. HAC will have an on-going role in monitoring the implementation of this housing bilateral agreement.

7 Value for Money

Western Australia will ensure that the activities it undertakes for the purposes of achieving the outcomes required under this Bilateral Agreement are designed to achieve best value for money for funding provided through this Agreement. Best value for money means the best possible outcome that can be achieved taking account of all relevant costs and benefits.

8 Variation To Agreement

- a) The Commonwealth Minister or the State Minister may seek to renegotiate this Bilateral Agreement. This Bilateral Agreement may be varied only in writing between the Commonwealth Minister and the State Minister.
- b) Western Australia will make publicly available within three months of agreeing or varying a Bilateral Agreement the objectives and outcomes to be achieved under the Bilateral Agreement.

9 Publicity and protocols

The parties to this Bilateral Agreement will, in all publications, promotional materials and promotional activities relating to this Bilateral Agreement, acknowledge the financial and other support that that party has received from any other party to this Bilateral Agreement.

In relation to all publicity, announcements and media releases concerning program and policy developments, new or changed services, or other initiatives related to the objectives of this Bilateral Agreement for which financial assistance has been provided under this Bilateral Agreement, the parties agree that significant publication or announcements, including media releases, will be joint unless declined by either the Commonwealth or State/Territory Minister.

If there is any doubt about the significance of a proposed announcement or publication, the parties agree to liaise with each other to determine whether the other party wishes to be jointly involved.

In relation to publicity, announcements and media releases, the parties will:

- (a) notify other relevant parties to this Bilateral Agreement contributing to financial assistance provided under this Bilateral Agreement of the intention to publish, announce or release information, allowing sufficient time for the other party to respond;
- (b) respond to requests for information and advice for other parties to this Bilateral Agreement within 10 working days of such requests or as negotiated.

Officers from WA and the Commonwealth will negotiate announcements, as appropriate. Contact officers are:

Western Australia :
Manager Communications and Marketing – (08) 9222 4885.

Commonwealth:
The Director Commonwealth State Housing Agreement Section

10 Reporting

Western Australia will provide reports required by Subclauses 4(35)(a) and 4(35)(c) of the 2003 CSHA in a form acceptable to the Australian Government. Western Australia will agree with the Australian Government an appropriate format by 30 June 2004.

11 Guiding Principles

The parties agree that the guiding principles of this Agreement are:

1. to maintain a core Social Housing sector to assist people unable to access alternative suitable housing options.
2. to develop and deliver affordable, appropriate, flexible and diverse housing assistance responses that provide people with choice and are tailored to their needs, local conditions and opportunities.

3. to provide assistance in a manner that is non-discriminatory and has regard to consumer rights and responsibilities, including consumer participation.
4. to commit to improving housing outcomes for Indigenous people in urban, rural and remote areas, through specific initiatives that strengthen the Indigenous housing sector and the responsiveness and appropriateness of the full range of mainstream housing options.
5. to ensure housing assistance links effectively with other programs and provides better support for people with complex needs, and has a role in preventing homelessness.
6. to promote innovative approaches to leverage additional resources into Social Housing, through community, private sector and other partnerships.
7. to ensure that housing assistance supports access to employment and promotes social and economic participation.
8. to establish greater consistency between housing assistance provision and outcomes, and other social and economic objectives of government, such as welfare reform, urban regeneration, and community capacity-building.
9. to undertake efficient and cost-effective management which provides best value to governments.
10. to adopt a co-operative partnership approach between levels of government towards creating a sustainable and more certain future for housing assistance.
11. to promote a national, strategic, integrated and long term vision for affordable housing in Australia through a comprehensive approach by all levels of government.

Output Targets 2003-04

Stock	Target
Public Housing Stock opening 30-6-03	32,515
Total additions to stock	918
Reductions to stock	819
Stock as at 30-6-04	32,614
Indigenous Housing Stock opening 30-6-03	2,510
Total additions to stock	33
Reductions to stock	20
Stock as at 30-6-04	2,523
Remote Communities stock opening 30-6-03	1,115
Total additions to stock	83
Reductions to stock	-
Stock as at 30-6-04	1,198
Community Housing stock opening 30-6-03	789
Total additions to stock	37
Reductions to stock	-
Stock as at 30-6-04	826
Crisis Accommodation stock opening 30-6-03	425
Total additions to stock	30
Reductions to stock	-
Stock as at 30-6-04	455
Joint Ventures stock opening 30-6-03	1,708
Total additions to stock	99
Reductions to stock	-
Stock as at 30-6-04	1,807
Total Stock as at 30-6-03	39,062
Total Stock as at 30-6-04	39,423

Stock Reconfiguration	
Refurbishments	
Public Housing – General	120
Public Housing – New Living	566
Indigenous Communities	178
Indigenous Housing Roebourne	27
Community Housing Program	2
Crisis Accommodation Program	4
Sub Total Refurbishments	897
Bedsitter Conversions	
Public Housing – General	15
Public Housing – New Living	17
Sub Total Bedsitter Conversions	32
Total Reconfiguration	929

Home Purchase Assistance	
Aboriginal Home Ownership Scheme	48
Access Home Loans (for people with disabilities)	54
Keystart Loans (Including Goodstart loans)	5,000
Loans for Goodstart equity purchases	60
Total Home Loans	5,162
Bond Assistance Loans	15,200