

# *information sheet*

## HOUSING IN THE NEW MILLENNIUM— A summary of the 2000/2001 Federal & State Budgets

### FEDERAL BUDGET

#### Housing Assistance

There were no new initiatives announced for housing in the 2000/2001 Federal Budget. A total of \$1.234 billion has been allocated to Housing Support for the next financial year (compared to \$1.075 billion in 1999/2000) with nearly all increases in funding related to compensation for the Goods and Services Tax.

The Housing Support budget includes:

- \$1,067 million for the Commonwealth State Housing Agreement (CSHA) of which \$90 million is compensation for the net increase in public housing costs as a result of the new tax system. A further \$30 million has been rolled over from 2000/01 in the event that bilaterals are not signed by 30 June
- \$157 million for the Supported Accommodation Assistance Program which includes an additional \$15 million per year over the next four years for increased costs relating to the new tax system
- \$2.206 million made up of allocations for National Housing Research (\$420,000), National Housing Priorities (\$978,000) and Supported Accommodation Assistance Program National Priorities (\$808,000).

In addition to the CSHA and SAAP funding, approximately \$1.5 billion has been allocated for

rent assistance.

No funding has been committed to the National Homelessness Strategy which was announced in the 1999/2000 budget and is to provide a strategic framework for the Commonwealth's policies to reduce homelessness.

Over the next three years, Federal funding for housing support is projected to decline. This is, in part, due to the 1% efficiency dividend negotiated in the recently signed Commonwealth State Housing Agreement. However, the level of funding will not adequately address the increasing demand for affordable and appropriate housing in the Australian community.

#### **Stronger Families and Communities Strategy**

While there were no new housing initiatives announced, the Government has announced a series of programs as part of the \$240 million Stronger Families and Communities Strategy. The Strategy will introduce programs to assist people in practical and innovative ways to strengthen families and communities at local level. Housing has not, however, been identified as a key component of any of the programs which focus primarily on children and families.

The major programs include:

- Stronger Families Fund (\$40m) to support

parents and families care for young children;

- Early Intervention Parenting and Family Relationships Support (\$47.3m) to fund services and activities with a focus on providing skills and support for parents and families, especially for early childhood;
- Greater Flexibility and Choice in Childcare (\$65.4m) to improve the flexibility of childcare to better meet the needs of families to support their work and family choices;
- Longitudinal Study of Australian Children (\$20.2) to be undertaken over the next nine years to inform government policy on early childhood and the effectiveness of early intervention and prevention strategies
- Potential Leaders in Communities (\$37.1m) to identify and develop potential leaders
- Can Do Community Initiative (\$5.2m) to showcase best practice and encourage people to participate in community life.

### **STATE BUDGET HIGHLIGHTS**

As outlined in the State Budget Papers Homeswest has allocated a total of \$727.2 million for its Capital Works Program for the 2000/2001 financial year. This compares to \$707.1 million in 1999/2000.

The increase in funding can be accounted for by a direct transfer of \$20 million from the Department of Aboriginal Affairs to Homeswest for the implementation of the Aboriginal Communities Strategic Investment Plan. The Plan aims to provide remote communities with essential services to the

same standard as provided to mainstream towns of the same size and location.

Areas of work highlighted in the Budget Statement include:

- \$535 million to assist moderate income earners into home ownership through the Keystart Scheme (5,000 loans) and Goodstart Scheme (330 loans)
- \$94.2 million for the construction and purchase of houses
- continuing support for the New Living Estates Improvement program involving redeveloping estates through sale of stock and vacant lots, refurbishment and landscaping
- \$12.1 million for the construction of Aboriginal housing and \$6.3 million to assist with the management of Aboriginal housing stock.

Home ownership continues to be a key priority area of the Ministry of Housing. There are, however, no significant increases in the allocation of funding for the construction of public housing in Western Australia. This is despite increasing levels of need for affordable housing in the Western Australian community.

The Ministry of Housing will be releasing details of program expenditure in the new financial year.