

# *information sheet*

## WHAT'S IN IT FOR HOUSING ? The Federal & State Budgets 1999 – 2000

### **Federal Budget Highlights**

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#### **Continuation of the Supported Accommodation Assistance Program (SAAP) and increased funding**

The Budget makes a commitment to renew SAAP for another five years pending negotiation of the new agreements with States/Territories. It also allows for an increase of \$45 million to deal with inequities in Commonwealth funding, primarily industrial award increases.

#### **Additional funding for CSHA for the net increase in public housing cost as a result of taxation reform**

This measure provides an additional \$269 million over three years for CSHA, with the distribution to be agreed to by all States and Territories. These funds are to offset the increase in public housing costs that are expected when State housing authorities will be input taxed if the tax reforms are implemented.

The funding, which was agreed to at the April 1999 Premiers Conference, will be divided equally for each of the last three years of the CSHA, ie. \$89.667 million per year.

#### **Continuation of the Housing Reform**

### **Fund (HRF)**

While no further money was allocated beyond the current funding of \$1.7 million per year (which expires in June 2000), this measure extends the HRF until end of the 2003 financial year. Funding for HRF "will be met from existing resources".

According to Budget papers, the HRF will:

- support innovative projects in community and indigenous housing;
- promote the participation of non-government organisations in assisting disadvantaged communities; and
- provide the Commonwealth with the capacity to tackle serious issues such as promoting healthy housing outcomes for indigenous communities.

### **Youth Homelessness Early Intervention Program**

This measure allocates the funds to establish the new Youth Homelessness Early Intervention Program that was announced last December when the Youth Homelessness Taskforce released its final report *Putting Families in the Picture*.

The Budget allocates \$60 million over four years to establish services in areas of highest need, starting with 45 services in the first year and expanding to 100 services when fully implemented, serving approximately 7,000 young people at risk of homelessness. The first 45 services are expected to begin between September and December 1999,

with tender notices going out in June. The 26 pilots will continue until the new programs are underway. Pilot programs that are located in identified areas of high need and eligible for selection under the new program will have to tender for that opportunity.

### **Changes to Rent Assistance**

- **Terminating multiple claims of Rent Assistance for families in one household: “End Double Rent Assistance for Blended Families”**

This measure will affect an estimated 700 blended families where both members of a couple living together receive Family Allowance for the full rent on the dwelling. Under this measure (which requires a legislative change) Rent Assistance will be based on the total number of Family Allowance children in the blended family and the actual rent liability for the blended family.

This measure will cost \$529,000 in the first year for administrative and set-up costs but will save approximately \$2.4 million over the following three years.

- **Increased Rent Assistance compliance for people renting under informal agreements**

Under this measure, people who live with relatives or pay rent to a flat mate as part of a shared house arrangement will be subject to more stringent compliance requirements.

These include:

- providing a ‘rent certificate’ to prove rent payment for people who are unable to produce a lease or rental bond agreement. These certificates will require a landlord’s signature;
- must undergo a compulsory rent verification review every 6 months; and
- any Rent Assistance recipients who have not updated their rent details from the time the rent certificates are implemented will be reassessed after two years.

These changes will affect approximately 400,000 Rent Assistance recipients. The

rationale offered in the Budget papers is that:

- the new procedures will put the onus on informal renters to prove that the rent they claim is actually being paid;
- when a person changes addresses there is an appropriate checking procedure, ie. using the rent certificates; and
- it provides a way to identify informal renters (which they couldn’t before) to “enable more accurate targeting of payment reviews”.

In the first year, administrative and set-up costs will be \$3.731 million. Savings for the next three years are:

- 2000-01 \$6.160 million;
- 2001-02 \$7.744 million; and
- 2002-03 \$6.973 million.

## **State Budget Highlights**

Given that details of Homeswest’s program expenditure are yet to be released we can only comment broadly on the State Budget allocation. To this end, it is clear that home ownership continues to be strongly supported with increased funding to the Keystart Home Purchase financing scheme from last year’s allocation.

While home ownership assistance is a good option for some, it is not viable for everyone, particularly those on very low incomes or those with insecure employment. In addition to home purchase assistance, the Government needs to plan for investment in public housing which will ensure long term growth of the social housing sector based on clearly articulated targets in relation to identified need.

