

EDITORIAL: Housing and Sustainability

by Karel Eringa

One of the less well publicised effects of the recent increases in house prices is its effect on sustainability. While interest rates have fallen and household incomes have increased, a steep rise in house prices means that the number of suburbs where a first home buyer earning the median family income can purchase a median priced home has fallen from 73 in December 2001 to 6 in March 2004.

These affordable suburbs are removed from the jobs in the Perth CBD and tend to have little in the way of facilities such as public transport, hospitals, schools, etc. As a result, declining housing affordability in Perth appears to be stimulating urban sprawl, transport needs, and car use.

If it is acknowledged that housing affordability is inversely related to sustainability objectives, the next step is to ascertain how urban growth can be managed in such a way that people on lower incomes retain a degree of discretion over their housing choices. In other words, the challenge is to ensure that future house prices are

structured in such a way that people on lower incomes can afford to live near public transport and jobs if they so choose.

Shelter WA has identified four key areas in which change is necessary if this is to be achieved:

1. Increased density in established areas

Increasing the number of dwellings per hectare in well located suburbs is the obvious way to ensure that people on lower incomes have access to public transport and services. Higher density would reduce land costs per dwelling, thus enhancing affordability. It would also increase the rates basis of local governments.

A major issue has been community resistance against higher density in suburbs such as Nedlands, Cottesloe and Claremont. This appears to be because in Perth, higher density is often achieved through subdividing existing blocks in older suburbs. This results in unattractive "battle axe" blocks, which do not allow for community interaction or, for that matter, particularly high densities. For

instance, despite significant rises in dwelling density, the suburb of Hilton now houses roughly the same number of people as it did fifty years ago.

Shelter WA favours targets for existing local governments to house their fair share of the projected growth in Perth's population. Compulsory and detailed local government or regional housing strategies with such targets, such as proposed in the State Sustainability Strategy would be a good way of achieving this.

However, it should be noted that where it has been implemented on a larger scale and with better planning, higher density has gained community support. Prime examples include Subi Centro and East Perth. Community education regarding higher density could therefore be of benefit.

2. Discouraging development on the fringes

A second way of increasing housing densities in established suburbs would be to ensure that developers

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Social Housing in Perth's Western Suburbs

by Karel Eringa

This article is based on the author's presentation to the 2004 WACOSS Conference. The presentation is available from www.shelterwa.org.au (publications).

Social housing in Perth's western suburbs has been much debated in the media in recent times. In one way, the debate has been heartening; even the staunchest opponents to social housing in the western suburbs have not questioned the need for social housing per sé.

Instead, they have argued that social housing should be located on the fringe of the metropolitan area, where land is cheap and the neighbours are far away. I will return to this issue later, but would first like to clarify some issues.

Firstly, what is social housing? Social housing is affordable, appropriate and accessible rental housing provided to low income and disadvantaged people by government and not for profit organisations. Social housing comprises:

- Public housing, or social housing managed by Government. In WA the Department of Housing and Works (Homeswest) manages some 36,000 dwellings.
- Community housing, or social housing managed by non-Government, not for profit organisations. In WA there are more than 250 community housing providers managing a total of around 4,000 dwellings. Most of these providers manage less than 10 dwellings.

Secondly, where are the western suburbs? Different studies identify different boundaries for the area, but for the purposes of today's talk I will use the term to indicate the area between Cottesloe, City Beach, Floreat and Subiaco. The area also includes the suburbs of Claremont, Crawley, Daglish, Dalkeith, Jolimont, Mt Claremont, Nedlands, Peppermint Grove, Shenton Park and Swanbourne.

Thirdly, how much social housing is there in the western suburbs? Contrary to public belief, there is a significant amount of social housing stock in the area. Figure 1 shows that social housing accounts for 692 out of 30,056 dwellings in the western suburbs, or 2.3% of all stock. This is about half the WA

average – perhaps relatively low, but certainly not non-existent.

| Social Housing, Western Suburbs | | | |
|---------------------------------|----------------|---------------|-------------|
| | Social Housing | All Housing | Presence |
| City Beach | 0 | 2,279 | 0.0% |
| Claremont | 78 | 3,597 | 2.2% |
| Cottesloe | 1 | 3,399 | 0.0% |
| Crawley | 1 | 1,377 | 0.1% |
| Daglish | 20 | 657 | 3.0% |
| Dalkeith | 0 | 1,614 | 0.0% |
| Floreat | 0 | 2,881 | 0.0% |
| Jolimont | 10 | 521 | 1.9% |
| Mt Claremont | 131 | 1,738 | 7.5% |
| Nedlands | 0 | 4,161 | 0.0% |
| Peppermint Grove | 0 | 602 | 0.0% |
| Shenton Park | 92 | 1,871 | 4.9% |
| Subiaco | 356 | 4,068 | 8.8% |
| Swanbourne | 3 | 1,291 | 0.2% |
| Total | 692 | 30,056 | 2.3% |

Figure 1

Within the area, there are some large discrepancies between suburbs. For instance, social housing represents 8.7% of housing stock in Subiaco, 2.1% in Claremont, 7.5% in Mt Claremont and 4.9% in Shenton Park. There are five suburbs where there is no social housing: City Beach, Dalkeith, Floreat, Nedlands and Peppermint Grove. All of these suburbs have relatively low residential densities, with much of the area zoned R10-15.

| Social Housing Tenants, Western Suburbs | |
|---|---------------|
| wages | 16.6% |
| pension | 66.4% |
| aged pension | 36.3% |
| disabled pension | 26.9% |
| war veteran | 3.3% |
| allowance | 16.9% |
| youth allowance | 2.6% |
| newstart | 9.5% |
| parenting | 4.8% |
| total | 100.0% |

Figure 2

Finally, are all social housing tenants 'dole bludgers'? Figure 2 indicates that around one in six social housing tenants in the western suburbs is currently in gainful employment. The overwhelming majority (two thirds) of social housing tenants receive an aged pension, disabled pension or war veteran's pension. Finally, only one in six of social housing tenants in the western suburbs receive a Centrelink Allowance (Newstart, Youth Allowance or Parenting Payment) and could, therefore, conceivably fit the stereotype. Five out of six social housing tenants in the western suburbs are either in

employment or not in the workforce due to old age or disability.

The upshot of all of this is that the question is slightly misleading, because it starts from the premise that there is no social housing in the western suburbs. Rather, the question should be whether the current social housing presence of 2.3% is too high, too low, or adequate. In order to answer this question, I will list the arguments for expanding and reducing social housing in the western suburbs.

Broadly speaking, there are three arguments in favour of reducing social housing in the western suburbs. Firstly, there is a range of emotive arguments against having social housing in the area. These arguments have dominated the media debate, and include the NIMBY ('Not In My Back Yard') response and the 'I Worked Hard To Be Able To Live Here And They Got It For Free' response.

It would be all too easy to dismiss this type of argument as ill-informed, possibly racist or plain wrong. However, the dominance of these arguments in the media indicates that there is a general feeling in the community that social housing tenants make for bad and undeserving neighbours. While the reality is that all social housing tenants have a basic human right to adequate housing and the vast majority do not cause any problems, at the very least the persistent nature of these emotive responses does point to an image problem associated with social housing. The challenge is for social housing to ensure that its tenants are productive and valued members of the communities in which they live, and that they are seen as such.

The second argument for reducing social housing centres on the claim that the presence of social housing reduces land values in the area. However, there is no evidence to back up this claim.

In all 13 suburbs (insufficient data is available for Crawley), house price growth exceeded 10% per annum over the 1985 – 2003 period; the average growth rate was 11.8% per year: Figure 3. Growth rates were relatively uniform across the area, varying by less than 1.5% from the average in all but two suburbs.

Housing and Sustainable Communities Indicators Project (Cont'd)

In the seven suburbs with a social housing presence of less than 1%, median house price growth over the period ranged from 10.4% per year in Floreat to 14.3% per year in Peppermint Grove. Perhaps surprisingly, median house prices grew by less than the western suburbs average in four of these suburbs.

In the six suburbs with a social housing presence greater than 1%, median house price growth over the period ranged from 10.1% per year in Claremont to 12.9% in Subiaco. Median house price growth exceeded the western suburbs average in two of these suburbs.

Finally, a least squares regression yields a statistically insignificant, almost horizontal best fit. This strongly suggests that there is no statistically significant relationship between social housing presence and house price growth.

However, there is one last argument for reducing social housing in the western suburbs: as land values in the western suburbs are higher than land values on the fringes of the metropolitan area, two or three properties in fringe metropolitan areas could be bought for the price of one property in the western suburbs. Investing on the urban fringe would represent a more effective use of limited Government funds, because more people could be housed within existing resources.

This argument is certainly convincing. At the same time, however, having a significant social housing presence in the western suburbs makes sense from three different perspectives. Firstly, it makes sense from a social perspective. This goes beyond the

benefits of giving ageing people an opportunity to live near health facilities or family support networks.

Social housing introduces an element of social diversity into the western suburbs that would be difficult to attain in any other way. Social diversity, in its turn, is generally associated with healthy and safe communities. A lack of social diversity, taken to the extreme, can produce the segregated cities of South Africa, where a poor majority live in ghettos while the rich have to fortify their suburbs in order to keep out the resulting crime and social unrest.

Secondly, social housing in the western suburbs makes sense from a sustainability point of view. Last year's *Dialogue with the City* highlighted the environmental costs of Perth's urban sprawl. In addition, the Department of Planning and Infrastructure estimates that it costs the State Government around \$45,000 for each lot on the urban fringe to deliver physical and social infrastructure (electricity, sewerage, schools, hospitals). The obvious alternative is to redevelop existing areas, such as the western suburbs.

Thirdly, and perhaps surprisingly, social housing in the western suburbs makes sense from an economic point of view. In order to manage their housing stock sustainably, social housing providers need to ensure they hold stock in as wide a range of localities as possible in order to manage the risks associated with price fluctuations. For this reason alone, it is prudent for social housing providers to have a propor-

tion of their stock in the western suburbs. However, investing in the western suburbs can be very profitable for social housing providers.

For instance, in 1985, a million dollars would have bought either 11 median priced dwellings in the western suburbs (Strategy A) or 21 dwellings around the metropolitan area (Strategy B). By 2003, Strategy A yielded \$7½ million, 50% more than Strategy B, which yielded \$5 million. Viewed differently, the 11 dwellings purchased under Strategy A in 1985 could be exchanged for 31 dwellings around the metropolitan area by 2003. The monetary value of the 21 dwellings purchased under Strategy B also increased, but did not allow for any stock increases.

In other words, for social housing providers investing in the western suburbs is a responsible and viable asset management strategy. The extent to which they will invest in the western suburbs is dictated by expected gains, relative risk, and the extent to which they are prepared to trade off short term pain for long term gain.

In conclusion:

- Contrary to public belief, there is a significant amount of social housing in the western suburbs, and the presence of social housing has not reduced price growth.
- Social benefits mean that the local community in the western suburbs can benefit from social housing.
- Increased sustainability mean that the Perth community in general benefits from social housing in the western suburbs.
- A brief economic analysis indicates that it may be 'penny wise but pound foolish' for social housing providers to remove or significantly reduce social housing in the area.
- A trade off between the short term need to house people and the long term need for risk management suggests that the level of social housing in the western suburbs should be higher than zero, but lower than the Perth average. In other words, the current level may be about right.

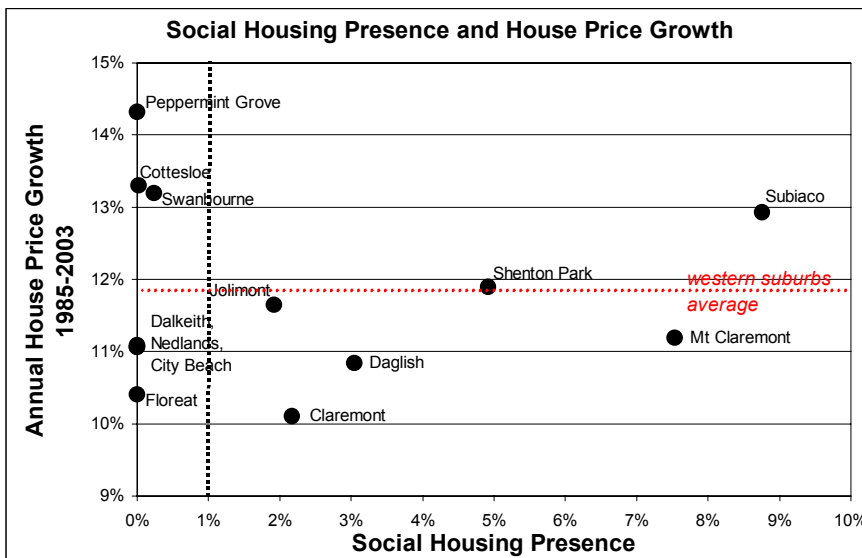


Figure 3

Housing and Sustainable Communities Indicators Project

by Erin Gauntlett

Erin Gauntlett worked as Senior Policy Officer at Shelter WA between 1998 and 2000. Since leaving Shelter WA, she has worked with WACOSS on a project developing indicators for housing and sustainable communities. This article summarises the findings of this project.

This project grew out of concerns of the non-government sector about a range of housing issues impacting on low income households, including the supply and location of low cost housing, concerns about the appropriateness of housing design, and the persistence of homelessness for some groups within the community. At a public meeting convened by Shelter WA in 1998, it was agreed that the notions of 'sustainability' and 'sustainable communities' had the potential to provide a more holistic and integrated approach to addressing these persistent housing issues. As a result, WACOSS sponsored a research project to undertake exploratory research with the following aims:

- To build a clear picture of housing in Western Australia, including an overview of housing issues, the current changes and driving forces behind these issues, and the ways in which Government policies interconnect and impact on housing;
- Highlight the role of social housing as a fundamental component of sustainable communities; and
- Use the notion of the interconnectedness of housing and broader social issues to highlight the need for whole of Government coordination of social policy.

This research culminated in a report titled *Housing for a Sustainable Community: The state of housing in Western Australia* which provided a snapshot of housing issues and emerging trends across the State. Further, the report identified sustainability as providing a useful framework for the development of housing policy in Western Australia because it acknowledged the synergy between social, economic and environmental factors in building healthy, equitable and sustainable communities.

Following the results of this initial research a larger research project, Housing and Sustainable Communities Indicators Project was conceived and was subsequently undertaken by WACOSS in partnership with the Centre for Social Research in Social Change and Social Equity at Murdoch University and funded through the Lotterywest Social Research Program. The project had the following research objectives:

1. To develop a model of social sustainability
2. To develop a set of housing related indicators of socially sustainable communities across Western Australia.

In addition, the project was identified as having an educational function in the sense that it sought to build a clear vision and framework on housing and sustainable communities for the non-government sector. It was envisaged that this framework would assist the sector to more adequately represent the needs of its constituency in policy processes at a number of levels including negotiations on the Commonwealth State Housing Agreement, the development of a State Housing Strategy by the WA Department of Housing and Works, and the development of a State Sustainability Strategy by the Department of Premier and Cabinet.

Methodology

The research methodology for the project involved:

- The formation of a Project Reference Group to guide the research
- A literature search
- The development of consultation and discussion papers to facilitate input from participants
- Focus groups and interviews with identified experts and stakeholders

- A pilot consultation using web-based technology.

Stage 1 - The Model of Social Sustainability

Stage 1 of the project culminated in a model of social sustainability, which moves from a broad notion of social sustainability through to increasing levels of detail of what the concept might mean at the community level. The components of the model are described in more detail below.

Definition

Social sustainability occurs when the formal and informal processes, systems, structures and relationships actively support the capacity of current and future generations to create healthy and liveable communities. Socially sustainable communities are equitable, diverse, connected and democratic and provide a good quality of life.

Principles

1. **Equity** – the community provides equitable opportunities and outcomes for all its members, particularly the poorest and most vulnerable members of the community. While equity is listed as a separate principle, it is such a fundamental component of social sustainability it is regarded as a filter principle through which all of the other principles are viewed.
2. **Diversity** – the community promotes and encourages diversity.
3. **Interconnectedness** – the community provides processes, systems and structures that promote interconnectedness within and outside the community

Housing and Sustainable Communities Indicators Project (Cont'd)

at the formal, informal and institutional level.

4. **Quality of Life** – the community ensures that basic needs are met and fosters a good quality of life for all members at the individual, group and community level.
5. **Democracy and Governance** – the community provides democratic processes and open and accountable governance structures.

Characteristics

A set of 36 characteristics, which 'flesh out' the principles and provide the reference point for the later development of housing related indicators.

Statements

A set of statements, designed to again provide a further level of detail about the characteristics and therefore about socially sustainable communities.

The findings from Stage 1 were reported in *Model of Social Sustainability, Stage 1 Report, Housing and Sustainable Communities Indicators Project* which can be downloaded from the WACOSS website at www.wacoss.org.au.

Stage 2 – The Development of Housing Related Indicators

Six communities in urban and regional Western Australia were chosen for Stage 2 of the Project. The communities that participated were Clarkson, Kenwick and Mandurah in the metropolitan area and Balingup, Geraldton and Port Hedland for the rural, regional and remote areas.

Using the model of social sustainability developed in Stage 1 participants were facilitated through a process to develop housing-related indicators, the results of which are reported in *Housing-Related Indicators of Socially Sustainable Communities, Stage 2 Report, Housing and Sustainable Communities Indicators Project* which can be accessed

through the WACOSS website at www.wacoss.org.au

Housing as a Core Element of Social Sustainability

Housing was seen as playing a significant role in relation to meeting people's basic needs and fostering a good quality of life for members of the community. Further the research refers to the community:

- Providing access to diverse housing types and tenures which:
 - have good access to services;
 - have a low ecological footprint;
 - provide security of tenure;
 - are safe and healthy;
 - are affordable in upfront and ongoing costs; and
 - are comfortable and pleasant places to live.
- Providing resources to support tenancies and home ownership.
- Utilising housing design that:
 - reflects a wide range of cultural, environmental and social needs;
 - provides access to open green space; and
 - fosters good integration with neighbours and the local community while still allowing for privacy.
- Supporting and encouraging coordinated service delivery between the non-government sector, all levels of government and the private sector.
- Supporting community participation in the design and management of housing.

In addition, research participants identified the role of housing in:

- Ensuring that communities are inclusive of diverse groups through the provision of a range of housing types which reflect the social, economic and cultural mix of communities;
- Creating and supporting connections between people, as part planning and physical infrastructure promoting connectedness;

- Mediating poverty, as part of the community providing a good quality of life in relation to income and standard of living.
- Creating a sense of empowerment and responsibility and of safety for community members, with the provision of secure and appropriate housing being seen as the base from which members can then participate in other community processes and activities.

Housing Related Indicators

The research concludes that the development of housing-related indicators is an important step towards a better understanding about the type of housing that helps to create a sustainable community. In particular, the indicators developed are significant in a number of ways:

- They indicate the views of community members about what is important in relation to housing and what they would like to see measured to create improvements;
- The indicators developed do not only attempt to measure housing outcomes, they also demonstrate the interconnectedness of housing with other processes, systems and structures implicit in the Model of Social Sustainability developed in Stage 1 of the Project; and
- They can be used to inform more formalised policy and indicator processes such as the State Sustainability Strategy, the State Housing Strategy and local neighbourhood renewal and regeneration processes.

For further details on the specific indicators developed you can download the report from the WACOSS website at www.wacoss.org.au or contact Erin Gauntlett, Senior Policy Officer on 9420 7222 or erin@wacoss.org.au.

Homeswest Page

Cash Asset Limits

The Department has increased the cash asset limits for eligibility of public housing from 1 July 2004 the rates are as follows:

- Singles \$36,400
- Partnered \$60,600
- Seniors 60 years plus (single or partnered) \$80,000

There has been an increase in the exempt cash asset deeming rate as follows:

- Singles \$ 8,250
- Partnered \$15,500

Assets above the exempted amounts will be deemed as follows:

| Asset Type | Deeming Rate |
|--|--------------|
| Cash or any other non-property asset under \$36,400 (single) or \$60,600 (partnered) | 2.5% |
| Cash or other non-property asset over \$36,400 (single) or \$60,600 (partnered) | 4% |
| House and land or vacant land | 4% |

Priority Assistance

The Department recently introduced the new Priority Assessment Form at all Homeswest offices. All applicants for priority assistance will be interviewed by the customer service officer who will ask a series of specific questions aimed at identifying the current housing circumstances and options of the applicant.

The aim of the form is to ensure there is consistency and uniformity across the State in the assessment of all applicants for priority assistance. The form is used to assess the

applicant's housing circumstances and their ability to access accommodation. The form includes a section for the applicant to add further comments and provision has also been included for advocates or support person to make any additional comment in relation to the applicant and their circumstances.

The Department's decision will then be based on a fully informed position of the client's current situation. This should enable the correct decision to be made the first time and should reduce the number of Appeals.

Editorial (Cont'd)

pay the full infrastructure costs associated with developing housing on the edge of the metropolitan area, eg. through a 'betterment tax'. The recent Dialogue with the City discussion paper showed that while developers currently pay some of the cost of developing this land, the State Government carries, on average, in excess of \$50,000 per block. As land developers would pass on at least some of this cost to purchasers, such a measure would make land more expensive in the outer suburbs and promote higher density in established areas.

3. Financial incentives for downsizing

In WA as in most western countries, family sizes are falling as the population ages and the proportion of single people with and without children increases. Despite this trend, the floor area of the average West Australian house increased from 174.9m² in 1985 to 208.1m² in 2000. Based on standard occupancy rates, 45% of WA households had two or more spare bedrooms and an

additional 33% had one spare bedroom. Since most newly constructed homes still have three or four bedrooms, a mismatch between housing stock and population is looming.

The current system of stamp duties effectively acts as a disincentive for 'empty nesters' to downsize from their large family home to a more manageable unit. While they are a means of recouping development expenses for the State Government (see 2.), for the consumer stamp duties are effectively a tax on moving, since stamp duty is only payable if a home owner decides to move house. Removing stamp duty for older people wanting to downsize would reduce the need to build more large homes for new families and represents one way of addressing the mismatch between housing stock and population needs.

4. Financial incentives for investing in small rental dwellings

National Shelter noted in its submission to the recent Productivity

Commission Inquiry into Home Ownership that the Australian taxation system favours investment in housing at the top end of the market, due to the interaction of income tax brackets and negative gearing provisions. This has resulted in an undersupply of small rental dwellings at the bottom end of the market and an oversupply of big rental dwellings at the top end. By reforming these provisions, investing in small rental dwellings would become more attractive, thus creating a supply of affordable, well located dwellings.

This newsletter contains two articles highlighting the links between housing and sustainability. The first article details the findings of a recent WACOSS project on Housing and Sustainable Communities Indicators. The second article looks at a particular issue: the need for social housing in the western suburbs.

Other sections in this newsletter are News In Brief and the Homeswest Policy Page.

News in Brief

Shelter WA Activities

Since the last newsletter, Shelter WA has completed its fifth homelessness survey, produced an information sheet on the Department of Housing and Works, and conducted a forum on women and adequate housing jointly with the Tenants Advice Service. Reports on these activities are available from www.shelterwa.org.au.

Kalgoorlie Housing Forum

Shelter WA conducted preliminary consultations in Kalgoorlie in April, to inform a discussion paper for its upcoming Kalgoorlie Housing Forum. The Forum will be held on Tuesday 3 August, and further details and the discussion paper will be released via www.shelterwa.org.au and our email list in the coming weeks. Alternatively, you can contact Corinne Mercer on 08 9325 6660 or corinne@shelterwa.org.au for more information or to RSVP.

National Housing Alliance & Summit

Building unions, industry associations and community organisations joined forces in a National Housing Alliance. The Alliance called on all Governments and all political parties to implement reforms to private rental, social housing and home ownership. The National Housing Alliance has developed a four-point plan, which calls for:

1. A National Housing Policy to target affordable housing jointly developed by Federal and State Governments;
2. Increasing the supply of affordable housing through both direct expenditure and fiscal reforms;
3. Reforming and standardising planning systems across Australia; and
4. Acting to stabilise activity cycles in the Australian housing industry.

In addition, the Alliance is organised a National Housing Affordability Summit, which was held in Canberra in late June. The purpose of the Summit was to lift the debate about the barriers and solutions to housing affordability and provide some directions for reform across the spectrum of housing issues including the supply of public housing, first home ownership and infrastructure provision.

National Shelter Policy Platform

National Shelter, the peak national body advocating for low income housing consumers, released its 2004 housing policy platform, *Rebuilding the Australian Dream - A National Approach* earlier this month. The Platform argues that despite significant Government expenditure on housing, the Australian dream of home ownership is slipping out of the reach of an increasing percentage of Australians. Rents are becoming less and less affordable for people on low to moderate incomes, and social housing is an option for a declining number of people.

The Platform identifies a lack of coordination of housing related policies and programs as a key factor in producing inconsistent and ineffective outcomes with regard to housing affordability and appropriateness. For instance, the First Home

Report on First Home Ownership

In mid June, the Productivity Commission released its Report into First Home Ownership. Key findings included:

- Housing affordability has declined considerably in the past few years.
- There is a role for policy to address excessive price fluctuations over the housing cycle.
- Interactions between negative gearing, 'capital works' deductions, capital gains provisions and income tax rates have stimulated investment demand during the housing boom. Potential reforms need to be assessed through a broader review, with a focus on capital gains provisions.
- Reducing reliance on stamp duties, improvements to the land release and planning approval process, and developer charges

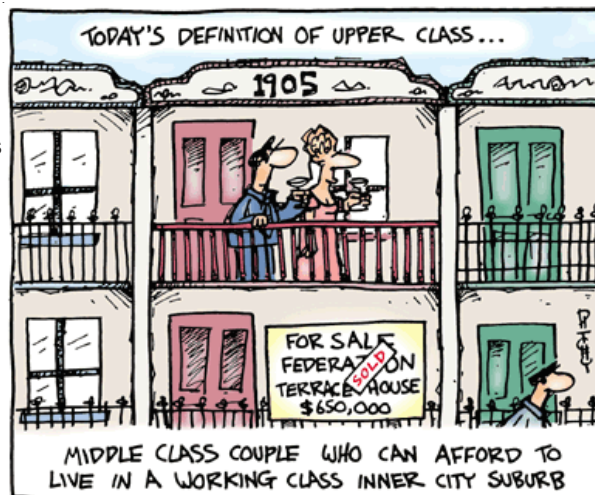
for infrastructure would have a moderating effect price and affordability pressures.

- The First Home Owner Scheme would be better targeted at lower income households. However, the funds may generate larger social benefits if used to address the broader housing needs of the lowest income Australians.

The Report's ten recommendations include:

- a national public inquiry into housing and the needs of low-income earners,
- a review of the capital gains tax and negative gearing arrangements for investor housing,
- means testing the \$7000 first-home owners' grant, and
- replacing stamp duty revenue with more efficient forms of taxation

Shelter WA welcomes the findings of the report, as it upholds much of Shelter WA and National Shelter's submission to the Inquiry. However, Shelter WA is disappointed that the Treasurer, Peter Costello, has passed the buck to the States and Territories, refusing to implement those recom-



Owners Grant aims to reduce the deposit gap faced by prospective home owners. However, negative gearing provisions encourage investment demand, thus putting upward pressure on house prices. It identifies five key policy initiatives that are essential to making the right housing available at the right cost in the right place and at the right time.

The five initiatives are:

- A National Housing Minister
- A National Housing Strategy
- A National Approach for an Effective Social Housing System
- A National Approach for an Effective Private Rental System
- A National Approach for Effective Assistance to Home Purchasers.

News In Brief (Cont'd)

mendations requiring action on the part of the Commonwealth Government. Shelter WA believes that resolving Australia's housing crisis requires action from all governments, including the Commonwealth.

CSHA WA Bilateral Signed

After many months of negotiations and uncertainty, the Bilateral Agreement between the WA and Commonwealth Governments has finally been signed by the relevant Ministers. The WA Bilateral Agreement contains the relevant details for Western Australia on the agreements specified in the Commonwealth State Housing Agreement. Shelter WA is currently analysing the WA Bilateral Agreement. The Agreement can be downloaded from www.shelterwa.org.au (housing news).

Budget Time I: Federal Budget

The Federal Budget for 2004-05 handed down on Tuesday 11 May 2004 will continue the decline of social housing in Australia that began in 1996. While there is some growth in funding to the Commonwealth State Housing Agreement over the next 4 years, this will be at a rate less than half the expected rate of inflation (around 2.5% p.a.). This means reduced funding for social housing in real terms and will leave Australia's 200,000 plus social housing applicants wondering if they will ever get an affordable place to live.

Overall the Budget continues the gradual decline of social housing in Australia, further entrenching the disadvantage faced by low income households and favours those on middle to high incomes. In terms of providing affordable housing for all Australians, this budget rates at best 4 out of 10.

The CSHA continues in line with funding agreements but decline in real terms. This will translate into social housing continuing the proportional decline began in 1996. Services to the homeless have fared better in terms of the Supported Accommodation Assistance Program but the effectiveness of this program will be limited by reduced access to social housing. The budget has delivered housing for some has ignored the growing number of low income Australians in housing crisis.

Budget Time II: WA State Budget

Shelter WA and WACOSS have welcomed the additional commitment of \$11.8 million for the construction and refurbishment of public housing made in WA State Government's recent Budget. In addition, Shelter WA and WACOSS welcome the announcement to abolish stamp duty for first homeowners for properties below \$220,000.

For the first time since the early 1990s, public housing will not decrease as a proportion of total housing stock in WA, currently just under 5%. However, Shelter WA and WACOSS have consistently argued for the need to increase public housing to the national average of approximately 6% of total housing stock. In order to achieve this, modelling by Shelter WA has shown that the Government's commitment is more than 500 dwellings short of what would be required to provide appropriate accommodation for all West Australians.

Social Housing in Perth's Western Suburbs: Do we need it?

On 18 June, Shelter WA's Executive Officer, Karel Eringa spoke about the need for social housing in Perth's western suburbs at the WACOSS Conference.

The presentation argued that the level of social housing in the western suburbs should be higher than zero, but lower than the Perth average. It also highlighted that:

- Contrary to public belief, there is a significant amount of social housing in the western suburbs, and the presence of social housing has not reduced price growth.
- Social benefits mean that the local community in the western suburbs can benefit from social housing.
- Increased sustainability mean that the Perth community in general benefits from social housing in the western suburbs.
- A brief economic analysis indicates that it may be 'penny wise but pound foolish' to remove or significantly reduce social housing in the area.

The presentation can be downloaded from www.shelterwa.org.au (housing news).

Shelter WA

Shelter WA is Western Australia's peak independent housing organisation. Shelter WA is community managed and represents the views of consumers and community groups on major housing issues. Shelter WA aims to ensure that every person has access to affordable, appropriate, secure and safe housing that is free from discrimination.

We do this through:

- ⊙ co-ordinating and representing community sector views to government;
- ⊙ developing and responding to policy;
- ⊙ providing education and information ; and
- ⊙ promoting alternative housing models.

Newsletter Production

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If you have any queries or comments regarding the articles in this newsletter, or if you would like to contribute to future Shelter WA newsletters, please contact Karel Eringa (details below).

While we are happy to consider any articles submitted for publication, we reserve the right to edit material in consideration of space, content and relevance.

The views expressed in this newsletter do not necessarily reflect those of Shelter WA.

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