

## **Shelter WA Housing Update, 30 July 2007**

### *1. In this update: Shelter's response to the Federal Government Commonwealth State Housing Agreement proposal*

Shelter WA is dismayed but not surprised by Federal Government Family and Services Minister Mal Brough decision to put an end to the Commonwealth Housing State Agreement (CSHA) and to put public housing out to private tender.

Since they were elected back in 1996 the Federal Coalition Government have demonstrated a total lack of commitment to developing and funding a viable social housing system - in the last decade funding for public housing has reduced by 25%. The impacts of this on households waiting to access public housing in Western Australia have been drastic. In 1995-96, 6,559 new tenancies were created, by 2005-06 the number of households being allocated with housing had declined to a ten year low of 3,704 (a 44% decline). Over the same period public housing stock has reduced by nearly 2,000 dwellings and its market presence as a proportion of total housing stock has declined from 6% in 1996 to 4.2% in 2006.

For many years the Federal Coalition have steadfastly ignored calls from the community sector and some in the private sector to establish a Housing Minister and a Department for Housing and Urban Development. They have made no attempt to develop a National Housing Strategy at a time when low income households have had to contend with unprecedented growth in housing prices and market rents.

Instead the finger has been pointed at the lack of land supply, state government taxes, cumbersome state planning systems etc, for housing prices accelerating well beyond that of CPI wage growth? While the blame game continues housing affordability gets worse. Shelter's recent analysis of the State of Affordable Housing In WA reveals that there are now zero suburbs left in the Perth metropolitan region which a household in receipt of the median income (\$61,000 per annum) can afford to purchase a median priced house in Perth (\$452,000).

Putting public housing out to tender may be welcomed by some private investors – but only if they are provided with taxpayers subsidies for housing low income households? The irony here is that the Federal Government and/or State Treasury would have to guarantee this funding to the private sector before a tender process gets off the ground. Yet public housing under public ownership is not deemed valuable enough to receive appropriate funding.

So where do we go from here? What does Federal Labour think of the Federal Coalition decision to put public housing out to tender? Fortunately the Federal Shadow Minister has started to espouse strong support for public housing and a

commitment to establish an Affordable Housing Framework a Housing Ministry and a Department solely focusing on housing policy.

In terms of developing practical affordable housing policy Shelter WA believes that it is crucial that the Australia public housing system remains in public ownership. We accept that the social housing system as we have known it over the last fifty years is in need of modernisation. A significant body of Australian housing research has now turned its attention to promoting the re-invigoration of the Australian social housing system with the aims of offering choice, affordability and security of tenure. Some of the key policies emerging which Shelter WA supports include:

1. Providing funding uniformity across the entire rental system so that public housing tenancies (like their counterparts in Community Housing) are eligible for Commonwealth Rental Assistance.
2. The use of a Community Service Obligation to fund the State Housing Authority for housing low income subsidised tenancies;
3. Developing a much less centralised public housing agency through delegating greater management and policy autonomy to regional offices (within broad parameters set by central policy) ;
4. Low cost private rental subsidisation programmes targeted at private landlords to encourage them to be part of three pronged framework aimed at increasing the supply of public housing, community housing and low cost private rental;
5. Reforms to the Housing Act to ensure rental and house prices are indexed to CPI wage growth so that rents and housing prices remain affordable for low to moderate income households.