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Shelter WA Housing News: 11 March 2004

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1. Paper: Workforce Disincentives for Public Housing Tenants

The 2003-2008 Commonwealth State Housing Agreement lists disincentives for public housing tenants as one of the major areas of work. As most public housing tenants pay an income related rent, it is assumed their effective marginal tax rates will be substantially higher than tenants in private rental and owner occupiers whose housing costs do not vary with their income.

However, in practice a number of factors impact on an individual or family's effective marginal tax rate, including taxation settings and the rate at which allowances and benefits phase out. To date little research has been done to verify to what extent tenure impacts on the incentives of a family or individual to find paid employment.

Using a case study approach, this paper finds that public housing rent setting policies far less important in raising effective taxation rates than statutory benefits, the income tax structure and the way in which the Medicare levy is phased in. The paper concludes that significant changes to the current public housing rent setting policies for singles and couples without children are not justified. Whilst such changes may marginally reduce workforce disincentives in some situations, this must be offset against the effect of such a policy change on affordability in public housing, as any alternative rent setting structure would be unlikely to guarantee affordability. In addition, any changes could only benefit the 30% of public housing tenants that are in the labour force.

Go to www.shelterwa.org.au (housing news) to download the paper.

2. Update: Poverty Inquiry Report

The Senate Inquiry into Poverty released its findings today. Shelter WA presented to the Inquiry in July last year, stressing the links between housing and poverty. Shelter WA therefore welcomes the fact that the report explicitly recognises the lack of affordable housing as a major contributor to poverty and a significant cause of homelessness.

A key outcome is that the report has taken up Shelter WA's call for a National Housing Strategy. The Inquiry "is strongly of the view that the Commonwealth needs to take a co-ordinating role, in consultation with the States and other key stakeholders, in the development of a national housing strategy. This strategy should aim to ensure that low income and disadvantaged households, in particular, have access to appropriate and affordable housing."

The report recommends that the national housing strategy be developed in

consultation with key stakeholders including State Governments, community housing providers, the construction industry and the finance sector; and that it develop strategies to increase the supply of affordable housing for low income groups, review the effectiveness of Commonwealth Rent Assistance in providing affordability and access to the private rental market; and review of the relative funding priorities in relation to social housing and Commonwealth Rent Assistance. This reflects National Shelter and Shelter WA's concern that CRA funding has increased at the expense of funding for social housing, even though social housing delivers affordability whilst CRA does not.

Finally, Shelter WA welcomes the report's recommendations:

- * that base funding arrangements for public housing be increased under the Commonwealth-State Housing Agreement,
- * that the Commonwealth and the States increase funding for the maintenance of current housing stock and increase funding for new public housing stock,
- * that the Commonwealth provide a commitment to the continued operation of the Supported Accommodation Assistance Program,
- * that the Commonwealth, in co-operation with the States, develop national guidelines as a matter of priority in relation to the operation of tenancy databases, and
- * that the Commonwealth provide additional funding to implement new measures targeting vulnerable groups such as young homeless people and Indigenous people.

The report can be downloaded via www.shelterwa.org.au (housing news) or Shelter WA's presentation to the Inquiry.

3. Reminder: Shelter WA Homelessness Survey

Shelter WA is currently conducting a follow-up survey among agencies dealing with homeless people in Western Australia. Shelter WA conducted similar surveys in June 2001, March 2002, September 2002 and February 2003. These surveys were initiated to identify changes in the composition of homeless households in WA over time and to measure the impact of the Government's response to the Homelessness Task Force Recommendations.

If your agency wishes to participate in the survey, a survey form can be downloaded from www.shelterwa.org.au (housing news). Please complete 1 survey form only for each household requesting accommodation assistance on Tuesday 2nd March 2004. The completed survey form should be returned to Shelter WA by fax or post by Tuesday 16th March 2004.

Your assistance with this research will be greatly appreciated. If you have any questions regarding the survey or Shelter WA, please contact Shayde Douglas (homeless.project@shelterwa.org.au) or Paul Pendergast (paul@shelterwa.org.au).

Go to www.shelterwa.org.au (housing news) to download the survey form.

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