



# 2019-20 WA State Budget Analysis

14<sup>th</sup> May 2019



## Contents

Introduction .....	3
Key highlights of the 2019-20 State Budget .....	4
Western Australian Budget's Economic Forecasts .....	5
Western Australian Fiscal Outlook.....	5
Shelter WA Analysis & Commentary.....	6
Federal-State Relations.....	6
<b>National Partnership on Remote Housing</b> .....	6
<b>National Housing and Homelessness Agreement</b> .....	6
Property Taxes .....	6
Keystart .....	7
Liveable and diverse communities.....	8
<b>Planning</b> .....	8
<b>METRONET</b> .....	8
Cost of living.....	9
Disability.....	10
Mental Health .....	11
Energy .....	11
Homelessness Services .....	11
Tenancy .....	12
Strata Title.....	13
Affordable and Social Housing .....	13
<b>Department of Communities: Key Effectiveness Indicators</b> .....	14
Community housing .....	14
Final remarks.....	15

## Introduction

On Thursday, 9<sup>th</sup> May 2019, the McGowan Government released its third budget, outlining the State's economic and fiscal strategy and program and service delivery priorities. With a projected return to surplus, the State Government has got its house in order. But what does the State budget mean for people concerned about a place to call home?

Shelter WA has produced an analysis of the State Government Budget Papers and identified the key commitments and measures that will have a direct impact on all West Australians, with a focus on affordable housing and ending homelessness.

Housing influences a whole range of non-housing outcomes including workforce participation, access to jobs, services, social participation, family stability and educational outcomes. Investment in housing will drive initiatives outlined in *Our Priorities: Sharing Prosperity*,<sup>1</sup> including the delivery of a strong economy, a liveable environment, Aboriginal well-being, a bright future, a safer community and regional prosperity. Investment in housing does not just deliver economic benefits to our State, but it also brings the positive impact on people's lives that safe, secure and stable housing has.

Treasurer Ben Wyatt highlighted that this budget is all about responsible financial management, the continuation of existing service delivery and a key focus on keeping household charges at the lowest levels in years. However, there is no significant commitment to new investment in social housing and homelessness services. This will impact on the community services sector and the client's that they serve. Shelter WA believes that despite a budget surplus, it is unacceptable that housing insecurity and homelessness remain a key issue for many West Australians.

The budget forecasts an increase in Gross State Product to 3.5 per cent in 2019-20 based on an increase in business investment. Employment is expected to grow by 1.75 per cent (or 23,500 jobs) in 2019-20 under investment initiatives. This McGowan Budget delivers a return to surplus (of \$553 million) in 2018-19, with further surplus positions forecast over the forward estimates. The return to surplus has been driven by the focus on reducing recurrent government expenditure and paying down of debt from the improved GST contributions and an expected lift in economic activity in 2019-20.

The key announcement for housing is a targeted housing stimulus package (1 July 2019 to 31 December 2019) increase to the income limits for eligible Keystart applicants (\$15,000 for singles and couples, and \$20,000 for families) to stimulate additional home loans, expected to largely flow through to new dwelling construction, boosting local jobs in the construction sector. Whilst this initiative is welcome, Shelter WA's priority for this budget was sustained and increased investment in social and affordable housing and homelessness services.

With 14,000 people on the social housing waitlist, with an average waiting time of 2.5 years, and affordable accommodation remaining out of reach for many Western Australians, particularly for people on income support, the time to act is now. Shelter WA believes this budget is a missed opportunity to invest in housing not only to drive government priorities but to share prosperity.

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<sup>1</sup> Western Australian Government (2019). *Our Priorities: Sharing Prosperity*. Retrieved from: <https://www.wa.gov.au/government/our-priorities-sharing-prosperity>.

## Key highlights of the 2019-20 State Budget

- No changes or increases to stamp duty or land tax.
- No funding for the National Partnership on Remote Housing in the forward estimates.
- The National Housing and Homelessness Agreement budget for 2019-20 is estimated at \$20.2 million, however projected funding will drastically decrease from \$21.4 million in 2020-21 to \$12.8 million in 2021-22.
- A targeted housing stimulus package for six months, through an increase of income limits in the Keystart program.
- The Goodstart Shared Ownership Program investment of \$13 million each year over the forward estimates resulting in a total investment of \$52 million.
- \$4.1 billion invested over forward estimates into METRONET to ensure delivery of existing METRONET capital projects.
- \$7.5 million allocated over 2019-20 to 2021-22 on the expansion of the dedicated team to deliver station precinct planning for METRONET.
- No further investment for the Social and Affordable Housing and Jobs Package from the 2018 budget. The Budget Papers highlight that \$12.5 million is estimated to be spent in 2019-20 and \$27.5 million in 2020-21 as part of the original budget.
- Ongoing commitment to fund the North West Aboriginal Housing Fund of \$3.2 million in 2019-20, with a decline of funding in 2021-22.
- The Department of Communities Asset Investment Program for 2019-20 is approximately \$218.1 million and will include the METRONET Social and Affordable Housing and Jobs Package, investment under the Construction and Purchase of Houses Program and the acquisition of suitable land for current and future housing programs.
- The existing program of works for the Disability Services Social Housing Program will formally finish this round of capital investment, and from 2020-21 expenditure and beyond will be subject to ongoing planning.
- \$11.6 million for solar PV and batteries in remote Aboriginal communities
- The target for waiting times for accommodation will be increased to 120 weeks for 2019-20 from 93 weeks in 2018-19.
- \$12.8 million allocated over 2018-19 to 2022-23 on ICT systems upgrades to operationalise the Government's strata reform policy and a further investment of \$1.5 million in 2019-20 for the State Administrative Tribunal (SAT) to upgrade its online case management system.
- Development of community and industry education to support the implementation of new legislation in the *Residential Tenancies Act 1987* which enables victims of family and domestic violence to have a safe and secure home.
- Electricity prices will increase by 1.75 per cent in 2019-20 and will be indexed to the inflation rate moving forward. Keeping household bills lower than have been in recent years.
- An overall increase in the general household basket of goods of 2 per cent.

## Western Australian Budget's Economic Forecasts

Table 1: Key economic assumptions (Source: Budget Paper No. 3)

	<b>2018-19 Estimated Actual</b>	<b>2019-20 Budget Estimate</b>	<b>2020-21 Forward Estimate</b>
<i>Real Gross State Product growth (per cent)</i>	2.0	3.5	3.0
<i>Real State Final Demand growth (per cent)</i>	-1.0	3.0	3.5
<i>Employment growth (per cent)</i>	1.0	1.75	2.0
<i>Unemployment rate</i>	6.25	6.0	5.75
<i>Wage Price Index growth (per cent)</i>	1.75	2.25	2.75
<i>Perth Consumer Price Index growth (per cent)</i>	1.25	1.75	2.25
<i>Population growth (per cent)</i>	1.0	1.3	1.5

## Western Australian Fiscal Outlook

Table 2: General government sector financial outlook (Source: Budget Paper No. 3)

		<b>2018-19 Estimated Actual \$m</b>	<b>2019-20 Budget Estimate \$m</b>	<b>2020-21 Forward Estimate \$m</b>
<b>Operating Statement</b>	<i>Revenue</i>	29,925	31,334	32,402
	<i>Growth (per cent)</i>	8.9	4.7	3.4
	<i>Expenses</i>	29,372	29,801	29,823
	<i>Growth (per cent)</i>	3.4	1.5	0.1
	<b><i>Net Operating Balance</i></b>	553	1,533	2,579
<b>Balance Sheet</b>				
	<i>Assets</i>	147,500	149,343	151,873
	<i>Liabilities</i>	45,401	45,365	44,721
	<i>Net worth</i>	102,099	103,978	107,152
	<b><i>Net debt at 30 June</i></b>	26,712	27,705	26,879

# Shelter WA Analysis & Commentary

## Federal-State Relations

### National Partnership on Remote Housing

The budget reflects the unwillingness of the federal government to commit to ongoing funding in this important area, with investment for remote housing of \$121 million for 2018-19.

The Commonwealth to date has not extended the National Partnership on Remote Housing. This will reduce WA's funding by about \$100 million each year and follows the Commonwealth's previous withdrawal of investment in essential and municipal services in the State's remote communities in 2015.

In the absence of alternate Commonwealth funding there is no further commitment from the state government.

Shelter WA will continue to strongly advocate for a long-term agreement between the State and Commonwealth for funding on this critical housing issue for remote communities.

### National Housing and Homelessness Agreement

There is continued investment in the National Housing and Homelessness Agreement over the forward estimates, however, Shelter WA notes the significant decline in funding from 2021-22 of \$8.5 million in 2021-22. The Budget Papers explain that this decrease in investment from the 2018-19 Estimated Actual to the 2019-20 Budget Target is due to homelessness-related funding from the Commonwealth pertaining to 2017-18 being received in 2018-19. The decrease in income is due to the timing of when the funds were received.

## Property Taxes

This year's budget revenue measures confirmed that there will be no increases to any state taxes this year. Overall taxation revenue is forecast to grow by 4.7 per cent in 2019-20. Property taxes including stamp duty and land tax remain unchanged.

Breaking this down, total transfer duty (stamp duty and land holder duty) is expected to decline by 19 per cent (\$276 million) in 2018-19 as a result of lower activity in the residential property market and commercial market. In 2019-20 transfer duty revenue is forecast to increase by 6.8 per cent (\$80 million) supported by the Foreign Buyers Surcharge and a minor lift as a result of a small increase to population growth. Stamp duty makes up 92 per cent of total transfer duty collected and 43 per cent of total property taxes. In terms of the whole taxation revenue collected by the State, stamp duty contributes 13 per cent.

Shelter WA notes that while there are no changes in stamp duty or land tax, and this is positive, the increase in GST receipts and the return to a surplus position presented an opportunity to consider tackling the issue of state tax reform, specifically stamp duty and land tax.

It is widely recognised that stamp duty is a particularly inefficient tax as it creates high transaction costs that can lead to issues such mobility of households and their labour, housing affordability, difficulties in encouraging down or right sizing and prevents the freeing up of properties for more appropriate uses, such as meeting the real housing needs of West Australians.

Shelter WA's position on property tax reform is to abolish stamp duty and replace it with a more progressive, broad-based system of taxation in the sector that includes concessions for lower-income households.

Shelter WA's position is based on extensive research by key institutes that all point to the need for this critical reform. Reviews and research reinforce findings by The Henry Tax Review, the Grattan Institute and AHURI.<sup>[1] [2] [3]</sup>

A broad-based land tax, with concessions for low income households, would create a simpler system for people to buy and sell a home and move to locations where opportunities for employment are greater.

It will also encourage owners to sell their property on high-value land, which will speed up development in areas where land is expensive and lead to more available and affordable houses.

This is reform priority that Shelter WA continues to strongly advocate for.

## Keystart

Keystart is the State Government's public financial corporation which focuses on addressing the market failure of lending to purchase a home for lower income households. It is a core program that the State Government offers to address the issue of affordable home ownership for eligible applicants.

With the current lower residential construction environment, and tightened access to finance, the State Government announced a targeted housing stimulus package to lift construction activity. The package is a temporary (1 July 2019 to 31 December 2019) increase to the income limits for eligible Keystart applicants (\$15,000 for singles and couples, and \$20,000 for families) to stimulate additional home loans, which are expected to largely flow through to new dwelling construction, boosting local jobs in the construction sector.

This package will help to assist households on lower income levels to consider their ability to now be eligible for affordable home ownership, however, it does nothing to address the critical issue of the thousands of people currently on social housing wait lists, nor the increasing levels of homelessness in Western Australia.

The Keystart Housing Scheme Trust is set to deliver an estimated actual spend in 2018-19 in its Asset Investment Program of \$3.2 million which will decline to \$1.2 million in 2019-20 and over the forward

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<sup>[1]</sup> Australian Government (2009) Henry Tax Review, Review of Australia's Future Tax System: Final Report pages 51 to 54.

<sup>[2]</sup> Grattan Institute (2015) Property Taxes, <https://grattan.edu.au/wp-content/uploads/2015/07/826-Property-Taxes.pdf>.

<sup>[3]</sup> AHURI Op cit.

estimates period. Over the forward estimates there is a total investment of \$4.6 million to 2022-23 in the Asset Investment Program. The Budget Papers fail to indicate the potential upswing in Keystart loans through the relaxation of the lending criteria. We will be seeking clarification from the Minister on this issue.

Shelter WA broadly supports the Keystart program for addressing affordable home ownership, but the reality is, many West Australian households will never be able to buy their own home and more needs to be done to increase the availability of affordable rental tenure.

The Goodstart Shared Ownership Program, which exists to assist Housing Authority tenants to break the rent cycle and transition into home ownership will continue to receive investment of \$13 million each year over the forward estimates resulting in a total investment in this program of \$52 million.

The Program requires a deposit of 2 per cent, with a loan term of 30 years and requires a maximum Housing Authority equity share of up to 40 per cent of purchase price or a maximum of \$150,000. The income eligibility levels for singles is a maximum of \$70,000 and couples/families a maximum of \$90,000. Under Goodstart, the maximum value property you can purchase is \$412,000.

It is encouraging to see this continued investment in the Goodstart program as a means for encouraging Housing Authority tenants to transition into home ownership. However, many public housing tenants will still not be able to take advantage of such a program. The focus must be to creating transition opportunities for public housing tenants into affordable rental tenure, thereby freeing up public housing stock to enable better asset utilisation and go some way to reducing the waiting list.

## Liveable and diverse communities

### Planning

Planning reform has been identified as a significant issue for the Department of Planning, Lands and Heritage. The Department continues to support the review of the planning system following the release of the Modernising Western Australia's Planning System Green Paper. The review aims to make the planning system easier to understand, more strategic, consistent and efficient. A Government response to the Green Paper is current under development.

The Department continues to support the METRONET Industry Reference Group, of which Shelter WA is a member, and provides planning expertise and advice in relation to land use planning around proposed and existing station precincts to create vibrant and liveable communities. An implementation plan for building 150,000 new homes (45 per cent increase) in proximity to train stations and high frequency bus routes by 2031 is in development.

The release of Design WA Stage 1, and the work underway to develop the precinct policy as part of Stage 2, will ensure that all new developments within these locations are well designed and reflect the characteristics of the local area.

### METRONET



The Budget reaffirms the total investment over the forward estimates of \$4.1 billion for the implementation of the announced METRONET capital projects.

It is pleasing that the Budget contains an investment of \$7.5 million across the forward estimates to enable precinct planning of this important Government initiative. This is a critical investment as it continues the important work of ensuring the right place making happens in the announced METRONET precincts, and the inclusion of social and affordable housing in these locations will be an important element. This will ensure an approach to creating liveable and diverse communities.

There was no further investment announced under last year's budget for the \$394 million METRONET Social and Affordable Housing and Jobs Package (the Package). The new dwellings within the Package are aligned to the delivery of METRONET. The Department has engaged partners and identified projects to deliver the Package and has already achieved major milestones, including the appointment of a development partner for Pier Street Perth. This work will help the Government to meet its Our Priorities targets for a strong economy and a liveable environment.

The Department's Asset Investment Program for 2019-20 is approximately \$218.1 million. Significant programs in 2019-20 include:

- The METRONET Social and Affordable Housing and Jobs Package that was announced in the previous budget will deliver an additional 1,390 new transit-aligned homes, including 320 social housing dwellings, 400 affordable purchase opportunities and up to 300 with universal design features – no new funding;
- The Budget Papers highlight that \$12.5 million is estimated to be spent in 2019-20 and \$27.5 million in 2020-21 as part of the original budget within the broader Asset Investment Program of \$218.1 million;
- \$11.4 million for social housing investment under the Construction and Purchase of Houses Program. This Program had estimated expenditure of \$9.8 million in 2018-19;
- The development of 1,422 housing lots, including 927 lots developed with joint venture partners. Significant land development will support affordable, public and community housing through metropolitan and regional areas; and
- \$38.5 million for the acquisition of suitable land to meet supply for current and future housing programs, and to maintain a stream of affordable land supply for homebuyers.

Whilst we support the Social and Affordable Housing Package, we had hoped for increase investment in new supply.

## Cost of living

A key theme in this year's State Budget was the focus on keeping cost of living expenses lower for West Australian households than has been over the last eight years, which saw an 8 per cent increase in household costs over this time. Core to this initiative has been the pegging of electricity price rises to inflation levels, with a 1.75 per cent increase in 2019-20.

In addition, there will be an investment of \$40 million in the Hardship Utility Grant Scheme (HUGS) and an indexation to inflation of the energy assistance payment.

What is referred to as the general basket of household expenses will see an increase of 2 per cent in 2019-20, which equate to \$128 per annum for the average household.

The fees and costs covered in the general basket includes:

- Increased electricity (1.75 per cent) and water (2.5 per cent) tariffs.
- Additional emergency services levy fees up by 2.7 per cent.
- Public transport fares increased by 1.7 per cent.
- Vehicle licence charge increased by 3.0 per cent.
- Drivers licence fees raised by 2.6 per cent.

## Disability

Expenditure will increase by \$117.4 million in 2018-19 and \$174.1 million in 2019-20 to reflect the on-payment of Commonwealth grant funding to the National Disability Insurance Agency (NDIA) for participants that transition to the Commonwealth-administered National Disability Insurance Scheme (NDIS).

Western Australia will continue to receive payments under the Disability Services NSPP until 30 June 2020. These payments, for existing State specialist disability services clients, will increasingly be redirected to the National Disability Insurance Agency (NDIA), as clients transition to the National Disability Insurance Scheme (NDIS). From 1 July 2020, following the expiration of the NSPP, the Commonwealth will provide its funding direct to the NDIA.

As part of the Budget, the Government has also committed an additional \$40 million to provide further support to students diagnosed with a disability.

The Budget Papers show that the existing program of works for Disability Services Social Housing Program will formally finish this round of capital investment. It has been advised that from 2020-21 Expenditure and beyond will be subject to ongoing planning that will inform the 2020-21 Budget process.

However, there appears to be a discontinuation of the Youth Supported Accommodation Assistance Program which had investment of \$452,000 in 2018-19 with no further investment in the forward estimates. This is concerning and Shelter WA will seek further information from the State Government on what this means for young people requiring supported accommodation.

## Mental Health

The Budget Papers outline the following initiatives to support mental health and housing:

- \$3.8 billion, over the next four years, for the Mental Health Commission to deliver mental health, alcohol and other drug priorities.
- \$9.3 million to fast track 33 more alcohol and drug rehabilitation beds in the South West.
- \$10.2 million over the next five years to construct and operate a Mid-West community mental health step up / step down service.
- \$12.8 million for the Northwest Drug and Alcohol Support Program.
- \$1.6 million towards Regional Men's Health to improve men's health and wellbeing in regional Western Australia.

## Energy

Shelter WA highly supports the announcement of an investment of \$11.6 million for solar PV and batteries in remote Aboriginal communities. This investment is a crucial step towards the provision of sustainable energy options in Western Australians' remote communities and at the same time it will address energy poverty and climate resilience.

## Homelessness Services

The Budget Paper outline the ongoing investment in the rolling program of Crisis Accommodation of \$6.5 million in 2019-20 to \$14.3 million in 2020-21. This is encouraging but certainly goes no way to the full extent of what is needed for crisis accommodation services in Western Australia.

The Homelessness Support Services Program provides a range of accommodation and related support services for individuals and families who are at risk of homelessness. According to the Budget Papers it is estimated that the average cost per homelessness support service client increases from \$3,295 in 2018-19 to \$3,313 in 2019-20, this represents an increase per client of only 0.5 per cent and is disappointing as the need for homelessness services continues to grow.

Overall, the Homelessness Support Services Program expenses have increased by \$1 m to \$53 million in 2019-20, and then over the forward estimates, expenses decline from \$51.8 in 2020-21 to \$46.1 in 2022-23. Whilst it is acknowledged that service expenditure for 2019-20 is increasing, the future declines in service expenditure does not reflect the growing need for homelessness services, as we on any given night in Western Australia there is an estimation of over 9,500 people who are homeless.

There is a broader issue around the continuation of funding for homelessness service providers funded under the National Housing and Homelessness Agreement. Funding contracts end on 30 June 2019 and the sector will be offered 12 month extensions by the Department of Communities. Recently, Minister McGurk announced an additional \$1.9 million in funding for the 24/7 services providers, and the Department of Communities is working to provide information to services on this prior to contract variations being offered.

Further information relating to the Government's response to the concerns raised by the sector about the impact of the Fair Work Commission's 2012 Equal Remuneration Order on sustainable service provision is being prepared.

In partnership with WACOSS and CEWA, Shelter WA will continue strong advocacy on the impact of funding uncertainty and sustainability for all homelessness service providers, not just those that offer a 24/7 service, and the need for long term, sustainable funding levels.

Shelter WA welcomes that the budget, through the Sustainable Health Review, has allocated money for a 20-bed medical respite centre to provide clinical care to homeless people who may otherwise be admitted to hospital; however Shelter WA is concerned at the derogatory connotation of calling this project a 'Frequent Flyers Program'.

## Tenancy

The Budget Papers outline the development of community and industry education to support the implementation of new legislation in the *Residential Tenancies Act 1987* which enables victims of family and domestic violence to have a safe and secure home. This is an important investment as it will assist with how the new changes will be rolled out across the real estate industry, community housing sector and tenancy advocacy programs.

We note that the Rental Accommodation Account administered by Consumer Protection under the Department of Mines, Industry Regulation and Safety is remaining fairly static across the forward estimates with \$7.5 million in 2019-20 to \$8.2 million by 2022-23. There is no information in the Budget Papers on the draw down or distribution of these funds. This information is contained the Department's Annual Report.

The Budget Papers refer to rental housing expenditure which includes public housing, community housing managed properties and housing for key workers in region Western Australia. The Budget Papers show that in 2018-19 the average operating cost per public rental property was \$15,658. The target for 2019-20 is an average cost of \$14,550. This represents a drop of \$1,108 (or 7 per cent) per property by 2019-20 in the maintenance of an average cost for services.

Expenses on rental housing have gone from \$1 million in 2018-19 to an estimated \$892m in 2019-20. Over the forward estimates the service expenses for rental housing average an expense of \$826 million.

It is concerning that pressure remains on the rental accommodation account which funds tenancy services as interest on the bonds is projected to remain static over the next two years, with a modest increase in 2020-21.

## Strata Title

The Department of Planning, Lands and Heritage is working closely with the Western Australian Land Information Authority (Landgate) to implement the legal, policy and system changes required to administer the new Strata Titles Amendment Bill 2018 and the Community Titles Bill 2018 that were passed in late 2018.

The new strata titles legislation will help deliver key State Government priorities to provide a greater diversity and choice of housing, particularly in proximity to major transport infrastructure, and create vibrant and liveable communities that meet the changing needs and life stages of West Australians.

## Affordable and Social Housing

Affordable accommodation remains out of reach for many Western Australian, particularly for people on Newstart, a Disability Support Pension or Parenting Payment.

We need to reframe housing as a critical social and economic infrastructure, to which everybody has a right and which drives economic prosperity.

Shelter WA advocates for an affordable housing strategy that ensures that all people in WA have housing that enables them to thrive. This can only be accomplished through a holistic and integrated approach to planning and investing in social and affordable housing.

This holistic approach would at the State level include:

- Sustained government investment in more diverse social and affordable housing supply.
- Building on the strengths of the community housing sector to work in partnership with industry to deliver new investment into social and affordable housing supply.
- Planning reform
- Requiring new developments to include at least 15 per cent affordable housing, of which 5 per cent is social housing.
- Property tax reform
- Make renting fair: get rid of 'no grounds' evictions, allow tenants to make reasonable modifications, create minimum standards for rental properties, limit rent increases, extend legal protections to boarders.

We were surprised that the development of a new affordable housing strategy was not flagged as a key initiative in the budget papers.

## Department of Communities: Key Effectiveness Indicators

The Department of Communities is measured on Outcomes and Key Effectiveness Indicators, two of which are relevant to affordable housing.

Outcome: Affordable housing options are available to eligible Western Australians.				
Indicator	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target
Responsiveness - total housing assistances provided relative to the public rental waiting list.	1.22	1.48	1.25	1.23
Waiting times for accommodation - applicants housed.	Average: 113 weeks Median: 60 Weeks	Average: 110 weeks Median: 70 Weeks	Average: 93 weeks Median: 45 Weeks	Average: 120 weeks Median: 60 Weeks

From the above table, the Department has gone from an average waiting time for rental accommodation to be housed of 93 weeks, to an estimated 120 weeks in 2019-20. This is an increase of 27 weeks to the time that applicants are 'housed'. This is an increase of 1.2 times in terms of the waiting period for accommodation. 120 weeks is more than 2.3 years waiting for a public rental accommodation. It is unacceptable that people must wait that long to be housed in social housing.

The budget papers highlight that the lower waitlist figures for 2018/19 were due to a greater focus on allocations to priority listed applicant associated with the Social Housing Investment Package in that year. The projected increase in the waitlist sees a return to historically normal level of wait times. Shelter WA is concerned that the waitlist times are going backwards, justified by historical high figures being seen as the norm. The increase in the wait times for accommodation highlights the critical need for greater Government investment in social housing in order to decrease the waitlist and ensure people are not in housing stress.

### Community housing

Having a safe, secure and stable place to call home is a basic human right remains out of reach for some of the most vulnerable members of our community in Western Australia.

The social housing system is a government and community housing provider sector response to housing demand from low-income households. They are often unable to obtain safe, secure and affordable accommodation in the private housing market, and who would be a risk of homelessness without non-market housing provision.

Community housing in Western Australia forms an integral part of the provision of affordable housing within our community.

Australian Institute of Health and Welfare suggests, that the number of public rental housing households has decreased, while over the same period, the number of community housing households has more than doubled.<sup>2</sup>

These changes reflect a transfer ownership or management of public rental housing stock to community housing organisations. However, this is in the absence of a clear policy or growth strategy by the WA Government which is needed. The evidence shows that community housing providers can often provide more flexible and innovative affordable housing options and respond to tenant issues and concerns in a more agile manner.

Shelter WA is disappointed that the Budget 2019-20 is seeing a reduction of the costs of provision of housing through Public and Community housing from \$1,010,946 to \$892,482.

## Final remarks

Whilst the return to surplus is a positive result by the McGowan Government in their first term of government, Shelter WA believes that there has been a missed opportunity to invest in social and affordable housing to drive economic productivity, end homelessness and benefit West Australians in housing stress. This investment aligns with the aspirations outlined in the Our Priorities: Sharing Prosperity focus of the McGowan Government.

**Shelter WA will continue our advocacy so that every West Australian has a place to call home.**

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<sup>2</sup> Australian Institute of Health and Welfare (2019). National Social Housing Study.