

# National Housing and Homelessness Agreement: Western Australian Statement of Assurance for 2018-19

## Statement of Assurance

This statement provides an assurance that for the 2018-19 financial year, Western Australia has satisfied the requirements of the National Housing and Homelessness Agreement set out in clause 17 ('Outputs'), clause 46 ('General Funding') and clause 49 ('Homelessness Funding').

As required by the National Housing and Homelessness Agreement, this statement also includes the following information:

- a) actual Commonwealth funding and expenditure under this Agreement separately identified for housing and homelessness and State-own funding and expenditure in respect of the social housing and homelessness sectors for the 2018-19 financial year;
  - i. actual homelessness expenditure disaggregated to separately identify each of the national priority homelessness cohorts for the 2018-19 financial year;
- b) estimated Commonwealth funding and expenditure under this Agreement separately identified for housing and homelessness and State-own funding and expenditure in respect of the social housing and homelessness sectors for the 2019-20 financial year.

## Part 1 Housing Strategy and Homelessness Strategy Requirements

**Table 1:** Clause 17 Reporting Requirements

**Table 2:** Progress on the National Housing Priority Policy Areas as per Western Australia Schedule E4, Clause 27

## Part 2 Financial Reporting Requirements (includes reporting on Clauses 37, 46 and 49)

**Table 3:** Summary of Western Australia Funding and Expenditure 2018-19

**Table 4:** Western Australia Homelessness Funding and Expenditure 2018-19

**Table 5:** Expenditure against the National Priority Homelessness Cohorts 2018-19

**Table 6:** Summary of Estimated Western Australia Funding and Expenditure 2019-20

## Part 1 - Housing Strategy and Homelessness Strategy Requirements

**Table 1: Clause 17 Reporting Requirements**

Requirement	Outcome	Evidence	Comments
State / territory has met the requirements under clause 17. a. State/Territory has a publicly available housing strategy (or has been without a strategy for less than 18 months since July 2018)	Yes	<a href="http://www.housing.wa.gov.au/HousingDocuments/Affordable_Housing_Action_Plan_2017_2018_2019_2020.pdf">http://www.housing.wa.gov.au/HousingDocuments/Affordable_Housing_Action_Plan_2017_2018_2019_2020.pdf</a>	New 10-year housing strategy is currently being developed and it is expected to be launched in early 2020.
i) The housing strategy indicates level of supply needed to respond to projected demand	WA estimate 800,000 dwellings will be required by 2050.	Department of Planning, Lands and Heritage (Perth and Peel @ 3.5 million framework, pg 13)	
ii) The housing strategy includes planned or expected levels of social housing	Refer to Table 2 below	<a href="http://www.housing.wa.gov.au/HousingDocuments/Affordable_Housing_Action_Plan_2017_2018_2019_2020.pdf">http://www.housing.wa.gov.au/HousingDocuments/Affordable_Housing_Action_Plan_2017_2018_2019_2020.pdf</a>	
iii) The housing strategy contributes to the housing priority policy areas	Refer to Table 2 below	<a href="http://www.housing.wa.gov.au/HousingDocuments/Affordable_Housing_Action_Plan_2017_2018_2019_2020.pdf">http://www.housing.wa.gov.au/HousingDocuments/Affordable_Housing_Action_Plan_2017_2018_2019_2020.pdf</a>	
b. State/Territory has a publicly available homelessness strategy (or has been without a strategy for less than 18 months since July 2018)	Yes.  A Homelessness Strategy is under development and is expected to be released in November/December 2019.	<a href="https://www.communities.wa.gov.au/wa-have-your-say/homelessness-strategy/">https://www.communities.wa.gov.au/wa-have-your-say/homelessness-strategy/</a>	Development of the Strategy has been informed by extensive consultation with service providers from across the state, academic research, and engagement with the broader community.  In March 2019, a Directions Paper was released by the Department of Communities, detailing the extensive work done to date and to gain feedback on the proposed strategic directions. Submissions closed on 17 May 2019 and 55 responses were received. Department of Communities has reviewed and analysed the detailed responses, which will inform the final Strategy.
i) The homelessness strategy addresses the priority homelessness cohorts			Improving Aboriginal wellbeing, as well as reducing the number of people who are rough sleeping, will be a key focus of the Strategy. The Strategy will also recognise the needs of each of the priority cohorts.
ii) The homelessness strategy sets out reforms and initiatives that contribute to reducing the incidence of homelessness			Reforms and initiatives in the homelessness strategy will aim to reduce the incidence of homelessness, these will include: <ul style="list-style-type: none"> <li>• A shift in focus towards a Housing First approach that prioritises getting people into permanent housing with flexible and tailored supports.</li> </ul>

Requirement	Outcome	Evidence	Comments
			<ul style="list-style-type: none"> <li>• Implementation of a 'No Wrong Door Approach' to service delivery, so whenever a person presents with an identified need, within the homelessness service or response system, they will be supported to find the help they need and not be turned away.</li> <li>• Stronger integration of responses across key systems including health, mental health, corrective services, education, housing and child protection.</li> </ul>
iii) The homelessness strategy incorporates the homelessness priority policy reform areas			<p>The Strategy will incorporate the homelessness priority policy reform areas by:</p> <ul style="list-style-type: none"> <li>• Committing to improved collection, sharing and use of data, information and intelligence to achieve better outcomes for priority cohorts.</li> <li>• Identifying prevention as one of the four focus areas for the Strategy.</li> <li>• Outlining a process for the co-design of services with the sector and system users in a way that is evidenced-based and responsive to need.</li> </ul>
c. State/Territory has contributed to the data improvement plan	Yes		WA has attended 10 HHDWG meetings (as at 30 September), and contributed to at least 1 detailed paper.
d. Match Commonwealth homelessness funding	Yes	See Table 4: WA Homelessness Funding and Expenditure	

**Table 2: Progress on the National Housing Priority Policy Areas as per Western Australia Schedule E4, Clause 27**

National Priority Policy Area	Western Australian Initiatives on National Priority Policy Areas	Key actions and indicative timeframes	2018-2019 Progress Report
<p>(a) <b>social housing</b> that is:</p> <p>i. utilised efficiently and effectively (may include redevelopment and stock transfers)</p> <p>ii. responsive to the needs of tenants (may include redevelopment and stock transfers);</p> <p>iii. appropriately renewed and maintained (may include redevelopment and new construction);</p> <p>iv. responsive to demand (may include new construction and re-development)</p>	<p>Western Australia is committed to delivering an efficient and sustainable social housing system that is responsive to the needs of tenants.</p>	<ul style="list-style-type: none"> <li>Maintain over 43,000 social housing rentals, including subsidising public housing rents by an average of \$300m p.a. to ensure they remain affordable.</li> </ul>	<p>As at 31 July 2019, Department of Communities maintains investment in 43,589 Social Housing rentals, including subsidising public housing rents by approximately \$300m p.a. to ensure they remain affordable.</p>
	<p>Public housing is the backbone of the social housing system in Western Australia.</p>	<ul style="list-style-type: none"> <li>Deliver a further 534 homes to assist more than 1,000 people with urgent need.</li> </ul>	<p>As at 30 June 2019, a total of 206 social housing dwellings have been delivered by the Department of Communities and the community housing sector.</p>
	<p>Growth of the public housing system in Western Australia is constrained by the current fiscal environment.</p>	<ul style="list-style-type: none"> <li>Refurbish 100 social housing dwellings to extend their useful life.</li> </ul>	<p>This is lower than expected and reflects the subdued market conditions in Western Australia which has impacted revenue inflows from development activity, necessary to fund social housing development.</p>
	<p>Western Australia will seek to renew and reposition social housing assets to better meet current and future needs, and create additional opportunities through reducing under-occupancy, timely management of vacancies and assisting people with the capacity to transition to other housing options.</p>	<ul style="list-style-type: none"> <li>Replace 100 larger homes with 1-2 bedroom homes to better align to applicants' needs.</li> </ul>	<p>In the 2018-19 financial year, Department of Communities refurbished 212 social housing properties to extend their useful life.</p>
		<ul style="list-style-type: none"> <li>Facilitate 500 transfers of small households from large to smaller homes to help free up capacity to assist more people.</li> </ul>	<p>As at 30 June 2019, a total of 89 one and two-bedroom units were completed for social housing. The remaining units to meet this target are currently under construction and expected to be complete by the end of 2019-20.</p> <p>As at 30 June 2019, at total of 163 social housing tenants have been relocated from large to small homes. Another 190 small households have been identified for relocation to smaller homes.</p>
<p>(b) <b>community housing support</b> that improves the viability and encourages growth of the sector (may include redevelopment and stock transfers)</p>	<p>Western Australia is currently reviewing the contribution of the community housing sector to the social housing system in terms of tenant, asset and financial outcomes with a view to informing future investment decisions.</p> <p>The Housing Authority operates an open and ongoing EOI process through which it will continue to enter into partnerships and commercial arrangements with community housing providers on a case by case basis where the project meets specified investment criteria.</p>	<ul style="list-style-type: none"> <li>Deliver the final 122 homes (of the agreed 552 over 10 years) from leveraging the transfer and leasing of public housing stock as part of the \$600m asset transfer program to Community Housing providers.</li> </ul>	<p>Growth-committed community housing providers are on track to deliver the target of 552 units by 2022.</p> <p>Of the final 122 homes to be delivered, a total of 47 dwellings have been delivered as at 30 June 2019.</p>

National Priority Policy Area	Western Australian Initiatives on National Priority Policy Areas	Key actions and indicative timeframes	2018-2019 Progress Report
(c) <b>affordable housing</b> (may include stock transfers and incentives to increase supply);	Provision of affordable housing opportunities, particularly for people on low to moderate incomes, is a key priority for Western Australia and this is reflected in our Affordable Housing Action Plan. In WA, affordable housing opportunities include affordable private rentals, NRAS, shared equity, Keystart home loans, bond assistance loans, and affordable housing and land development delivered through joint ventures with industry partners.	<ul style="list-style-type: none"> <li>Continue to work with our key government, community and industry partners to deliver affordable housing options for people on low to moderate incomes.</li> </ul>	<p>In 2018-19, Department of Communities delivered 2,439 affordable housing opportunities and 11,485 bond assistance loans.</p> <p>Additional affordable housing opportunities delivered by the Department of Communities with our joint venture partners in 2018-19 included:</p> <ul style="list-style-type: none"> <li>260 lots sold for prices below the lower quartile</li> <li>529 lots sold for prices below the median house price</li> <li>328 affordable housing sales</li> </ul>
(d) <b>tenancy reform</b> that encourages security of tenure	Western Australia will maintain a focus on delivering diverse housing types and tenures that promote inclusive and connected communities.	<ul style="list-style-type: none"> <li>Pursue actions to create long-term affordable rental options in the market, particularly for people on low incomes.</li> </ul>	<p>The Department of Mines, Industry Regulation and Safety is conducting a review of the Residential Tenancies Act (1987) WA to encourage security of tenure. Tenancy reforms for renters affected by family and domestic violence commenced in April 2019.</p> <p>The Assisted Rental Pathways Pilot (the Pilot) is a new initiative, being delivered by the Department of Communities, which aims to provide affordable rental housing for people on very low to low incomes. The Pilot will support up to 200 social housing tenants and waitlist applicants by placing them in private rental properties for a period of up to four years. The Pilot will provide participants with a decreasing rental subsidy, and access to support services, to enable them to build their capacity and financial independence so they can transition independently into the private rental market at the end of the Pilot. The second-year formative evaluation of the pilot is now complete.</p>
(e) <b>home ownership</b> including support for first home buyers	Western Australia supports home ownership through shared equity opportunities and the responsible provision of low deposit home loans for low to moderate income households through Keystart.	<ul style="list-style-type: none"> <li>Continue to support home ownership opportunities through shared equity and low deposit home loans.</li> </ul>	<p>Keystart's lending capacity has expanded from \$4 billion to \$4.8 billion. As at 30 June 2019, 5,075 Keystart loans have been provided.</p> <p>In 2018-19, 319 shared equity dwellings have been sold, of which 96% were below median house price and 80% were below lower quartile house priced based on full sale value of the dwelling.</p>

National Priority Policy Area	Western Australian Initiatives on National Priority Policy Areas	Key actions and indicative timeframes	2018-2019 Progress Report
<p>(f) <b>planning and zoning reform</b>, including consideration of inclusionary zoning and land release strategies</p>	<p>Western Australia has undertaken extensive planning reforms and in May 2018 released a planning reform Green Paper for public consultation. Feedback on the Green Paper will inform the State Government's reform agenda for a contemporary planning system.</p> <p>In respect to land supply for urban development, there is currently sufficient land identified across Perth and Peel for urban development to meet future requirements over the next 50 years, based on average consumption rates and providing infill targets continue to keep pace with demand.</p>	<ul style="list-style-type: none"> <li>• Develop and commence implementation of Western Australia's planning reform agenda.</li> </ul>	<p>The WA State Government has finalised its <i>Action Plan for Planning Reform: Better planning better places</i>. The Action Plan contains 19 reform initiatives to achieve the following three goals for reform of the planning system:</p> <ol style="list-style-type: none"> <li>1. Make planning easier to understand and navigate</li> <li>2. Make sure planning systems are consistent and efficient</li> <li>3. Planning systems need to create great places for people</li> </ol> <p>The Action Plan was publicly released on the 13th August 2019  <a href="https://www.dplh.wa.gov.au/action-plan">https://www.dplh.wa.gov.au/action-plan</a></p>

## Part 2 Financial Reporting Requirements (includes reporting on Clauses 37, 46 and 49)

**Table 3: Summary of WA Funding and Expenditure 2018-19 (Clause 37a requirement)**

	2018-19 WA Expenditure	2018-19 NHHA Commonwealth Funding	2018-19 State Funding
Public Housing	\$485,988,391	\$119,486,000	\$366,502,391
Homelessness	\$84,549,405	\$44,059,000	\$40,490,405

Note: Figures exclude corporate overheads. Public Housing Expenditure includes: -Operational Rental Expenses such as Maintenance, Rates, Depreciation Expenses, Interest repayment on debt, Support Tenancy Education Programs and other associated rental expenses; and Capital Works Program Investment in Social Housing including spending on Crisis Accommodation, Disability Services Program, Refugees etc.

**Table 4: WA Homelessness Funding and Expenditure 2018-19**

Type of homelessness services	2018-19 WA Expenditure	2018-19 NHHA Commonwealth Funding	2018-19 State Funding
Specialist Homelessness Services	\$32,602,370	\$16,062,000	\$16,540,370
General Homelessness Services	\$51,947,035	\$27,997,000	\$23,950,035
<b>Total Expenditure and Funding</b>	<b>\$84,549,405</b>	<b>\$44,059,000</b>	<b>\$40,490,405</b>

**Table 5: National Priority Homelessness Cohorts (Clause 37 (a) (i) Requirement)**

National Priority Cohort	Expenditure by cohort
Women and children affected by family and domestic violence	\$33,025,007
Children and young people	\$17,752,434
Indigenous Australians	\$3,880,583
People experiencing repeat homelessness	\$5,332,612
People exiting institutions and care into homelessness	\$2,135,956
Not readily attributable	\$22,422,813
<b>Total WA Homelessness expenditure</b>	<b>\$84,549,405</b>

**Table 6: Summary of Estimated Western Australia Funding and Expenditure 2019-20 (Clause 37b requirement)**

	2019-20 WA Allocation	2019-20 NHHA Commonwealth Funding	2019-20 State Funding
Public Housing	\$497,928,722	\$121,180,000	\$376,748,722
Homelessness	\$84,666,594	\$44,684,000	\$39,982,594

Note: Figures exclude corporate overheads. Public Housing Expenditure includes: -Operational Rental Expenses such as Maintenance, Rates, Depreciation Expenses, Interest repayment on debt, Support Tenancy Education Programs and other associated rental expenses; and Capital Works Program Investment in Social Housing including spending on Crisis Accommodation, Disability Services Program, Refugees etc.