

Division 35: Communities — Services 7 to 9, Housing; Homelessness, \$1 364 871 000 —

Mr D.A.E. Scaife, Chair.

Mr J.N. Carey, Minister for Housing; Homelessness.

Mr M. Rowe, Director General.

Mr W. Millen, Chief Financial Officer.

Ms M. Samuels, Deputy Director General.

Mr L. McIvor, Deputy Director General.

Ms E. Colombera, Executive Director, Office of Homelessness.

Ms C. Comrie, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Roe.

Mr P.J. RUNDLE: First, I welcome everyone here. I want to put on the record my thanks to the minister and his chief of staff for helping us out on a couple of occasions with various housing issues in my electorate. It is much appreciated.

Mr J.N. CAREY: Sorry—I just fell off my chair in surprise! I'll take it! I'll take it! I am ready, so thank you. The member has made my night.

The CHAIR: Hansard will note that it is 7.55 pm on a Thursday night of the estimates committee! The member for Roe with a question.

Mr P.J. RUNDLE: I refer to page 514 and rental housing. Paragraph 7 refers to the total cost of the provision of housing to eligible Western Australians. What is the policy around the replacement of essential housing for key workers in regional WA?

Mr J.N. CAREY: This is just a broader Government Regional Officers' Housing question; is that correct?

Mr P.J. RUNDLE: Yes.

Mr J.N. CAREY: I want to put this on the record because I think it is important. First, given that we are starting off well with each other, member, and I appreciate that—I understand that it will get tougher soon—I note that the former Leader of the Nationals WA, Mia Davies, the member for Roe and a number of National MPs welcomed the increase in GROH expenditure. I want to put on the record that it is an additional \$61.6 million investment, so the total investment over the next four years is \$234 million. That is for new builds, spot purchases, refurbishment, leasing and maintenance. I will ask the deputy director general of the housing and assets division to go further into this. A number of factors are at play in how GROH is done. Obviously, we look at demand from agencies. We look at existing stock. We look at what existing stock is suitable to meet the needs and whether we refurbish that stock or, alternatively, whether we decide to build new stock. Of course, there are other market constraints. I am on the record about other particular markets. With GROH stock in general, I remember the opposition talking about surplus GROH stock. I am aggressively looking at every opportunity. Where it is surplus to needs and does not meet the basic conditions of GROH, we can repurpose for social housing. There are a number of considerations when we are looking at GROH stock. I will ask the deputy director general to comment further.

Mr L. McIvor: There are currently 5 118 houses in the GROH portfolio. That is spread across ownership, but we also lease those from the private market. We have forecast this year that we will have added 80 dwellings to our owned portfolio this year. As the minister mentioned, there is \$234 million in the forward years and \$134 million of that is aimed at investment and growing our ownership through construction and spot purchasing. Thirty-four homes are in design or construction at present around Western Australia for the GROH portfolio. Although we

look very closely at that portfolio as far as disposals go, one of the options in some towns is to convert a house to social housing, which has been very helpful for us if client agencies no longer have a need for that home. We also work closely with local governments and developers to seek their submissions when we may underwrite a development by taking on a 10-year lease of apartments. Some of those are in the early stages now, but there are some positive signals that the government can be a key tenant in those residential apartments and the government can take a substantial piece. We may sign a lease, or sign up to a 10-year lease, and that will help the developer finish its finance and commence construction.

[8.00 pm]

Mr J.N. CAREY: I will just add to that. As the member knows, it is a mix, so we lease, we spot purchase and we build, but it is dependent on market forces. We actively encourage local governments to put forward proposals, as the director general said, to facilitate key worker accommodation and GROH. They may come to me as the Minister for Lands and also seek land as part of that proposal.

Mr P.J. RUNDLE: I have a further question, though this is probably asked with my local member hat on. We have had an example, which I was only enlightened to today, of exactly what the minister was talking about. In the town of Munglinup, which had a healthy 1.6 per cent increase in the census, the community and GROH were working towards a new house to attract a quality principal. In the last few days, they received a letter informing them that the situation had been reviewed and it was looking at improving the current house's level of amenity with some interim flooring. The community is very unhappy. I wanted to take this opportunity to mention this. The minister referred to having the right house for the right place. In this instance, the whole community was driving towards the project with the assistance of GROH, and now they seem to have had the rug pulled out from under them.

The CHAIR: Before I give the minister the call, I just say that I appreciate the reason the member is raising that issue. I think there is plenty of goodwill, so I will give the call to the minister. I want to put on the record again that as we descend into questions of detail, particular circumstances and policy questions that are not budget specific, it gets harder for me to rule them in order. I do not want to set a precedent but I think there is goodwill here and I ask the minister to provide a response.

Mr P.J. RUNDLE: I appreciate that.

Mr J.N. CAREY: I thank the member for his question. I understand the complexities. I will be frank: everyone wants a new house everywhere we go. I understand that. There are GROH standards. As we heard from the director general, we are seeking to manage 5 000 properties at any one time. Given the constraints we face given the current construction market and so forth, assessments will be made. If a house meets certain GROH standards—I do not know the individual circumstances; I am talking more broadly—an assessment is done, it still meets that standard but we might make minor improvements or refurbishments to improve the overall quality, and that GROH house will be retained in the system.

The reason we do that is because trying to build a new house, as the member would be aware, particularly in some regional communities, is bloody tough. We may have a staff member coming that we need to get into a house. At other times, we look at a GROH house, it is well below standard but we can refurbish it to become social housing or we may see whether the local government needs potential housing, and if we do not need it for social housing, we consider other options. I assure the member that we are trying to use every viable housing stock that we have—any which may. You name it; I am like the man with the kitchen knives! Is it GROH, is it social, could it be used for a not-for-profit or could it be used for community housing? We are doing everything we can to try to utilise that site. I understand that people always want new, but it is simply not always possible in this market.

Mr P.J. RUNDLE: I thank the minister; I appreciate his response. Does the minister take into account the potential of the community and local government helping out to potentially make a new house happen easier and more efficiently?

Mr J.N. CAREY: Yes. There is a “call for submissions” process already in play when local governments can come forward with proposals to construct houses themselves or build a GROH house and then we provide, as we have said, a 10-year lease. That provides the house but it also gives a financial income stream to the local government. It was done under the previous government and it is done under our government. It is a viable mechanism. I will give an example. Some local governments may say, “We will build these houses; we will take part of it as GROH because that gives us the surety of income, but we might use other stock in a group dwelling for local government workers or for retail workers.” We are open to local governments coming forward with creative ideas, but of course we also have to consider the demand and look at the existing stock because obviously we have competing demands across all regional communities.

Mr P.J. RUNDLE: At a community level, can the minister appreciate a community's desire to have a good quality principal and good quality staff at their school and the like? I think the minister and I both agree that quality housing is part of that scenario.

Mr J.N. CAREY: I appreciate that. I am an inner-city slicker. I understand all three members opposite are regional MPs. My mum grew up in Perenjori and was the daughter of farmers. Even then, she talked about the importance of retaining good staff and attracting people. As the member would be aware, we are seeing that with local governments. I notice that the local government of Manjimup has been heavily criticised for creating incentives. Ultimately, if that is the way to get a chief executive to a community, so be it. I appreciate it. As minister, I have 5 000 properties with a constrained market and we have a GROH standard. I understand. I am sure that if I did a poll, every local government and every GROH tenant would want a completely new house. I just cannot do it in that market, but there are GROH standards that are prescribed. I suggest that local government is probably too late for this principal but through the "call for submissions" process, that local government could reach out to my agency. My agency is very proactive and I am sure it could give advice about the best way to approach that.

Ms L. METTAM: I thank the minister, and I thank the minister for his support for people in my electorate as well.

Mr J.N. CAREY: And?

Ms L. METTAM: I have a very simple question. I refer to the first significant issue impacting the agency, which relates to the government's investment to improve housing stock, on page 503 of budget paper No 2. I also refer to the Premier's comments in the estimates committee hearing on Tuesday that the reason the government sold so many social houses in the first term of government was —

... they were dysfunctional and crime ridden, and residents were using huge amounts of drugs and other things. They were ghettos.

Does the minister agree with the Premier's comments that the social housing homes that were sold in the first term of government were all inhabited by drug addicts and other things and resembled ghettos?

The CHAIR: I just want to be clear, member for Vasse, that estimates is not an opportunity to ask ministers about other ministers' comments. I will indulge it if the minister is willing to indulge it, but that is not technically in order.

Ms L. METTAM: He is up to it!

[8.10 pm]

Mr J.N. CAREY: I appreciate that the member has raised this issue because I want to take the opportunity to go into detail about Brownlie Towers. I read the Premier's comments and I saw the full context of them. I want to explain the history of Brownlie Towers. I think a lot of people would be surprised or shocked because the history of Brownlie Towers has been easily forgotten, but there were successive significant issues with Brownlie Towers. I want to put this on the record. I am not trying to have a crack, but it might shock everyone here—I was shocked on review—that by 2016, over 160 of the 300 units were vacant or could not be lived in. There were significant plumbing issues. The cost came in at \$15 million. This issue has been in multiple press articles. I have been on the public record to say that we are shifting away from enclaves. Absolutely. I have used the words "ghetto" and "enclave". We are shifting away from that and we are moving to an integrated approach of social housing across suburbs.

I want to quote a former resident regarding Brownlie Towers. This is from an ABC article published in 2019 —

It was not the place I would have ever wanted to bring a child up.

"It was too violent, there was fights constantly—as a kid you'd be frightened at getting your nose bloodied.

"There were murders, there were suicides, there were cars being set on fire in the car park, police turning up in their vans and breaking up parties, violently.

It wasn't the happy suburban lifestyle for anyone I don't think."

Another resident is quoted in a 2019 Daily Mail Australia article as saying —

'Drugs were everywhere, cars were always broken into and my neighbour threatened to kill me. I barricaded myself in my flat every night.

'They put us in there like cattle without looking at people's circumstances and what would happen if they put them all ... together.'

They are not a politician's words; they are the words of residents who were in that building and have personal experience. We are facing this broader and bigger picture. It is really important to put this on the record, and I am very passionate about it. We have this incredible system with ageing stock. A huge number of the stock is over 31 years old. We have inherited this ageing stock, including Brownlie Towers. No disrespect to the seven former Liberal and Nationals WA housing ministers who discussed and talked about the problems at Brownlie Towers, but

it was ultimately our government that made that very difficult decision to close that tower down. It was the right decision, but it was difficult for this reason: as soon as we did that, we knew we would lose 300 houses from the system. When we made that decision to close down that major enclave with a history of significant social issues, as I have described and quoted, it had a dramatic impact. We had to do that at not only Brownlie Towers, but also Stirling Towers in my electorate, which also faced similar reports and issues. We made very tough decisions. We can call it politics, but these were real decisions that had been put off by successive former ministers and the previous minister—me—made those tough decisions and they were the right decisions.

We are doing everything we can to boost housing stock, but there will still be ongoing decisions regarding renewal. Sales are at historic lows, but we are still doing renewals. I will give the member examples. We have the member for Geraldton with Spalding; the Mayor of the City of Greater Geraldton is a strong advocate of that program. It includes some demolition of housing to break-up and help distribute it. Beaconsfield, Spalding and Withers are all renewal programs that are supported by local councils and communities, but as a result of that decision-making, we will still see some losses and demolitions in the system.

I say we have made the tough decisions. I stand by those tough decisions. The Premier was right when he said that we had enclaves or ghettos. We do not want to create enclaves again. We want to see social housing distributed among communities.

Ms L. METTAM: How does the minister think that social housing residents would feel about being referred to as drug addicts?

The CHAIR: Member for Vasse, it is not in order to ask an opinion about a statement.

Ms L. METTAM: I understand what the minister is saying about making the so-called tough decisions on the renewal program, but as the Premier stated and has been defined, we have seen social housing stock go backwards. Brownlie Towers aside, does the minister acknowledge that not enough was done in that first term of government to ensure that those social houses that were sold off were replaced so that we did not become the rough sleeper capital of the country?

Mr J.N. CAREY: Ha-ha! There is a lot in there. I am not laughing at the context, but the member has put a lot in there.

Ms L. METTAM: I will get a lot back.

Mr J.N. CAREY: Okay; yes. The member is referring to the same section, I take it—paragraph 1.

Ms L. METTAM: Yes.

Mr J.N. CAREY: This is where we fundamentally disagree, and I respect that we have policy differences. But, as I said previously, we had to make a series of successive decisions that were very tough, and I understand it is really easy to say black-and-white issues. No disrespect, but Hon Steve Martin does it with vacant houses—or even Hon Dr Brad Pettitt. They run out and point to a house and say, “See; it’s vacant!” without ever understanding the complex history of that site, the requirement of refurbishments and so forth. I understand the member wants to make it black and white; I get it. But we had to make a number of decisions on ageing stock and this is the critical issue. There is a huge number of ageing stock in the system. It is one of the biggest challenges we face in Western Australia, for our government and future governments. It is because of the age of the properties. We have invested \$12.8 million to do an assessment program to assess 10 000 of those ageing stocks. That was in the original injection of \$875 million that we announced. To date, we have done more than 4 000. That is helping us to plan the future of those properties.

We look at our first term. There were also smaller houses. It all adds up; I know that. We do a demolition here because there has been a vandalism. We do a demolition here because there has been a fire. We do a demolition here because the stock is so old that the cost to refurbish it might be \$250 000 or \$300 000 so we may as well build a new home. What does the agency do? The agency says that we will demolish the property but retain the land. We will continue that renewal program into the future.

Federal member Ian Goodenough went to North Beach. I do not know whether members remember this. He loves a good social media post; I will give him that. He ran out, did a photo and said, “Look, I have succeeded. Congratulations! I am demolishing North Beach.” What I am saying is, when it suits the opposition’s political purposes, demolitions are a good thing because it is a win for the community, but then they are a bad thing. They are a reality of sound decision-making. We have minimised the house sales. We will still have to do demolitions and we are doing everything we can but we are not doing what the previous government did, which was kick hard decisions down the road. There were seven housing ministers and they did not make a decision about Brownlie Towers, despite it needing \$15 million in upgrades and 160 of those units being vacant. The previous government did not make a decision on it. It was left to us. Of course, lots of decisions were left to us, even at a smaller level.

[8.20 pm]

Ms L. METTAM: Why did the department not rebuild immediately? The minister mentioned Beaconsfield. When will it be replaced?

The CHAIR: Member, can you repeat the question? I did not catch the start of it.

Mr J.N. CAREY: Can you give me a reference?

Ms L. METTAM: On the comments that have been made about the investment to improve social housing stock and the sale of social houses, why did the rebuild not happen immediately? The minister mentioned Beaconsfield. When will the social housing there be replaced?

Mr J.N. CAREY: Larger projects take a significant amount of time. There is significant complexity. I can deal with Beaconsfield first. There is significant complexity in how a renewal is done because there are existing residents. If the member does not mind, I will use North Beach as an example because it is a renewal project that we have finalised. Going back to 1998, all properties at the site were sold. The previous Liberal–National government was unable to secure the purchase of the final two properties for redevelopment; there were a number of social houses but also private properties. It took time to successfully secure the final two privately owned properties and then manage the relocation of the remaining social housing at sites. When we are talking about renewal or redevelopment programs, it is not a simple demolition because, with any suburb or precinct, there will potentially be existing social housing tenants or existing private owners. That was the case at North Beach. Works are underway at Beaconsfield but it is not a matter of simply making a black or white decision. Tenants are not instantaneously kicked out and private owners do not just say, “Yes, I’ll do this straightaway.” For Brownlie Towers, we have money in the site but it requires a significant remediation. There is money in the budget for it this year.

Ms L. METTAM: I take it there is no time frame for Beaconsfield or North Beach?

Mr J.N. CAREY: I might ask my deputy director general to answer on Beaconsfield.

Mr L. McIvor: Thank you, minister. With Beaconsfield, we are working closely with DevelopmentWA because, under the machinery-of-government changes, it does larger-scale land redevelopments. Part of that is master planning and staging planning and making sure that we minimise the disruption that the minister just mentioned in which, if possible, we get a master plan that looks to build the new housing in the same area at different stages before we simply move in and displace people and demolish their existing homes. As part of that, DevelopmentWA has started works around the TAFE site and we have started the initial works around some of the zones, including some commercial properties along South Street.

Ms M. BEARD: I refer to page 501 and paragraph 1 on the \$450 million top-up fund. Can the minister give a time frame around how long it might take to deliver the 700 additional dwellings that are outlined? On the 4 000 new homes, what is the time frame for delivery?

Mr J.N. CAREY: I think the member for Vasse asked me this question in question time. We have made two injections, as the member is aware. The first was the largest injection in the state’s history into social housing and it is additional funding of \$450 million. We set a clear target and we are going to meet that target. I made that commitment on the public record in Parliament. We said that within the first two years, we would reach 1 300 homes. We are reaching that target as of today, which is 25 May. As of today, we have added 1 276 homes. Let me be very clear that in July 2021, we said that we would deliver 1 300 houses within the first two years. Given that we have another month and a half, if I were a betting man, I think we will definitely get to 1 300 and we may get more. I thank the deputy director general! I want to be very clear on that. That is the target. The additional 3 300 was over four years, and we are working through that very heavily. The additional 700 is a rolling program. Planning is already underway because we want flexibility because the funding can be used for a multitude of purposes. It is going to be used for refurbishment. There will be community grants. There will be new builds. There will also be funding for some of the signature projects that we are doing as part of the housing diversity pipeline project.

Ms M. BEARD: What will the impact of these new dwellings be on the social housing waitlist?

Mr J.N. CAREY: There will be more new houses in the system for residents to enjoy. I respect and understand that the member and the opposition want a “gotcha!” moment about changes in housing numbers, but I think I have already outlined very clearly that we are doing everything we can to retain social housing. Social housing sales are at historic lows but there are always factors at play. For example, there are the renewal programs. There will be rolling redevelopments, as I have mentioned. I mentioned North Beach, which the opposition has publicly supported. There is also Beaconsfield and Subiaco East as part of those renewals. Another factor is the flooding in the Kimberley, which will also see some demolitions. Other factors include ageing stock, vandalism and so forth. I want to assure Western Australians that I am very resolute and clear that we are using every lever we can to deliver social housing and that we are meeting our first target of 1 300 in two years.

Ms M. BEARD: Is the line item on page 518 for the “Investment into New Social Housing” part of that \$450 million?

Mr J.N. CAREY: Sorry?

Ms M. BEARD: There is a line item on page 518 under works in progress for “Investment into New Social Housing” and there is \$254 231 000 budgeted for 2023–24. Is that part of those houses?

Mr J.N. CAREY: Deputy director general.

[8.30 pm]

Mr L. McIvor: Thank you, minister. The asset investment program related to investment on page 518 has several line items drawn down from the original social housing investment fund and some programs for which we have already drawn down on from the recently announced social housing investment fund. That line item is where we fund things like our regional modular construction program, some of our spot purchasing program and some of the repurposing of our affordable housing stock. We have allocated and identified funds in preparation for market-led proposals and Housing Diversity Pipeline projects as they come through, as well as things like the Kimberley recovery work and construction. Not all of the full \$450 million that was recently announced sits in the Communities budget yet. Around \$200 million, I think, is still held centrally. We will draw down on that as part of the pipeline of future work. The SHIF is held centrally and as we firm up programs, we draw down on it.

Ms M. BEARD: This is the last question: will the department make any of the investment in new social housing available for non-government providers that want to provide housing for social purposes?

Mr J.N. CAREY: I appreciate the question; it is a good question. We have a strong commitment to the community housing sector. This is pertinent to the answer, but the member may not be aware that I created a community housing reference group with key bodies from the community housing sector, with a pivotal focus on how we can grow the community housing sector in Western Australia. The member may be aware of a project called the Housing Diversity Pipeline, through which we have assessed land to go out to market. Community housing providers are stepping forward with private proponents to say they are interested in utilising that land. It could be discounted, it could be a ground lease or it could be another mechanism such as build-to-rent, by which they create community housing. It is quite an innovative program. We are working through and assessing proponents as we speak. Of course, money will be drawn down if there are successful proposals. I believe most of them will be community housing proposals. It is our intention that there will be further funding for the community housing sector. I want to recognise the already significant amount of funds we have given to the community housing sector. It has been extensive, at around \$150 million for both new builds and refurbishment.

I ask the deputy director general to give further detail so the member can see we are making considerable investment.

Mr L. McIvor: As part of a range of programs, we have issued grants to the community housing sector with a target of more than 300 dwellings. We have looked at refurbishment grants to the tune of \$57 million for 47 community organisations to undertake approximately 800 refurbishments. Work on 236 of those dwellings has commenced and 209 dwellings have already been completed. We have awarded \$16.7 million in remote communities grants to six organisations that cover 10 remote communities to look at improving and maintaining 125 dwellings, of which 59 have had remote maintenance work commence already. We have done two rounds of other grants for new builds, and that is the element that will deliver over 300 new dwellings in partnership with the sector.

Mr J.N. CAREY: After our first round of grants, we had a second round because they were so popular and there were some really viable projects. It was very clear to us that there were opportunities. I also put on record that I have been heavily engaged with the National Housing Finance and Investment Corporation, and so have my agencies, because NHFIC and the new housing fund—if the Liberal Party and the Greens come together to pass the new housing fund in the federal arena—will mean we have access to new funds for potential community housing projects. We are doing a big push for community housing projects in Western Australia.

Ms M. BEARD: Just the last question: to go back to providing Government Regional Officers’ Housing for people in regional areas, which the member for Roe mentioned before, is there provision for private investors? I have spoken with people in the regions who would be prepared to build homes for rent, but they need to secure a lease prior. They would get their plans done and would build the house and rent it out to a GROH proponent who wants to rent from them, but they want to secure the lease before they build it.

The CHAIR: This is falling foul of my rules, member for North West Central!

Ms M. BEARD: I know—just one because I am new!

The CHAIR: The member is definitely testing me on a Thursday evening!

Mr P.J. RUNDLE: A bit of latitude!

Mr J.N. CAREY: I have to say that the chair has given a lot of leeway to the member for Vasse, who just gave me an avalanche of questions together.

The CHAIR: To be fair, minister, the member for Vasse gave you a lot, but she got a lot in return!

Ms L. METTAM: You did all right.

Mr J.N. CAREY: Can I just say for *Hansard* that the Leader of the Liberal Party said that I did all right. I am going to get that made as a T-shirt now and a bumper sticker, and I will hold that memory forever. I want that in *Hansard*.

I appreciate the question because there is some confusion, including with local governments. Yes, we have a call-to-submissions process; yes, proponents can get a pre-commitment; and, yes, for a 10-year lease. There are opportunities there. Our government is looking at how we can assist local governments. The member for Roe would know this. There is some confusion amongst local governments about how they can best access information on developing GROH—getting access to land and developing workers' accommodation. We are giving strong consideration to how we can better inform local governments, because in certain markets they can be really pivotal players as they either have capacity or landholdings. Also, as part of that, we have a subcommittee of cabinet that includes the Minister for Housing; Lands, which is now me—previously, it was Minister Buti—and also the Minister for Planning. It brings together all my agencies. We are looking at all the different levers and at individual projects across Western Australia, but we are also looking at how we can assist local government.

[8.40 pm]

Mr P.J. RUNDLE: I refer to paragraph 4 under significant issues impacting the agency on page 503 of budget paper No 2. Before I go to that, I will respond to the minister's comments about the Greens and the Liberal Party voting together to frustrate the federal housing scenario. I think that Murray Watt demonstrated his frustration, and now he knows how the sheep growers of Western Australia feel about his live export decision. It is much the same stuff.

The CHAIR: Member for Roe —

Mr P.J. RUNDLE: But I digress.

Mr J.N. CAREY: Chair —

The CHAIR: No, I do not need any contributions from the minister or the member for Roe. I will allow you to make that comment, member for Roe, because I think it was fair, given that the minister raised it in his response, but that last analogy was an extraordinarily long bow to draw. If you carry on with your question, we will get on with the division.

Mr P.J. RUNDLE: Thank you; back to it.

I refer to the spot purchase program. How many homes did the department purchase in 2022–23, and how many are forecast to be purchased each year of the forward estimates period?

Mr J.N. CAREY: I appreciate the question. Spot purchasing is one way in which we secure social housing. For this year, it is estimated to be around 340 homes. Obviously, we are still in this financial year. I understand that the member wants more definitive numbers over the next few years, but the nature of spot purchasing is that it is dependent on market availability. It is easier said than done to simply say, "We are going to meet this figure", because market conditions absolutely change. It is not easy for me to do that.

I also want to say this. I note that in the most recent debate relating to social housing delivery, the Leader of the Opposition respectfully criticised us for spot purchasing; however, ironically, Hon Steve Martin successively called for spot purchasing. Members opposite have called for it and then condemned it. It is one lever that we use, but it is very heavily conditioned on the market and the availability of stock, and, of course, the type of stock. I get to this point: we have very ageing stock. A lot of our existing stock is catered towards more traditional homes. What I need and Western Australia needs is two-bedroom and one-bedroom units because of growing demographic trends and as a reflection of my waitlist. As the member can imagine, spot purchasing is quite an effective tool in the current heated construction market. I will strongly defend spot purchasing. In this heated construction market, it has been an effective tool, but it is always reliant on current and regional market conditions.

Mr P.J. RUNDLE: Obviously, prices in the housing market have increased over the last two or three years. Does the minister have any figures for the average price that the department is paying now compared with, say, the average price the department paid last year in the spot purchasing program?

Mr J.N. CAREY: That is actually a very good question. The member might have seen that the ABC recently did a big story covering the cost of spot purchasing. I was recently at the Housing and Homelessness Ministerial Council meeting. It is fair to say that other ministers were in shock and awe at our ability to spot purchase and the cost at which we were getting stock. The simple reality is that the cost of spot purchasing for us is generally towards a cheaper product because it is a smaller product—we are after one and two-bedroom units. But the ministers were in awe because on another coast—if we were to go to Sydney and look at the conditions there—governments cannot spot purchase. It is not even a viable option. It is still a viable option here because there is stock of one and two-bedroom units on the market, which we need.

With respect to an average cost, again, it differs according to where we buy, but I will ask my director general if he wishes to add any further information.

Mr L. McIvor: Like all property, the price will vary based on the location, the size of the dwelling, the size of the land or the structure of the apartment block. Yes, we have generally targeted the one and two-bedroom dwellings more than larger homes. At times, we will look at the waitlist and go looking for something in particular, like a five-bedroom home, which is at the other end of the spectrum and is obviously challenging to build in the current market. But the toughest product to build at the moment is apartments. Therefore, the spot purchasing program remains the most flexible option for us, whereby we can be responsive to the market in different locations and make decisions.

Mr P.J. RUNDLE: I thank the minister for his response. Can the minister supply us with the number of homes that the department has spot purchased in this financial year and the three previous years? Would he be able to supply that by supplementary information?

Mr J.N. CAREY: Can I just clarify what the member is seeking? Does he want the number of homes spot purchased for each year?

Mr P.J. RUNDLE: The number of homes the department has spot purchased for the last three years, and if the minister has the information to hand, could he tell us how many homes the department has purchased in this financial year?

Mr J.N. CAREY: The deputy director general.

Mr L. McIvor: In the last two years, our spot purchase number has been approximately 672.

Mr P.J. RUNDLE: Sorry, in how many years?

Mr L. McIvor: Over the last two years, it was 672.

Mr P.J. RUNDLE: Does that include this financial year?

Mr L. McIvor: I am sorry; the last year and the year we are still in now.

Ms L. METTAM: Were 672 homes spot purchased?

Mr L. McIvor: Yes, up to the end of April this year.

Ms L. METTAM: That is up to the end of April. Can the minister break that up into the two years? What is the make-up? Is it about 300 each year?

[8.50 pm]

Mr J.N. CAREY: I believe it will be around 303, but we are just checking. Perhaps the member for Roe could give further views on other matters federally!

The CHAIR: No; I am ruling that out of order!

Mr P.J. RUNDLE: I can launch into a tirade on live export without a problem at all!

The CHAIR: No, thank you, member for Roe!

Mr J.N. CAREY: There were 672. This is an estimation, but as of 30 April 2023, we have spot purchased 344 in this financial year.

Mr P.J. RUNDLE: So it was 328 for the previous financial year.

Mr J.N. CAREY: Yes.

Mr P.J. RUNDLE: Thanks for supplying that information, minister.

Ms L. METTAM: I refer to page 508 and the outcomes and key effectiveness indicators. The wait time for accommodation under the outcome that affordable housing options are available to eligible Western Australians has increased to 129 weeks in 2022–23 from 116 weeks, with the median wait time increasing to 100 weeks from 81 weeks. How many people and/or households are currently on the waitlist for a social home?

Mr J.N. CAREY: I thank the member for the question. First of all, I want to put it in context. Every housing market in Australia is very tight, and that is recognised in all the press. As we know, the waiting list figures and the waiting times are always connected to a tight rental market. History shows us that when there is a very tight rental market, there will be a waiting list and more demand, because they are connected. People want surety, so they put themselves on the list. It is acknowledged, even by the opposition spokesperson Hon Steve Martin—he said it in Parliament—that the majority of people on the waiting list have a roof over their head. But, obviously, when there is a tightening in the market, people seek surety.

The member mentioned the waiting list times. I note that when we came to government in March 2017, the average waitlist time for public housing was 148 weeks. I want to put that on the record. Despite the tightening of the rental market and increased demand, the data we have shows that the figure now is still lower than the figure of 148 weeks in March 2017, which we inherited. Also, in terms of the overall number of waiting list applications, the peak was

in 2010. Yes, we are facing a tight market and considerable demand. I am very cognisant of that and that is why we are doing everything we can. But at the peak in 2010, under the previous Liberal–National government, it was 24 000.

Ms L. METTAM: Was that the average or median time?

Mr J.N. CAREY: The waiting list had 24 000 applications back in 2010. The member has asked me for the current number on the waiting list and I will give that to her. The current number on the waiting list is 19 195 as at 30 April. That is still below the peak of 24 000.

Ms L. METTAM: How many of those individuals are on the priority waitlist?

Mr J.N. CAREY: The number on the priority list is 4 671. I note for the public record that we regularly provide this information to Parliament.

Ms L. METTAM: Why has the 2023–24 budgeted target increased by 15 weeks for the average wait time and by 28 weeks for the median wait time?

Mr J.N. CAREY: As I have already stated, it reflects the growing demand for housing. I say this sincerely: I do not think anyone finds that surprising. I have been on the public record multiple times. I take this very seriously. That is why we have huge investment to get as many social houses into the system as possible. I also note that all states are facing this. In comparison with other states, we have not seen that kind of growth; other states have had much stronger growth in their waiting lists. This is to be expected in a post-COVID world where there is a tightened rental market. As I have said, the rental market and the waiting list and waiting times are directly connected.

Ms L. METTAM: When the minister talked about the 2017 figures, he referred to 148 weeks. Was that the median or average time?

Mr J.N. CAREY: That was the average.

Ms L. METTAM: Continuing declines in housing affordability is blamed for this worsening indicator. Is the minister anticipating that the situation will get worse before it gets better?

[9.00 pm]

Mr J.N. CAREY: I will put it in this context, and, again, I think I have said this before in Parliament: COVID radically reshaped Australian housing markets. Everyone agrees with that, and it is due to a multitude of factors. Western Australia was hit because Australians, including Western Australians, returned home. In fact, it is on the record that people migrated interstate; they left some states and moved to Western Australia and Queensland. We have a heated construction market and skilled labour challenges and there have been global supply chain issues. All of this has squeezed housing markets in both Western Australia and Australia.

I am not in the prediction game, but I am acutely focused on boosting social housing delivery. I know that the member might get bored by it, but I quickly put on the record the number of different reforms that we have brought in to accelerate the delivery of social housing because I think it is important. We bring in record funding injections for social housing. We accelerate the delivery of social housing through a new panel program, a new timber frame program and a new modular program. We revise our procurement procedures. We enable the Department of Communities to be a self-approving authority for smaller housing units. We bring in planning reforms to streamline approvals. We have announced a skilled worker package to boost construction workers. We have brought in a concession for stamp duty that we just lifted to \$650 000, which is in a different direction from where other people are heading. We created an infrastructure fund that is funding headworks for both key workers' accommodation and infill. We created a community grant scheme to boost the community housing sector. We are using spot purchasing for both new pilot homelessness programs. We have purchased the Murray Street Lodge, which we are converting into transitional accommodation and Boorloo Bidee Mia. We are doing a massive refurbishment program. We have sales at record lows. I mean—by God—a lot of reform is happening in that space! I do not think anyone could look at those reforms and say that they are not significant, and we are constantly looking at other measures to assist housing supply.

We also know this: 27 500 homes are under construction right now. Yes, there are challenges, and we acknowledge those challenges. We are getting more skilled labour in, but those homes will be completed, and as those homes are completed, they will also provide relief to the rental market.

Ms M. BEARD: On page 518 under new works is the line item “Youth Long-Term Housing and Support Program” with an amount allocated for 2023–24. Can the minister expand on what that relates to?

Mr J.N. CAREY: Effectively, the building, construction and buying arm of my agency is used as the transition to secure properties, particularly given the staff have significant expertise. In the 2021 election, we made a clear commitment of \$18 million to establish the youth transitional housing and support program. The Mental Health Commission funds the acquisition of 20 properties, but they are acquired by my agency over two financial years.

Those properties are used by the Mental Health Commission. We get the money from them; we buy the properties, but they then manage the program.

Ms M. BEARD: Would transitional housing for domestic violence and women's refugees be the same if they were looking to secure transitional housing in those circumstances?

Mr J.N. CAREY: Yes, that is the case. Obviously not under this program but under the other programs, we would buy the capital and then it would be transferred across for management.

Ms L. METTAM: Page 518, under the asset investment program, lists the Common Ground facility. I refer to the minister's comments that construction of the Perth Common Ground was expected to commence during the 2021–22 financial year. What does the minister anticipate to be the new construction start date for this project?

Mr J.N. CAREY: I assure the member that, despite the media release the shadow Minister for Housing put out saying the project had been shelved, that is not the case. As the member would be aware, we face a very heated construction market, and that has affected projects across the board. We are certainly committed to the project. It is going through a tender process. We put it back out to tender, and that evaluation process is currently underway. I ask the deputy director general to add further comments.

Mr L. McIvor: The East Perth Common Ground tender closed in February this year. At the moment, we are going through the evaluation process, which includes detailed reviews of designs, engineering and compliance, and, obviously, commercial and legal reviews. That process should be completed very soon.

Ms L. METTAM: When does the minister anticipate construction will start on this project, understanding the challenges of delivering?

Mr J.N. CAREY: I will say two things. First, obviously, once the tender assessment is done and completed, we will have a construction schedule. Second, the member might have missed it, but I announced an additional interim measure that was to bring into effect the pilot program for homes for rough sleepers. We spot purchase units for that pilot program. It is a supported landlord model and has 100 homes or units for rough sleepers. They are referred by a transitional rough sleeper coordinator group. As part of that, Housing Choices manages the property; it provides the support to sustain the tenancy. Then, of course, it is within a Housing First Homelessness Initiative area, from Perth to Bunbury, and that ensures that rough sleepers have access to other services. I announced that last year as part of a reform package, and that pilot-supported landlord model is now being rolled out. In addition, we have added 120 crisis beds in the meantime. I appreciate that the construction market has created a challenge for Common Ground, but I did not just sit still. We created a new pilot program to enable us to transition rough sleepers into supported homes.

[9.10 pm]

Ms L. METTAM: My other question was in relation to Housing Choices and the announcement that was made in November last year to fast-track 100 people who were experiencing chronic homelessness. How many people are currently being supported by this program?

Mr J.N. CAREY: I really appreciate the member asking this question. This is based on a model that occurred in Bunbury with a smaller number. As part of that, there are 100 properties to be obtained as stock. As at 24 May, 42 properties are part of the program with 35 individuals currently being accommodated with intensive wraparound support. It is on track. I am very pleased with the pace of the program. However, I want to put this on record before the member decides that she thinks it is a bad figure and pumps out a media release: it is a referral process. As part of reforms that I have brought in, we are integrating outreach programs in the city. We have established rough sleeper coordinating groups that bring together everyone who works on homelessness. When you think about it, it makes sense. We have one in the Perth CBD, that I personally attended, and we have one in Bunbury, Rockingham, Mandurah and Geraldton.

I know that it does not tantalise people or make great media, but this is a genuine and successful reform. It is common sense: we bring together in the one room everyone who is working on homelessness, we meet on a regular basis, we go through those people who are rough sleeping, we share information and we identify people who can be referred to the pilot program. The truth and the complexity of this program is that it is not simply that someone rocks up and goes, "I want to do it", because we want to make sure that those people can be sustained in the tenancy and that they are the right person to enter that program. It may be the case instead that it would be better that they go to Boorloo Bidee Mia because not every rough sleeper can make the step to the pilot program. I think it is on track. We said that we would roll this out in a staggered way, but it is very on track.

As the member would be aware, we are also committed to a regional pilot program. As the member can guess, that is far more complex because regional communities and markets are more challenging, obviously. We have already talked about spot purchasing and also accessing homelessness services. I am on the record in Parliament about the

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Chair; Mr Peter Rundle; Mr John Carey; Ms Libby Mettam; Ms Merome Beard

regional program. That will occur over a longer time. To date, I am very pleased with the success of the program. We continue to identify properties to spot purchase.

Ms L. METTAM: Just to clarify, that was 42 homes and 35 people?

Mr J.N. CAREY: Yes.

Ms L. METTAM: Does that represent the challenge in trying to identify persons suitable? There are more homes than people.

Mr J.N. CAREY: I think the member's question is: why is there a difference between the 42 and 35? That is because we spot purchase a property and there is then a basic transaction process, it may need some refurbishment—changes or improvement—and then there is a referral. The advice from the executive director of the Office of Homelessness is that we said we would deliver this program over a year. In fact, we are ahead of the schedule or tracking for the number of individuals and properties to be secured, remembering that this is a program to be delivered over a year, and we started the program in January.

The CHAIR: Before I give the call to the member for Vasse, we have about 45 minutes to go and two authorities and two divisions to get through, and there are some advisers at the back desperately waiting for their turn. How do members want to manage it? I am fine to keep going on this division; I just want an indication from you about how you want to manage the time.

Ms M. BEARD: I have a quick question about the extensions that were given for the builder grants.

Mr J.N. CAREY: I am sorry, member, that is not in my portfolio.

The appropriation was recommended.