

Division 14: Communities — Services 18 to 21, Housing; Veterans Issues; Youth \$1 639 862 000 —

Mr S.J. Price, Chair.

Mr P.C. Tinley, Minister for Housing.

Mr G. Searle, Acting Director General.

Mr P. Whyte, Interim Assistant Director General, Commercial and Corporate Operations.

Mr G. Cash, Interim Assistant Director General, Housing.

Ms V. Harvey, Acting Assistant Director General, Strategy and Policy.

Mr N. Hindmarsh, Acting General Manager, Commercial Operations.

Mr L. Carren, Chief Finance Officer.

Ms L. Kalasopatan, Acting Senior Manager, Treasury and External Liaison.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall only be examined in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number.

If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 29 September 2017. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Mr P.C. TINLEY: I note that at a later stage we will be joined by John Coles, chief executive officer of Keystart, and Glyn Yates, chairman of Keystart. I will introduce them when they turn up.

The CHAIR: For everyone's understanding of where we are at, we are considering division 14, Department of Communities. In the first instance we will work through the services section—services 18 to 21. When we have finished that, we will get on to the Keystart part of the division. I give the call to the member for Carine.

Mr A. KRSTICEVIC: On page 254 of budget paper No 2, I refer to service 18, "Rental Housing". By doing a very quick bit of mental arithmetic, the minister will be able to notice, as did I, that the total cost of service between 2016–17 and 2017–18 has gone up by 6.8 per cent, while the income has gone up by 34 per cent. Can the minister explain the differences in these two increases?

The CHAIR: Minister.

Mr P.C. TINLEY: One moment.

Mr A. KRSTICEVIC: It is service 18, "Rental Housing", and the first two line items. The total cost of service less income gives the net cost of services, which has obviously gone down quite significantly due to a big increase in income and a small increase in —

Mr P.C. TINLEY: Yes; okay. I refer the member to the note 1 at the bottom of page 235, which refers to the 2017–18 and 2016–17 variation. The planned asset transfers to the community housing sector continue to meet the commitment within the community housing sector. The variation is a timing variation between when they went in and went out. The member might remember that asset transfers to the community housing sector were committed to under the stimulus package of the Rudd–Gillard federal Labor governments, which required a significant injection as a response to the global financial crisis to shift a significant number of assets to the community housing sector to stimulate that part of the economy. Is that close to what the member is looking for or is there —

Mr A. KRSTICEVIC: Basically, is it that? Is there nothing else there in terms of cost cutting or income?

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 21 September 2017]

p537b-550a

Chair; Mr Peter Tinley; Mr Tony Krsticevic; Mr Vincent Catania; Mr Bill Marmion; Mr David Michael; Mr John Carey; Mrs Jessica Stojkovski

Mr P.C. TINLEY: Yes, there is. There is the delay that I have previously mentioned in the house in getting a bilateral agreement on the national partnership on remote housing. That bilateral agreement is yet to be determined, and there has been a delay in that funding arrangement.

Mr V.A. CATANIA: I refer to page 257 of the *Budget Statements* under “New Works”. I refer to the line item “Construction and Purchase of Government Regional Officers’ Housing Program”. There will be a \$72 million investment in this. Can the minister provide detail on where these planned constructions and purchases will roll out; and, if not, can the minister supply that as supplementary information?

Mr P.C. TINLEY: Yes, there is an about \$17 million variation there. I will defer to the director general on that one. We will have to provide that by way of supplementary information.

Mr V.A. CATANIA: Yes, that is fine.

Mr P.C. TINLEY: We have it, but not by region. Just for the explanation of members, it is late on a Thursday night and we have a public holiday on Monday. The agency is particularly strapped. If the member puts it on notice, we will certainly undertake to get the member that detail because of the level of detail —

Mr V.A. CATANIA: It seems like a common theme. Everywhere I go it is “put it on notice”, rather than supplementary. I thought this minister would be the first to take a supplementary!

Mr P.C. TINLEY: We are just into it—give me a chance! It is the first opportunity; I am sure I can do something by supplementary!

Mr V.A. CATANIA: Is this investment expected to meet Government Regional Officers’ Housing demand or is a shortfall of supply expected?

[8.10 pm]

Mr P.C. TINLEY: I will let the DG give an overview. His answer will determine whether we need to provide some more information.

Mr G. Searle: The Government Regional Officers’ Housing model is in the process of changing from basically a fully owned stock model to a mix of own properties and properties rented from the private market. As part of this process, the department is not going to buy or build every government regional officers’ house. A number will be purchased or rented from the market when that is appropriate. I am not aware of any particular shortfalls in GROH stock. If the member has particular concerns, we are happy to address it.

Mr P.C. TINLEY: I will add that we do not see GRO housing as one size fits all. There is a split between ordinary dwellings and what might be called high amenity or specialist dwellings. Take police, for example, or, in some locations, teachers—they are in small towns with only a few people.. There is a certain level of security requirement around it. A flexible model between what the system can provide in terms of what the department itself constructs and what it gets from the market will be the more adaptive one.

Mr V.A. CATANIA: On the issue of GRO housing, the line item for service 21, “Government Regional Officers’ Housing”, is on page 241. That figure is on the wane over the forward estimates. How will this impact on the department’s ability to deliver adequate housing to officers?

Mr P.C. TINLEY: I am not sure. Is the member suggesting there is a significant decline in the out years?

Mr V.A. CATANIA: There is a decline, yes.

Mr P.C. TINLEY: There is a modest decline. There will be several budgets between now and then. GRO housing is informed by other agencies’ needs and getting the demand model right. Forward estimates are a projection of best-case circumstances from information that we have now. Subsequent adjustments will be made to meet the need. In answer to the member’s question, we will meet the need as defined by the agencies through the demand model in GRO housing. Do not forget GRO housing is provided on the basis of what we are told from those other agencies, such as Education and WA Police.

Mr W.R. MARMION: Could the minister explain the differential between what some departments recoup from GRO housing? Police is one example. In my day the police department provided almost 100 per cent of the housing. Can the minister outline what the current policy is in recouping the actual cost of providing the GRO house and how it might vary across departments? Will there be some sort of consolidation so there is equity around that?

Mr P.C. TINLEY: I spend a fair bit of time amongst a lot of members, including my colleagues, explaining that the department of housing sets the maximum rent that is chargeable. It is up to the agency to determine how much of that, if any, is passed on to the tenant. For some agencies, such as police, that is zero. I am advised that in highly challenging environments that that is virtually nothing, because of the nature of the role they play. In some other regional locations, it is a variation. Last year, a \$30 increase was identified in relation to the formula that was

applied. Police did not pass that on at all. I have forgotten when, but I know it was recent. It was passed on and individual police officers now have to absorb the full \$30. The Department of Education, for example, has always passed on the full whack.

The key point to note about GRO housing rent is that it is based on a formula using metro less 20 per cent, as members may know. It sometimes does not keep pace with the reasonable variation. I used Port Hedland as an example of where the private market rental actually drops faster than the GRO housing rental. Some of the accommodation, particularly the high amenity accommodation, has been taken up from private landlords and modified on the basis of a long lease. That is not to say there is a price variation in that; there are escalation arrangements around that. These are some of the constraints that GRO housing has to occupy. We all know the story of Port Hedland.

Mr W.R. MARMION: My question relates to the first dot point at the top of page 238 of volume 1 of budget paper No 2. It is a fairly general question. I note that when I met the minister at St Catherine's College he asked me to be gentle on him! This will be a very gentle question, minister.

Mr V.A. CATANIA: Is the member going to ask a dorothy dixer?

Mr W.R. MARMION: This question is basically a dorothy dixer! The minister outlined the significant demand in this state for affordable housing. What is the minister doing to meet this demand for affordable housing?

Mr P.C. TINLEY: The whole paragraph the member referred to is really informative. It is really important that it refers to the median house price. It refers to a point that I have been making, and I will continue to make, about affordable housing. In my view, affordable housing is not as it has previously been described—relative to location. In absolute terms, it is affordable when it represents 30 per cent of the lower quartiles of household income. When that is extrapolated, that delivers it at around a 330 to 380 price bracket. That is an absolute number. It allows people who are on modest incomes into the market. When I say “modest”, I am talking about \$100 000-odd; so a graduate teacher or police officer, entry level sort of stuff. But they have a future earnings outlook that is significantly brighter than some people. Unfortunately, housing that is not affordable includes apartment towers, accommodation towers and residential towers. They are expensive to live in because of strata levy fees and the like. The cost of living in those locations is particularly difficult. I have a particular view that affordable accommodation needs to be something that is in that absolute price band. If it cannot be at the precinct, high-value level—think Elizabeth Quay or Scarborough—it needs to be linked on the basis of a high frequency transport corridor so that it can be offset.

Mr W.R. MARMION: What sort of programs, in terms of purchasing land for development, is the minister's department undertaking to make housing affordable?

Mr P.C. TINLEY: The agency continues with two parts to its affordable accommodation. It works with the private sector in various forms in partnership to deliver either broadacre subdivisions or urban infill and urban renewal. Of the 36 500 dwellings across the state that are owned by the Housing Authority, a significant number are undergoing renewal or are subject to renewal. There are also urban regeneration projects such as Bentley and Beaconsfield, and now with Metronet. The member would not be surprised that we have aligned a lot of the housing operations around the future of Metronet, particularly the transport-oriented developments. This year alone and in the coming year, 2017–18, we will put 1 500 broadacre lots in the market, delivering 614 social houses. That is just on the basis of where we are now. That is a significant contribution. As the member knows, to deliver those social houses in a cross-subsidised model means we would have to deliver a further percentage of any one development to the affordable market—that absolute number. When we are in partnership with the private sector, those will be sold to the market at full value.

Mr A. KRSTICEVIC: I refer to the seventh item under “Explanation of Significant Movements” on page 243, which is in volume 1 of budget paper No 2. It states —

The positive variances are due to an anticipated reduction in the public housing waiting list ...

Can the minister please explain the reason for this reduction in the waitlist?

Mr P.C. TINLEY: What is traditionally known as the waitlist is the subject of some particular policy interest for me. There are 16 151 people on the waiting list, which is obviously at a particular point in time. It is a gross number that really deserves better understanding on the basis of what people's needs are. It is not just a straight 16 000-plus people who need the same sort of dwelling in the same location. That waitlist, as it is called, needs to be nuanced on the basis of region and type of dwelling. For the member's further information, the greatest need in that list is that over 8 000 of them have requested single-bedroom accommodation. That is not something that is necessarily built at the scale that they need, and it is not something that we necessary look to as something we can do in a developing community.

The member's question is specifically related to the reduction in the waitlist. I like to think that is simply because of the change of government, but the member might not accept that answer.

[8.20 pm]

Mr A. KRSTICEVIC: What, have they given up?

Mr P.C. TINLEY: No, they have enjoyed the green shoots of economic revival and they are about to wander off into a better life.

As I said, there are some regional nuances here that need to be explored. In the north metropolitan area, which might be of interest to the member, there are 13 000 people on the waitlist, and it is by far the largest. In the south metro it is at 4 000, but we must break it down again by region and type of dwelling. As I said, a large number of single people are seeking housing. Another factor that occupies much of my thinking here is the 2 672 seniors, who are the other overrepresented group. The vast majority of those are older women, left to themselves after a family breakdown. Even if they have had a lifetime of working, they would fall outside the economic advantage of superannuation, and they still meet the criteria under which they might qualify for a public house. They will need some continued policy help to make sure that we are picking up on them.

Mr A. KRSTICEVIC: Does the minister envisage that the waitlist will continue to decrease; and, if so, what will the government do to facilitate that?

Mr P.C. TINLEY: As it says in the notes, forecasting these things is a very dangerous game, as the previous government found when trying to forecast iron ore pricing, for example. It is particularly difficult. We have to plan for the worst but, as the member can see, the budget notes refer to a decrease. I did not actually get to this before, but the principal reason for the reduction in the waitlist is by and large the changed economic circumstances, particularly in the rental market. The market came back to within the reach of a group of those people on that waitlist and allowed them to go off into the private sector, which is a good news story.

Mr A. KRSTICEVIC: Has any additional assistance been provided to any of those people on the waitlist, or has nothing changed?

Mr P.C. TINLEY: My advice is that a significant amount of assistance has been provided. The number of bond loans, for example, which is an initiative of the previous government, is a budgeted target of 17 585. In the 2017–18 financial year, this budgeted target represents about an 11.3 per cent increase compared with the 2016–17 estimated actual of 15 800, and a 6.8 per cent increase compared with the 2016–17 budgeted target of 10 541. This would be one of the most significant levers or devices by which we can allow people on the waitlist to find alternatives. Quite often—I suppose this is a foreshadowed policy change—understanding the nuances of that waitlist, or housing needs register, as we call it, means understanding what people's housing needs are. Some people might just need some financial counselling, assistance to get a job or reorientation. Not all roads need to lead to a public house.

Mr A. KRSTICEVIC: What is the value of the bond assistance? I know the minister gave me some percentages increases, but what is the value of bond assistance for this year? Obviously, based on the fact that it has increased from previous years, this indicates there is a shift from the public housing waitlist into the private sector.

Mr P.C. TINLEY: There is, but not a significant one. Because I am a magnanimous minister, I am going to provide that by way of supplementary information, as we do not have the information with us.

The CHAIR: Can the minister please state exactly what information he intends to provide?

Mr P.C. TINLEY: I am going to give the member the breakdown of the value of bond loans over the 2017–18 financial year. Is the member happy with that?

Mr A. KRSTICEVIC: Can we do the last financial year and this financial year?

Mr P.C. TINLEY: Further to that supplementary, we will do the 2017–18 financial year and 2016–17 financial year.

[*Supplementary Information No B42.*]

Mr A. KRSTICEVIC: The minister rightly said earlier that the waitlist was 16 151, and the priority waitlist is currently 1 590, as at 30 June 2017. I wonder whether, as further supplementary information, the minister could provide those two figures for the previous four years as well.

Mr P.C. TINLEY: I am happy to do that by way of supplementary information. I will provide the member with supplementary information for the number on the priority waitlist and on the waitlist for the last four financial years.

[*Supplementary Information No B43.*]

Mr D.R. MICHAEL: I refer to the second dot point on page 238 of budget paper No 2, which states that, as a spending change, no further commonwealth funding is committed beyond 2017–18 to remote communities, once the current national partnership agreement on remote housing concludes on 30 June. Will this leave a shortfall in overall funding for these remote communities and is the minister able to explain what the government is doing to support the housing needs of Aboriginal people in those remote communities?

Mr P.C. TINLEY: I thank the member for the question. For the benefit of members who might not have been present before, back in 2008 the federal Labor government made a \$5.5 billion commitment to lift the standards of housing in remote communities across the whole nation, of which Western Australia benefited to the tune of \$1.1 billion. This was part of the stimulus package, but it was used to significantly improve the conditions of the remote communities of Western Australia. Of 274 registered communities, 165 remote communities are supported through commonwealth and state funding, principally, and from a policy point of view they were very much a focus of the Housing Authority, now the Department of Communities.

There is an ongoing commitment of about \$88 million a year to improve housing and support local Aboriginal businesses and local employment outcomes. The \$88 million from the state government does not include a further \$50 million that is being spent to upgrade essential services, infrastructure and key communities as part of the regional services reform.

[8.30 pm]

Mr V.A. CATANIA: That was put there by the previous government.

Mr P.C. TINLEY: Yes. I can inform the member that we will absolutely be continuing that. I do not think there would be anything but bipartisan support for the remote communities. But we will not say that we will unilaterally shut down any community. That is not our way of having a public consultation or discussion about the future of remote communities.

Members may know that federal funding runs out as of June next year and we are running it very tight in the bilateral conversation with the commonwealth; if we do not get it met, we will have an as much as a \$100 million shortfall in what is needed to deliver the essential requirements to those remote communities. It is particularly tough dealing with the commonwealth and trying to find headway to get to some sort of agreement. I am going to a housing ministers conference in November. We will hopefully get some movement there. The officer level is talking but the progress is glacial.

Mr V.A. CATANIA: The National Party fully supports what the government is trying to achieve and what we have also tried to achieve in remote community reform.

I refer to the investment in housing in remote communities that the minister talked about. Can the minister provide me with an update on the Ngaanyatjarra lands community and, in particular, housing stock for communities such as Wingellina, Warakurna, Jamison and Warburton? Is there any investment in housing? One of the biggest complaints I get is about the need for housing. We have a lot of overcrowding, in particular in Blackstone and Jamison and Wingellina. They are in desperate need for increased housing. Is there anything on the horizon from the Department of Housing to look after those remote communities?

Mr P.C. TINLEY: Does the member have a page number?

Mr V.A. CATANIA: No, I am asking it further to that question.

Mr P.C. TINLEY: The member will have to give me a minute.

Mr V.A. CATANIA: I am happy to take that as supplementary information. I thought that Housing would have some detail on the lands and the potential investment into the future. I am sure that there is a line item for remote community housing, but I am just following on from the question from the member for Balcatta.

Mr P.C. TINLEY: Does the member want to know about previous, current or future investment?

Mr V.A. CATANIA: I want to know about current and future housing stock. What is going to be delivered in the Ngaanyatjarra lands?

Mr P.C. TINLEY: In general terms, the authority is continuing to invest capital and operation funding for Wingellina. There is no change to this funding position. Since July of 2010 we have refurbished 32 houses in Wingellina under the National Partnership Agreement on Remote Indigenous Housing and completed the refurbishment of all community housing within the program's budget. We continue to fund repairs in homes in the community. Further, fencing has been installed in neighbouring communities following requests from the lands council and NPARIH funding being available from the 2014 to 2016 funding years. The cost of fencing for the Wingellina community is likely to exceed \$560 000 and these works are being considered if and when NPARIH funding becomes available. It refers back to the problem that we have until the bilateral arrangements are in place

and we have the commonwealth's support. The commonwealth support is not only the dollar figure. It is any further tied arrangements around that funding. Currently, it is focused on the construction of new houses and my rebuttal is that maintaining the stock is as important as construction. I do not think that drives the point of the member's question about new construction.

Mr V.A. CATANIA: I want to see what is on the horizon for those communities. As I said, one of the biggest complaints I get is the overcrowding that is occurring. Because of the transfer between Northern Territory and South Australia, we get a lot of transient people coming in but it seems as though there is a greater influx than ever before. I was told that when I was there a couple of months ago. One of the other issues that arises out in the lands is that if someone vacates a house or goes elsewhere, the house cannot be touched for three months under the rules of Housing. Sometimes a house is empty—sorry, let me rephrase that. It takes about three months before someone from the department comes out all that way to look at the house and assess it before anyone else can move in. This seems to be a common theme that has been brought to my attention. How can we streamline that, because there is some vacant housing? It is quite remote so it is difficult for Department of Housing staff to go out there, but it ends up being a three-month process in which the house is locked up and no-one can move in until Housing comes in and does an appraisal of it.

The CHAIR: That is a further question to the original question.

Mr V.A. CATANIA: It is a further question. I thought I would do it all in one.

Mr P.C. TINLEY: To be clear, if I did any streamlining, it would have to be consistent with the expectations of general financial management. We would not want to be back in this estimates session next year being attacked for being lax about how we treat the public asset. The process is the process. Absolutely we will take any advice that the member might have if he wants to write to me about how we can streamline that and still sit within prudent financial management or protection of the public asset. I also advise the member that we need to make sure that we are talking to the right agency, because Ngaanyatjarra lands is managed by the Ngaanyatjarra Council under a housing management agreement. Obviously, we support it and it does not walk in isolation in that.

Our advice is that the waitlist in Wingellina is three. Maybe the member could help us by asking the people in these so-called overcrowded houses why have they not applied for a house. We can only operate on the demand that is presented to us. If there is a waitlist of only three for Wingellina, we can imagine how the agency will view that.

Mr V.A. CATANIA: I understand that and that is often the response I get from Housing; it says that there is a waitlist of only five or 10 and so there is no demand there. Often, it is because of the inability to get in contact. Remember that it is very remote. Ngaanyatjarra is four kays from the South Australian border. It is very remote and it is very difficult for someone to go in and put their name on the register. People are relying on going into the office and the office making contact with Housing. It does not seem to be working efficiently out there. People get sick and tired of having to wait or being told that there are no houses, so people do not bother anymore. I get what the minister is saying about there being only three on the waiting list. But, clearly, when we go to the community, we see overcrowding and people are not putting their name on the waiting list. That is a systemic problem we find throughout regional Western Australia where a lot of Aboriginal people for one reason or another do not register for housing, and that causes overcrowding. We need to work out a better way of ensuring that we know exactly who needs what.

The CHAIR: There was not a question there, but would the minister like to respond?

Mr A. KRSTICEVIC: Build it and they will come.

Mr P.C. TINLEY: Again, I am happy to receive correspondence from the member.

Mr V.A. CATANIA: I am happy to write to the minister.

[8.40 pm]

Mr P.C. TINLEY: I urge the member to write to and/or speak with the Ngaanyatjarra Council because it manages the waitlist. In terms of streamlining, it is not blame-shifting or anything like that, but in trying to make the system more efficient or culturally appropriate, if I can put it in those terms, it has to include people we have an agreement with, which is the NG Council itself.

Mr W.R. MARMION: On the second dot point, we were originally discussing the national partnership for remote housing, but two other agreements mentioned are under that dot point. Can we have some clarity on where we are at with it? It is confusing that there are so many national partnership agreements that no-one knows what we are talking about. They have to be read carefully to make sure it is the right one. I am referring to the National Affordable Housing Agreement and the National Partnership Agreement on Homelessness—two separate agreements. Sometimes these agreements come up for renewal and the officers have to work out whether we can

get them rolling along with a promise that they will continue. It creates a state of uncertainty. Can the minister provide certainty on how he is going with both of them? If there is any likelihood of them not progressing, will any programs in the Department of Housing be impacted, and what are they?

Mr P.C. TINLEY: For the purpose of clarity, we are talking about the National Housing and Homelessness Agreement, which is new and is an amalgamation of the National Affordable Housing Agreement and the National Partnership Agreement on Homelessness. I always get them mixed up, but luckily they are being merged. They have merged to become the National Housing and Homelessness Agreement. The commonwealth picks acronyms that pop. The NHAHA, if you want to go that far, will replace the two existing agreements. Together, they deliver more than \$160 million a year to support the delivery of social housing and homelessness services. As the minister, I have portfolio responsibility for the built form and Minister McGurk has responsibility for homelessness services. We operate together, both under the Department of Communities banner and we anticipate our capacity to do that will be more efficient. Hopefully, that explains where it is at.

Mr W.R. MARMION: What specific programs fall under it that may be in peril if we do not get funds?

Mr P.C. TINLEY: The whole thing is in peril because it is still part of the commonwealth bilateral negotiation. Outside the remote stuff it is almost Treasury-led now. It is again something that is in peril, although that is probably an overstatement. It does not give us any confidence to do future planning until we have that bilateral agreement established. But in terms of the programs it might cover, I refer to the director general.

Mr G. Searle: The two major areas covered by those agreements are the actual construction of social housing, so new housing gets built out of the hard money. For the homelessness agreement it is things like funding for St Bartholomew's House, the subsidy embedded in the Aboriginal short-stay accommodation and a range of services provided by organisations such as Ruah Community Services for people who are actually homeless on the street. This funding is a really important source of funding for the agency going forward in terms of integrated response to the challenges we face.

Mr W.R. MARMION: Let us use St Barts as an example, which often extends or builds something. Can the minister think of any programs in the forward works that may not go ahead if we do not get the money?

Mr G. Searle: The reality is that half the number of homelessness services are funded out of the commonwealth agreement. The state provides matching funding for most of them. They will all be at some risk if the commonwealth withdraws its funding.

Mr V.A. CATANIA: I refer to the first dot point under the heading "Asset Investment Program" on page 256, which states that 335 public housing homes will be built in the following year. How many of these homes will be located in regional Western Australia and can the minister provide a breakdown of the location?

Mr P.C. TINLEY: We do not have the detail in the budget notes here but we are more than happy to provide that as supplementary information. To be clear, does the member for North West Central want the 335 public homes that are to be completed in this budget period broken down by regions?

Mr V.A. CATANIA: How many homes will be located in regional Western Australia and can they be broken down into location?

[Supplementary Information No B44.]

Mr V.A. CATANIA: The second dot point on that page refers to 1 509 housing lots, including 1 017 lots developed with joint venture partners. How many of these lots fall within regional Western Australia? Can the minister provide a breakdown of where they are?

Mr P.C. TINLEY: Yes, I can. Presumably, the member is interested only in regional and non-metropolitan lots.

Mr V.A. CATANIA: Yes.

Mr P.C. TINLEY: Forty lots for land development, general, for want of a better term, will be in the midwest Gascoyne—only because the member asked for them! In the great southern there will be 40; in the south west, 58; and a further 76, general, are unallocated at this time. They are unallocated because those developments are yet to be settled on the basis of the asset review. I am happy to ask the director general to expand.

Mr G. Searle: There was a major realignment of land development in regional WA five or 10 years ago when the vast majority of developer land in regional centres was transferred to LandCorp. This number is not an absolute number for the land development in regional areas, it is just the development we are doing, which is mainly related to our building program. The broader land development function in regional areas rests with LandCorp.

Mr V.A. CATANIA: That is understandable. The third dot point states that \$21.7 million will be spent to secure a range of entry-level properties across the state for low-to-moderate income earners through the

Affordable Housing Shared Equity scheme. How many of these properties will be provided in regional Western Australia and can the minister provide a breakdown of where they are?

Mr P.C. TINLEY: The detail of that will require a significant investigation, so I ask the member to put it on notice, given the time constraints.

Mr V.A. CATANIA: Sure.

Mr A. KRSTICEVIC: I want to ask some questions about the three-strikes policy. I can refer to a budget item, but I am sure the minister is more than happy to talk about it without me directing him to an item. How many people have been evicted from public housing as a result of this policy in the last financial year and how does this compare with the number for the last financial year?

Mr P.C. TINLEY: We have sliced and diced this information in many different ways, so bear with me for a moment while I get the relevant information for the member. We need to break this down carefully otherwise the information may be misconstrued. In the period July 2016 to June 2017, a total of 73 tenancies were ended due to disruptive behaviour. That is the number of evictions by reason of disruptive behaviour. To put that into context, that is less than 0.002 per cent of 36 500-plus tenancies. There is a further breakdown of tenancies that have been vacated rather than evicted due to arrears in rent. By far the greatest number of challenges we have are around financial stress and rental arrears. The agency goes to significant effort to try to turn those tenancies around. Of the 73 evictions for disruptive behaviour in the last financial year, 52 were for straight-out disruptive behaviour, 18 for illegal activity, and three for multiple activities including disruptive behaviour.

[8.50 pm]

Mr A. KRSTICEVIC: Were any of those tenants who were evicted subsequently put back onto the waiting list? As a general rule, are they put back onto the waiting list? What is the time frame for them to be put back onto the waiting list, if they are?

Mr P.C. TINLEY: In broad policy terms, it is a difficult situation. The agency is a social landlord and does not have the capacity to start looking at things like Real Estate Institute of Western Australia blacklists and those sorts of things, so it is not practical. I might refer that to Greg Cash to provide further information.

Mr G. Cash: When somebody is evicted from public housing and they reapply, we will reconsider their circumstances and determine whether we will rehouse them and what conditions may be required to rehouse them. That may include tenancy support, requirement for them to pay off a certain amount of debt or decisions about whether we will put them on a fixed-term tenancy or some other form of tenancy support.

Mr A. KRSTICEVIC: I have a further question about the allocation of tenancies. In the North Beach area, people have been evicted on three strikes before; it has been a problematic area for many years. I am sure the minister knows the history of the area. I am not sure why it happens, but when someone gets evicted the department seems to put someone else in that housing who is ultimately evicted again. I am not sure what the vetting process is like, but in a particular over-55s housing location in North Beach, that has happened. Younger people have been put in there and more trouble occurs, and it can take a couple of years to get rid of the problem tenants. People become distressed when new people move in who end up doing drugs and drug dealing and all sorts of things, and it goes from bad to worse. I am not sure what the vetting process is and why the agency does not take extra effort to make sure that new tenants who are placed in a location from which someone has been evicted for being a bad tenant are good people, or does the agency assume that all the people it is putting in are good people? From the examples I have seen—I have written to the agency about this over the years—from day one, they are bad people. I am not saying they all are, but I have seen a few examples of that.

Mr P.C. TINLEY: As the responsible minister and someone who has representational responsibility for 35 000 tenancies, I need to put on the record that the general bias of the member's question about public housing tenants and their fitness to occupy public housing is probably misleading.

Mr A. KRSTICEVIC: I am not criticising them; predominantly they are very good. Maybe I have witnessed a rare situation in which people are distressed and the police are regularly there, and then new tenants come in and the same situation arises. Sometimes it can happen with three tenancies in a row. Maybe they have just been unlucky that the one or two per cent who are the bad ones are coming to the same location. I am not making a slur on all tenancies—99.9 per cent are perfect—but I cannot work out why in some cases there are three different tenants over a six-year period and every single one of them causes a problem, especially when the agency has said that it has gone out of its way and guarantees that the next one will be good and it does not happen.

The CHAIR: Member, could you let the minister answer your question.

Mr P.C. TINLEY: I note the member's concerns and hear his frustration. I, as a local member, have had challenges with public housing tenants, like many local members, but I also, similarly, have had challenges with private housing tenants. Sometimes when researching a particular complaint from a constituent, I have found that it is about a private house or provider.

The answer to the question does the agency vet its applicants, is no. Pretty much as a general statement, it does not. If they have met the criteria for access to a public house, the agency is duty-bound on the wait-turn arrangements to house them in the next available appropriate property. I note the member's concern. For the agency to do anything other than that and to operate on the basis of sensitive tenancy arrangements for a particular dwelling would be contrary to the policy, so it does not do that. I suggest that in this case, the member has been unlucky. That said, I am more than happy to receive the member's correspondence on the specifics. The issue the member has raised about an over-55s complex might warrant further consideration if that is in fact the way that complex is characterised or divided.

Mr A. KRSTICEVIC: I understand that there was previously a policy that enabled families and children who were evicted as part of the three-strikes policy to take part in an intensive family support program provided with a house and wraparound support service. Is this policy still in place?

Mr P.C. TINLEY: Yes, but to be specific on that policy, I will defer to Greg Cash.

Mr G. Cash: Yes, the program remains in place. We work with our colleagues within the child protection division of the Department of Communities to ensure the success of that program. It has worked well for a small number of families and we continue to work with our colleagues to make sure that it is successful for more families who face the challenge of being evicted and having nowhere to move to, to try to re-engage them in a successful tenancy.

Mr A. KRSTICEVIC: How many families currently reside in these homes and how many additional homes are being allocated for this program, if any?

Mr P.C. TINLEY: It would be misleading to talk about it as addresses, if you like.

Mr A. KRSTICEVIC: I do not want addresses, just numbers.

Mr P.C. TINLEY: Assets are not applied to the program necessarily; it is about the tenancy and sustaining the tenancy.

Mr A. KRSTICEVIC: It is about the wraparound programs specifically. The question I asked is: are enough services available to meet the demand?

Mr P.C. TINLEY: The answer is, we hope. What I mean by that is the services required to turn a tenancy around can in some cases be significant. They have complex needs, are multilayered and moving. As a result, one of the great ambitions of the Department of Communities—when reducing 41 departments into 25—is to have a thematic connection, which I think most people would agree is appropriate. It centres around the delivery of human services. We have to address the fact that the financial circumstances in which we find ourselves means that there is no new money—that will not be a surprise to anybody—so we have to ensure that the existing resources are applied in a more efficient and targeted manner. I will defer to the DG to give more detail on that.

Mr G. Searle: One of the opportunities that comes from the machinery-of-government changes is to re-look at some of these programs. Historically, the Housing Authority would evict somebody, and child protection under the old regime would take a more interventionist approach to help those families. Now that we are all part of one broader agency, we have to re-examine that to find out what that means, given that the hand-off no longer exists between the two different agencies. This program will be reviewed to find a way for it to be practically applied under the new arrangements. We are still working on that.

[9.00 pm]

Mr P.C. TINLEY: I might just add to the point that the director general made. When it comes to a lot of these services, my portfolio responsibility is the built form—the bricks and mortar. The wraparound services that the member referred to involve other ministers. Again, ministers have to talk in collaboration to achieve policy outcomes. On page 257 of the *Budget Statements*, the crisis accommodation program is allocated \$43.823 million. A further family and domestic violence refuges allocation of \$5 million will help to deliver the assets required to provide those sorts of relief services, if you like, or crisis services. The member for North West Central would be pleased to know that some of that is from royalties for regions funds in order to facilitate the appropriate application in the regions.

Mr J.N. CAREY: I want to go back to the first dot point on page 238 on portable housing still being out of reach for Western Australians. I refer to an issue in my electorate, which is the redevelopment of Stirling Towers. I want

to get a process update and a clear understanding of what the breakdown is in terms of affordable housing outcomes that can be achieved.

Mr P.C. TINLEY: Is the member talking specifically about Stirling Towers?

Mr J.N. CAREY: Yes.

Mr P.C. TINLEY: I will quickly defer to Mr Hindmarsh to give an update on the towers, and then I might cap that off with a bit of commentary around the affordable piece of the question.

Mr N. Hindmarsh: Stirling Towers planning is well underway for the refurbishment of what was a very aging facility. The member will be glad to know that we are working very closely with the City of Vincent on the planning around that. In January and June of last year, design concepts were presented to the design advisory committee, which has agreed to these, and in September last year a request tender for demolition went out. We are firmly into the process of finding a development partner for that site, which should be completed very soon. We envisage that through that program we will create very contemporary mixed developments that incorporate public housing, affordable housing, shared equity products and sales to market.

Mr J.N. CAREY: As supplementary information, can I get a breakdown of what proportion will be public housing versus shared housing versus any other affordable housing mixes?

Mr P.C. TINLEY: I will defer to Mr Hindmarsh.

Mr N. Hindmarsh: I can give a general indication at the moment. Until the final development plan has been committed to, we will not be able to give the exact numbers. We generally work to a policy ratio of one to nine for public housing, and we are aiming at the moment to get at least 25 per cent affordability through that project. Until the final development plans have been drawn up, I cannot give the exact figures.

Mr P.C. TINLEY: Just to give the member an indicator, I refer to another great success story in his electorate on Aberdeen Street. I might get the director general to reflect on that to give a sense of what is possible for Stirling Towers.

Mr G. Searle: I think there is a development in the member's electorate on Aberdeen Street, which has been done on the same basis of using a site that we have had available and going to market to develop it. In that development, roughly nine per cent was public housing, but over 60 per cent of the units were affordable under the definition, as the minister described earlier. This takes the idea of utilising a state government asset and working with a private sector developer. The fact that we own the land reduces the developer's cost because the developer does not have holding costs for the land, and we then get our dividend out in the form of affordable housing and social housing. We have found this to be a particularly successful way of doing business. In the current market climate, it might be a bit more challenging than it was when we built on Aberdeen Street, but we think that the model is sustainable for the long term and does not result in concentrations of social housing, which have proven to fail around the world.

Mr J.N. CAREY: What is the highest percentage the department is prepared to go in that mix? The director general talked about nine per cent previously, but is there a maximum value at which people then start to consider the level of public housing versus others in the mix?

Mr P.C. TINLEY: I defer to the director general.

Mr G. Searle: Generally, the one to nine and the one to 10 ratios are the targets that we have gone for. Historically, we have applied that on a horizontal plane. Over the last five years, we have started to apply it to vertical concentrations. This is based on the fact that evidence from around the world, literally, and all over Australia shows that mass towers of public housing prove to be concentrations of social disadvantage with a whole lot of things that flow from that. We are trying to step away from that and revisit things like Stirling Towers, Brownlie Towers and a range of others, in much the same way that the Victorians are now dismantling all those public housing towers in inner Melbourne.

Mr P.C. TINLEY: I will ask Paul Whyte to make a further comment.

Mr P. Whyte: In terms of social and public housing, since the state affordable housing strategy was introduced, the definition of social and public housing has broadened. Traditionally, public housing has been for people who are on statutory incomes, but that has changed as well. Social and public housing includes a lot of different groups now, especially people with disabilities and people with special needs. The one to nine ratio calculation is not a hard-and-fast rule. It may go above that, depending on the development and what that area can contribute to the lives of the people who can live there.

Mr V.A. CATANIA: Minister, I refer to pages 256 and 257 in volume 1 of the *Budget Statements*. In the table under the heading "Completed Works", the line item on page 257, "Social Housing—Investment Package", shows that \$326.4 million was spent in 2016–17. Under the heading "New Works", the line item "Social Housing—

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 21 September 2017]

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Chair; Mr Peter Tinley; Mr Tony Krsticevic; Mr Vincent Catania; Mr Bill Marmion; Mr David Michael; Mr John Carey; Mrs Jessica Stojkovski

Investment Package” indicates that \$9.6 million is to be spent in 2017–18. The two figures total \$336 million. Given that the original commitment to the social housing investment package announced by the former government was for \$560 million, where has the remaining \$224 million gone? Has it been cut or redirected?

Mr P.C. TINLEY: That is a big question, member. Give me three and a half minutes to work out where we are getting the information from. The member is suggesting that there is —

Mr V.A. CATANIA: A cut of \$224 million.

Mr P.C. TINLEY: Is that to the social housing investment package?

Mr V.A. CATANIA: Yes.

Mr P.C. TINLEY: I refute the claim that it is a cut. In this budget, the member will see the figures are as they stand. I do not doubt the member on his mathematics, but I refer to the point, if the member has missed the memo, that one of the centrepieces of the McGowan government’s mandate was Metronet. When I became the minister, it was no surprise that my first order of business with the agency was to describe exactly what that mandate is and what the requirements are. As a result, we embedded specialist housing people at a very senior level, inside the Metronet task force for the purposes of participation in the precinct group and the value-capture steering committee to ensure that housing strategy, particularly social and affordable housing, and land supply and development strategies are aligned with Metronet. Given the nature of the election timing and the budget, it was not possible to have a formed view. That strategy has now been considered. Once the Metronet task force identifies the priorities in relation to the deal flow and we align that with the land requirements for housing, the member will see a significant shift on how that is applied in the metropolitan area. I will defer to Paul Whyte to give the member a little more detail.

[9.10 pm]

Mr P. Whyte: The number the member referred to is the correct amount as included in the asset investment program. The total package was \$541.006 million, and that remains. The discrepancy or difference between the \$541 million and the number the member referred to relates to large items such as land that has been vended into the program from the Housing Authority. It was always intended to be.

Mr V.A. CATANIA: Was that about \$85 million?

The CHAIR: Member, can you just let Mr Whyte answer the question first, please. Mr Whyte.

Mr P. Whyte: I can go through the amounts that are not included in the asset investment program.

Mr V.A. CATANIA: If Mr Whyte would not mind.

Mr P. Whyte: Housing inventory is \$59 million and payment for land, including internal land acquisitions and transfers, is \$40 million. I am sorry, I have just given the member the two amounts that are in: \$40 million for payment for fixed assets of \$353 million. Those that were refurbishments total \$5 million. Other operating payments, including rates and sundries total \$7.7 million. There is a lease rental payment of \$14 million. The program included a rental program, which involves moving people into private rentals rather than simply a built-form response. As I said, land was vended into the program. The total of \$541.006 million remains the total amount of the package.

The CHAIR: Is there a further question?

Mr V.A. CATANIA: The \$560 million is still short \$20 million, given that the other figures add up to \$336 million. If that is what Mr Whyte is saying it is, it is still quite short on last year’s budget papers.

The CHAIR: Minister.

Mr P.C. TINLEY: Is the member talking about the year-on-year comparison? Do I understand the member’s question correctly?

Mr V.A. CATANIA: It is over a period of time, yes, comparing what the previous government had with what this government has.

Mr P.C. TINLEY: Hopefully I am getting to the member’s question by saying it is not over. I outlined the strategic objectives of the government on reorientating the asset development for housing with Metronet. That has required us to hold fire or tap the brakes, if I can put it in those terms, on that asset development. That would explain the gap we are talking about.

Mr V.A. CATANIA: No. I think Mr Whyte gave me a breakdown —

The CHAIR: Is this a further question?

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Mr V.A. CATANIA: I am just saying that I am happy with the response I got from Mr Whyte. It answers all but the \$20 million; what is the \$20 million?

Mr P.C. TINLEY: I just might defer to the director general because \$20 million does matter. We might be able to shed some light on it for the member.

Mr G. Searle: As to the honourable member's question, the program was actually delivered \$20 million under budget. That \$20 million was for housing assets that were going to be put into the program but were not put into the program. The program was targeted to deliver 1 000 additional houses and to halve the priority waitlist for seniors and families by the end of the period, and those outcomes were achieved. We managed to achieve it in a marginally more efficient and effective way than we originally anticipated.

Mr V.A. CATANIA: That answers the question. I think \$23 million was allocated for operational costs.

Mr G. Searle: Yes.

Mr A. KRSTICEVIC: Can the minister tell me what is happening in the suburb of North Beach, because I know there was a redevelopment or a review done a number of years ago for that area —

The CHAIR: Member for Carine, that is not a further question. That is a new question. It just so happens that the member for Nedlands is next on the list, and then we are going to —

Mr P.C. TINLEY: I am hoping to take a question on North Beach though.

Mr A. KRSTICEVIC: Sorry?

Mr P.C. TINLEY: If the committee is happy —

Mr W.R. MARMION: The Chair has given me the call. I think it is a more high-level question.

Mr A. KRSTICEVIC: That was a very important question. That will be my next question; the minister can be prepared for that one.

Mr W.R. MARMION: I am referring to the asset investment program on page 256.

Mr P.C. TINLEY: Yes.

Mr W.R. MARMION: There are four dot points for terrific programs: the reinvestment, high-value property program; the housing lot development program; the shared equity program; and the acquisition of land program. They are all the programs that the government puts together that keeps housing affordable, and I am a strong supporter of them. It is really good that the government has allocated \$344 million for the asset investment program so the assets are there to sell. My question relates to the second dot point. In 2017–18, 1 509 housing lots will be developed using that \$344 million. Included in those housing lots will be 1 017 lots developed with joint ventures. Can the minister provide as supplementary information, or if the minister has them off the top of his head, a breakdown of those lots into the specific project locations and who the joint venture partner is?

Mr P.C. TINLEY: I might defer to defer to Mr Hindmarsh.

Mr N. Hindmarsh: Thank you. Just give me a second.

Mr W.R. MARMION: Leaving out North Beach. I think that might be a follow-on question!

Mr N. Hindmarsh: May I confirm that the member's question was a breakdown by region of the lot developments over that period; is that correct?

Mr W.R. MARMION: I suppose a breakdown by the easiest way, but who is the joint venture developer? Rather than say, "He has 500 lots in Baldvis", and where they are. They usually have a name like The Glens or a subdivision name that it is marketed under.

Mr N. Hindmarsh: Certainly. The information I have at hand is a breakdown by region. I will need to take that as a supplementary the name of the individual estates and joint ventures, if the minister is content to do that.

Mr P.C. TINLEY: Yes, what the hell! Why not?

The CHAIR: Are you happy to provide that supplementary information, minister?

Mr P.C. TINLEY: Yes. Stand by; hang on a second. To give the member that detail on specific projects, we will need a little more time than we have, so we will have to take it on notice.

Mr W.R. MARMION: Maybe it can be done by region. How does the minister have that information now?

Mr P.C. TINLEY: It is by region.

Mr W.R. MARMION: As long as it covers every joint venture developer.

Mr G. Searle: If I can, minister, just to provide some assistance. The information we can readily provide is that in the metro north region there are 163 lots of general land development and 343 lots of joint venture land development. In the metro south there are 104 lots of our land development and 229 lots of joint venture land. At that level we can provide the breakdown readily.

Mr W.R. MARMION: No, I would like to know the next level down.

Mr G. Searle: Golden Bay versus another development?

Mr W.R. MARMION: Yes.

Mr G. Searle: Through the minister, can we put that on notice because it will take a fair while to get that data together?

The CHAIR: The member needs to lodge that.

Mr A. KRSTICEVIC: I will go back to my question on North Beach.

Mr P.C. TINLEY: That is not a further question. I am happy to take the member's question, but just call it a new question.

The CHAIR: New question, member for Carine.

[9.20 pm]

Mr A. KRSTICEVIC: Over the last eight or nine years, there has been some talk about the redevelopment of that area. There are small houses on big blocks et cetera. How far has that review of the housing stock progressed and are there any plans?

The CHAIR: Is the member referring to a particular line item?

Mr A. KRSTICEVIC: It is under the same one.

Mr W.R. MARMION: North Beach!

Mr A. KRSTICEVIC: It is under affordable housing. It is the same line item that the member for Perth used!

Mr P.C. TINLEY: I can advise the member that the City of Stirling and the Department of Communities is exploring all opportunities. Yes, it is being assessed, as most of the housing assets are at any one time. Talking about the North Beach precinct itself, does the member mean Charles Riley Road, North Beach Road and Marmion Avenue?

Mr A. KRSTICEVIC: Yes.

Mr P.C. TINLEY: It has a significant concentration in that particular area.

Mr A. KRSTICEVIC: It does.

Mr P.C. TINLEY: It is important that any of this sort of stuff is done in step with the local government authority to make sure they are there. We have a nearly 47 per cent presence in that precinct. That activates us a little to ensure that housing meets the need. These things will not happen easily. The process of consultation will take about 18 months. I am more than happy to provide some more information through Mr Hindmarsh.

Mr N. Hindmarsh: As the minister has alluded to, at the moment we are in consultation with the City of Stirling over a rezoning process. We are doing that very much hand in glove with the local community. We have engaged consultants to commence the engagement process and to work with stakeholders on what the future outcomes for the North Beach redevelopment should look like. As the minister referred to, we expect that process to take about 18 months prior to starting any redevelopment activity and the selection of a proponent to undertake that.

Mr A. KRSTICEVIC: Has that community engagement already started?

Mr N. Hindmarsh: My understanding is that the consultants have been engaged, but I am not aware whether engagement with the community has started.

Mr P.C. TINLEY: Does the member mean with the public?

Mr A. KRSTICEVIC: Yes.

Mr P.C. TINLEY: The process has started with the agencies. That is underway.

Mr A. KRSTICEVIC: But what about with the public?

Mr P.C. TINLEY: I am not aware that it has at this stage.

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Mr A. KRSTICEVIC: When does the minister expect that to start?

Mr P.C. TINLEY: We will have to get back to the member on that one. I do not know is probably the more direct answer. It is some more detail that we can carry into this process.

Mr A. KRSTICEVIC: I will stay in touch!

Mrs J.M.C. STOJKOVSKI: Page 256 outlines the Housing Authority's asset investment program. Can the minister please explain how the Department of Communities is responding to market forces when providing affordable homes for Western Australians on low to moderate incomes?

Mr P.C. TINLEY: People know that the building industry has had a significant challenge in recent years due to the economic downturn. Last year there were 19 000 new housing starts. There is an anticipation through the housing industry forecast group of around 23 000 to 24 000. That was, of course, coming off a high of nearly 32 000 starts during the construction boom, if I can call it that. That made it particularly difficult to deliver the supply. We now have a significant difference in the housing demand. That said, lot development is essential to ensure we get the flow on the supply side. Lot development will enable an estimated 6 800 dwellings to be constructed over the next four years. The vast majority of those will be in the affordable range and will deliver to the market as needed. We operate with the private sector. It is really important that members understand that we do not release to market when the market is not there. We must maintain value to ensure that partnerships with the private sector actually deliver value for them and for us. Suffice to say there is no shortage of land or land opportunities coming over the next four years that may prevent people from participating in the industry. The building industry relies heavily on government land development, particularly that of the Department of Housing, because of our joint ventures and partnerships with the private sector, because we significantly contribute to the first home owners' market. Just yesterday I was up at Ellenbrook. One of the factors in delivering that affordability is making sure there is a sustainable opportunity for the purchaser or tenant of the house. Yesterday at Ellenbrook we were releasing 80-square-metre blocks. It is the first time a sub-100-square-metre block has been developed by the authority. That has taken significant effort with the City of Swan to make sure that it is comfortable with what will be produced. I have seen it in other jurisdictions. It will certainly make those lots in the inner town centre of Ellenbrook a lot more affordable than a standard-sized block.

Mrs J.M.C. STOJKOVSKI: Further to the minister's answer about responding to market forces—this is a particular interest of mine—can the minister explain how the Department of Communities is embracing the concept of sustainable living in the affordable housing program?

Mr P.C. TINLEY: "Sustainability" is a word that is often overused. It is not informed only by the use of things such as renewable energy and water-saving devices. They are all just a given. They are almost old business. Modern housing design and construction attends to a lot of these things. There is a six-star energy rating, and the energy efficiency rating is fundamentally important. However, there is another aspect of sustainability, which is the social sustainability of a community. The precincts in which these houses are developed are really important. The dwelling that someone lives in and the community they walk out the front door into are equally important. For example, in the member's own electorate, the East Green development is very much focused on creating the amenity that provides for a socially sustainable area. It also requires a good socioeconomic and demographic mix to ensure a certain vibrancy resulting from the interaction between those demographics, and to ensure that people feel they are part of a thriving community. There are two parts to it. There are the binary bits, if you like, in relation to sustainability around the renewable energy model and those sorts of things, and making plot size more efficient, as with the 80-square-metre blocks at Ellenbrook I was talking about; and also the social sustainability on the other side of that argument.

Mr V.A. CATANIA: I refer to page 259 of budget paper No 2 and the table "Income Statement (Controlled)". In the line item for the regional community services fund, I note a massive 283 per cent increase between what is budgeted for this year, which is \$18 million, and what is budgeted for 2019–20, which is \$69 million. Does this fall under the housing section of the department? What is the reason for the increase? Will this money go into consolidated revenue or be spent?

Mr P.C. TINLEY: The money will be spent. If it is part of the Housing Authority spend, it has to be spent. It is retained earnings, and it is part of the vertical integration.

[9.30 pm]

Mr V.A. CATANIA: So why the increase?

Mr P.C. TINLEY: Can I just check the line item to make sure we are on the same page? Is it "Regional Community Services Fund"?

Extract from *Hansard*

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 21 September 2017]

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Chair; Mr Peter Tinley; Mr Tony Krsticevic; Mr Vincent Catania; Mr Bill Marmion; Mr David Michael; Mr John Carey; Mrs Jessica Stojkovski

Mr V.A. CATANIA: Yes. It goes from \$18 million to \$15 million, \$69 million and then \$60 million. Why the increase? What is the reason?

Mr P.C. TINLEY: I can only assume that refers to the remote essential services program. I will let the director general respond directly.

Mr G. Searle: Those numbers refer to direct funding of the remote essential services program, but also the old commonwealth-funded municipal services program. There is a new program that comes under the heading of REMS, which will provide both those services, and this is the funding for those services.

The appropriation was recommended.