



ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION

Wednesday 25 June 2014

Housing Authority

Question 1: Hon Stephen Dawson MLC asked –

I refer to Budget Paper No 2, Volume 2, "Housing for Workers Program" in relation to Pelago East, at page 522, and ask -

- a) How many apartments have been sold outright?*
- b) What was the apartment number of each apartment sold outright?*
- c) What was the price paid for each apartment sold outright?*

a) Nil

b)-c) Not applicable

Question 2: Hon Stephen Dawson MLC asked –

I refer to Budget Paper No 2, Volume 2, "Housing for Workers Program" in relation to Pelago East, at page 522, and ask -

- a) How many apartments have been sold through the Shared Home Ownership?*
- b) What was the apartment number of each apartment sold through the Shared Home Ownership?*
- c) What was the price paid for each apartment sold through the Shared Home Ownership?*

a) Nil.

b)-c) Not applicable

Question 3: Hon Stephen Dawson MLC asked –

I refer to Budget Paper No 2, Volume 2, at page 522 in relation to Pelgao East and a Department of Housing media statement, stating that:

The Department originally negotiated the purchase of 50 units for a different housing program prior to commencing construction, but saw the opportunity to apply the successful shared equity scheme, Opening Doors Shared Home Ownership, in the NorthWest before construction was completed in November last year.

And I ask —

- a) What was the original housing programme for which the units were purchased?*

PUBLIC

- b) *On what date was the decision made to apply the shared equity scheme?*
- c) *Who made the decision to change programs?*
- d) *Did approval for the change go to Cabinet?*

a) Originally, a greater portion of the 50 units were to be used for Government Regional Officers' Housing (GROH): approximately 60% of the 50 units were to be rented for affordable rent by State Government employees under the GROH program, 20% for purchase by key workers under the SharedStart program and 20% for sale at market rate.

b) The business case for the Pelago East development (50 units) was approved by Cabinet on 18 June 2012. This business case included the intention to provide a portion of units under the shared equity scheme.

c) The program has not changed, only the quantity of units offered as shared equity. This variation was approved by the Minister for Housing in February 2014.

d) No

Question 4: Hon Stephen Dawson MLC asked –

I refer to Budget Paper No 2, Volume 2, at page 522 in relation to Pelago West and Pelago East and apartments owned by the State Government and leased out, and ask -

- a) *Are any apartments leased through a real estate agency or agencies?*
- b) *If yes, what is the name of the real estate agency or agencies?*
- c) *If yes, what fees are paid to the agency or agencies?*
- d) *If no to 1), how are the apartments let?*

a) The Housing Authority does not lease any apartments in Pelago East through a real estate agency or agencies. Pelago West does not form part of Budget Paper No 2, Volume 2, at page 522.

b)-c) Not applicable

d) Twenty-one apartments in Pelago East are leased directly to government client agencies under the Government Regional Officers' Housing program, directly managed by the Housing Authority.

Question 5: Hon Stephen Dawson MLC asked –

I refer to Budget Paper No 2, Volume 2, at page 522 in relation to the Department of Housing's purchase of apartments at Pelago West and Pelago East, and ask -

- a) *Were the purchases transacted through a real estate agency or agencies?*
- b) *If yes, what was the name of the real estate agency or agencies?*
- c) *If yes, what fees were paid to the agency or agencies?*
- d) *If no to 1, how were the purchases facilitated?*

PUBLIC

a) No

b)-c) Not applicable

d) The purchase of the apartments in Pelago East included in Budget Paper No 2, Volume 2, at page 522, were facilitated directly with the developer, Finbar.

Question 6: Hon Stephen Dawson MLC asked –

I refer to Budget Paper No 2, Volume 2, at page 22 "Housing for Workers Program" in relation to the Pelago West and the Pelago East developments, and ask -

- a) Were any incentive payments paid to Finbar for either development?*
- b) If yes, what was the amount of each incentive payment for each development?*

a) No

b) Not Applicable

Question 7: Hon Lynn MacLaren MLC asked –

I refer to Budget Paper No 2, Volume 2, "Income Statement" at page 529, and ask -

- a) What will happen to people in public housing that can't meet the double impost of increased utility costs and rent?*
- b) How many tenancies are at risk from the increase in rent?*
- c) What has the Housing Authority done to identify those who are under the most financial stress and will be unlikely to afford continue to pay public housing rent?*

a) Eligible families will continue to be able to access the State Government's Hardship Utilities Grant Scheme and the Cost of Living Assistance Payment.

b)-c) No public housing tenancy will be paying more than 25% of their income in rent.

Question 8: Hon Lynn MacLaren MLC asked –

I refer to Budget Paper No 2, Volume 2, "Outcomes and Key Effectiveness Indicators" at page 523, and ask –

- a) The average public housing waiting time growing from 138 weeks in 2013-14 to 139 weeks in 2014-15. Why has there been no reduction?*
- b) Housing is the biggest cost of living factor for those on low incomes. Why are there no new measures to address housing affordability for low income households?*

PUBLIC

Answer:

a) The Authority strives to meet the needs of all applicants on the waiting list for public housing at the earliest possible opportunity.

Factors influencing the time an applicant may wait include the area in which housing is being sought, turnover of properties in the region, the type of accommodation required and the number and priority status of people ahead of the applicant on the wait list.

The increase in waiting time for people on the Authority's general wait list is due to a larger percentage of applicants being housed from the priority wait list. Applicants on the priority wait list are those with the most urgent need, either homeless or at high risk of becoming homeless.

The variance between the 2013-14 Estimated Actual and 2014-15 Budget Target is 0.7% higher.

b) Despite tight budgetary constraints, this Government has maintained a strong commitment to the Housing Authority's affordable housing activities with a \$72.9 million in net appropriation and support for a \$350 million capital asset investment program as part of the 2014-15 State Budget. In addition, the Government continues to provide support for low income households through ongoing programs such as the Hardship Utilities Grant and Bond Assistance Loan Schemes.

Question 9: Hon Lynn MacLaren MLC asked –

I refer to Budget Paper No 2, Volume 2, "Significant Issues Impacting the Agency" at page 521-522, and ask-

- a) What new measures are there to accelerate the Government's Affordable Housing Strategy?*
- b) Is the target of '20 000 new affordable housing opportunities by 2020' being revised in light of the increasing crisis in affordable housing?*
- c) In order to provide secure and affordable rental accommodation to low and moderate income earners and high-needs households, has there been any attempt to transfer any additional public housing properties to the community housing sector? If not, why not?*
- d) What changes does the Authority expect in terms of delivering on or continuing federal agreements, the National Rental Affordability Scheme and the National Affordable Housing Agreement? What affect do recent federal budget announcements have?*
- e) What is the Government's position on homelessness service provision if the national partnership agreements framework is significantly reduced or cancelled?*

PUBLIC

f) *What revenue will be raised by reducing the transfer duty exemption threshold for first home buyers of established properties from \$500 000 to \$430 000?*

a) Since release of the *Affordable Housing Strategy 2010-2020: Opening Doors to Affordable Housing*, more than 15,500 affordable housing opportunities have already been provided. The Liberal-National State Government will continue to implement the strategy to increase affordable housing opportunities for low to moderate income Western Australians.

b) 20 000 by 2020 is the minimum target set under the Affordable Housing Strategy. Less than half way into strategy, the Liberal-National State Government has already achieved 15 500 affordable housing opportunities and is well on its way to achieving and exceeding the minimum 20,000 by 2020 target.

c) Over 1 500 properties valued at nearly \$400 million have been transferred to community housing organisations since 2010. In addition, over 6,800 properties owned by the Housing Authority are leased to the community housing sector. By June 2015, it is expected that over 2 200 properties will have been transferred to community housing organisations, bringing total investment to nearly \$600 million.

d) The decision by the Commonwealth Government not to proceed with Round 5 of the National Rental Affordability Scheme will mean that about 1 500 less homes will be built in WA under this program. Commonwealth funding to Western Australian under the National Affordable Housing Agreement has been maintained in 2014-15 and across the forward estimates. However, the Commonwealth intends to review the broad range of housing and homelessness programs in the context of the Council of Australian Governments review of federation.

e) A 12-month extension to national partnership funding for homelessness services has been agreed with the Commonwealth Government for 2014-15. Ongoing Commonwealth funding will need to be negotiated within the context of the Commonwealths review of housing and homeless programs.

f) It is suggested that this answer be referred to the Treasurer for a response.

PUBLIC