

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

ANSWERS TO QUESTIONS PRIOR TO HEARINGS

2022-23 BUDGET ESTIMATES

Department of Communities

The Committee asked:

1. For each project identified in your asset investment program, was it subject to cost-benefit analysis and, if so, what was its ratio?

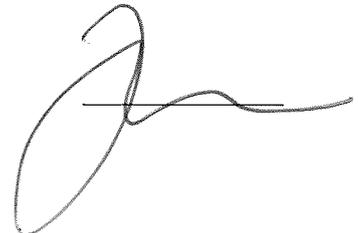
Answer

1. All construction projects go through a value for money assessment, including development of a detailed project definition plan before tender for construction. These processes include defining scope, identifying risks, benefits and cost options analysis, and for residential builds, a comparison against market valuations or pre-tender estimates.

The following projects under the North West Aboriginal Housing Fund program have undergone cost benefit analysis with ratios:

- East Kimberley Transitional Housing program – cost benefit analysis – ratio of \$1:1.59
- Jalbi Jiya (your home program) – social return on investment – ratio of \$1:1.2
- Fitzroy Crossing – social return on investment – ratio of \$1:1.28
- Hedland Transitional Housing Program – cost benefit analysis – ratio of \$1:1.55

Minister's initials



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Hon Dr Brad Pettitt MLC asked:

2. I refer to point 10.1 on page 522 of Budget Paper No. 2 -- Volume 2 which announces an additional \$91.6 million for spot-purchasing, increasing funds to \$139 million. I also refer to the 12 May 2022 Media Statement: "\$408 million in additional investment for housing and homelessness" which references "\$45 million in the coming financial year for a continued spot purchasing program for new social housing" and I ask:

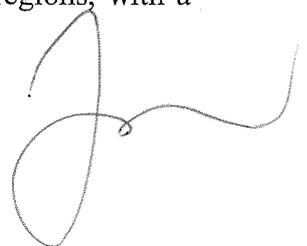
- (a) Given WA's rapidly increasing public housing waitlist, state-wide construction delays, and the tremendous demand for housing, why has the Department to only spend \$45 million in 2022-23 to secure more homes instead of the full \$91.6 million;
- (b) How many dwellings have been purchased to date in 2021-22;
- (c) Are any of the dwellings in (b) currently un-tenanted and, if so, why;
- (d) What is the total new supply of homes that is expected to be delivered as a part of the total \$139 million commitment; and
- (e) Can the Department please provide a detailed timeframe of when these homes will be purchased and when tenants will be able to move in?

Answer

(a)-(b) Spot Purchasing is one of a range of strategies to increase social housing stock. In addition to spot purchasing where appropriate, the Department of Communities has adapted its operations to utilise alternative materials including lightweight construction (timber/metal frame), modular and prefabricated builds, masonry veneer and panel wall systems and partnering with community housing providers through refurbishment and new build grants. Building condition assessments are being undertaken on more than 10,000 properties across Western Australia to target maintenance and refurbishments and the useful life of thousands of ageing properties.

The Department of Communities is taking a prudent approach to rolling out the spot purchase program to ensure there are no unintended consequences in local markets. Communities is consistently assessing properties across Western Australia that may be suitable for spot purchase.

As of 31 May 2022, a total of 233 properties have settled across 11 regions, with a further 53 properties currently under contract.



(c)-(e) Yes. When acquisitions reach settlement, work is undertaken to ensure compliance with electrical safety standards, any modifications required to meet specific clients' needs and to ensure the property meets a lettable standard including the retrofit of safety items such as security doors and/or kitchen and bathroom upgrades.

The total supply of new homes to be delivered as part of the \$139 million includes 233 properties that have settled across 11 regions, and the further 53 properties currently under contract. In addition to these properties spot purchases will be undertaken as and when suitable properties are available on the market.

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Minister's initials

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Department of Communities

Hon Dr Brad Pettitt MLC asked:

3. I refer to Budget Paper No. 2 Vol. 2, Outcomes and Key Effectiveness Indicators, specifically the public housing rental waiting list and waiting times for accommodation on page 527. Wait list times have increased from 102 weeks in 2020-21 to 116 weeks in 2021-22, the target for 2022-23 is 115 weeks. I ask:

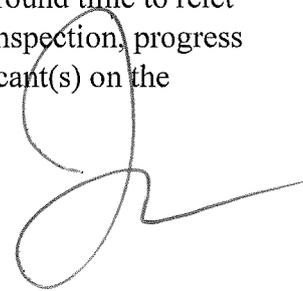
- (a) If 115 weeks is your target – what is your interim plan to provide for these people while they wait;
- (b) Why did the Department stop publishing wait times by region and will this recommence; and
- (c) What is the current turnaround time for public housing properties?

Answer

- a) The McGowan government is investing \$2.4 billion over the next four years to improve the quality and accessibility of social housing and homelessness support services across the state. Through this investment, we will deliver up to 3,300 new social housing properties and carry out refurbishment and maintenance work to many thousands more. The maintenance and refurbishment program is critical to ensuring these homes remain part of our state's social housing stock for many years to come.

A range of accommodation services funded by the Department of Communities are available for people experiencing homelessness, including crisis, transitional and long term accommodation with varied levels of support. People who are experiencing or at risk of homelessness are also encouraged to contact Entrypoint Perth which provides information and referrals to available crisis and transitional accommodation in the area.

- b) Waitlist times by region are routinely made publically available .
- c) The Department of Communities aims to relet vacant properties as soon as possible, after ensuring they are in clean, safe, and working order. The turnaround time to relet a public housing property includes the time taken to complete the inspection, progress and complete required maintenance works, and allocate to an applicant(s) on the waiting list.



As at 31 May 2022, the average time to inspect and complete maintenance works for returning properties is 77 working days. This average includes properties that require significant refurbishments or repairs. After the completion of works, properties are relet within an average of 13 working days.

Vacant properties waiting to be returned to public housing stock represent around 4 percent of public housing across the State.

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The Hon Steve Martin MLC asked:

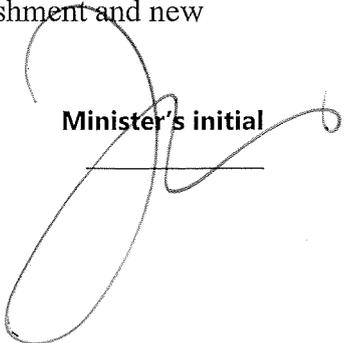
11. I refer to page 522 of Budget Paper 2, Volume 2, Paragraphs 8-9:

- (a) How many social housing builds were completed in 2021-22;
- (b) How many social housing builds are expected to be completed in 2022-23;
- (c) How many social housing builds are currently contracted to be built, including those with an expected completion date after 2022-23; and
- (d) Does the Department expect that the heated residential housing market, lack of trade and materials and increasing costs will have a significant effect on the budget allocated to new builds?

Answer

- a) From 1 July 2021 to 30 April 2022, a total of 397 social dwellings have been added to the Department of Communities social housing stock portfolio.
- b) Communities is seeking to add 800 social housing dwellings to the social housing stock portfolio through spot purchase and construction in 2022-23.
- c) As of 30 April 2022, a total of 808 properties are under contract.
- d) The heated market conditions have created challenges in delivering housing across the state. In response, Communities has adapted its operations to continue to increase its social housing stock, utilising:
 - alternative materials including lightweight construction (timber/metal frame);
 - modular and prefabricated builds;
 - masonry veneer and panel wall systems;
 - undertaking spot purchasing of properties where appropriate; and
 - Partnering with community housing providers through refurbishment and new build grants.

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The Hon Steve Martin MLC asked:

13. I refer to page 522 of Budget Paper 2, Volume 2, Paragraphs 9 and 10.3:

(a) What alternative construction methods have been used in an attempt to overcome supply shortages; and

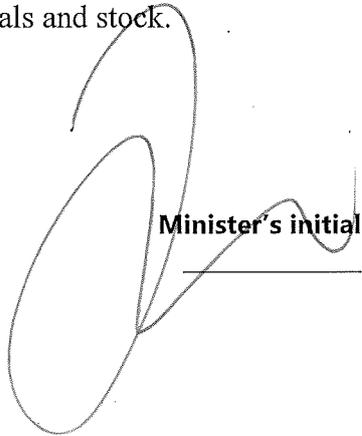
(b) Has the Department taken the shortage of both hardwood and softwood timber into consideration?

Answer

13. (a)-(b) The Department of Communities has adapted its operations to continue to increase its social housing stock, utilising:
- alternative materials including lightweight construction (timber/metal frame);
 - modular and prefabricated builds;
 - masonry veneer and panel wall systems;
 - undertaking spot purchasing of properties where appropriate; and
 - partnering with community housing providers through refurbishment and new build grants.

Communities has also established and expanded its Modular Builders Panel to include builders who are capable of using multiple building materials.

I am advised that Communities, when using alternative construction methods are contracting suppliers that have available materials and stock.


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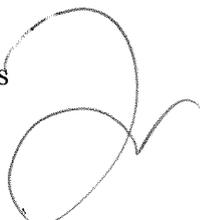
The Hon Steve Martin MLC asked:

15. I refer to page 522 of Budget Paper 2, Volume 2, Paragraph 10.2:

- (a) What was the eligibility criteria for these grants;
- (b) How were applicants assessed;
- (c) Was there a limit to the number of grants distributed; and
- (d) Will the Department please table a list of grant recipients?

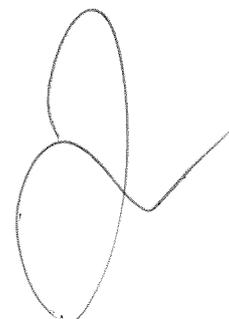
Answer

- a) The grants program referred to in paragraph 10.2 of Budget Paper 2 is the Social Housing Economic Recovery Package (SHERP) Grants Program, which has three workstreams:
 - Workstream 1 - new builds grants were made available to registered community housing providers and local government authorities.
 - Workstream 2 - refurbishment grants were made available to registered community housing providers, unregistered community housing services providing community housing services, local government authorities providing social housing services and other providers of social housing in remote and regional areas.
 - Workstream 3 - remote Aboriginal community maintenance grants are made available to Aboriginal community-controlled organisations, Aboriginal business enterprises, community development program providers and business partnerships with Aboriginal businesses and organisations providing maintenance to properties in remote aboriginal communities.
- b) SHERP Grants Program applications were assessed against detailed scoring criteria and assessment plans were developed.
- c) The number of grants distributed was limited by the amount of funding allocated. Organisations were not limited on the number of projects they could seek funding for, as the grants were assessed individually on a per submission basis.

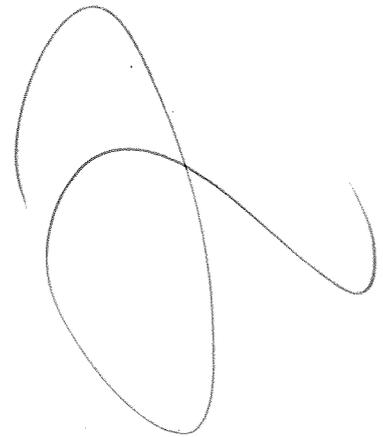


d) A list of recipients which was made publicly available by the Minister for Housing in a media statement, issued in January 2022. The relevant information is included below

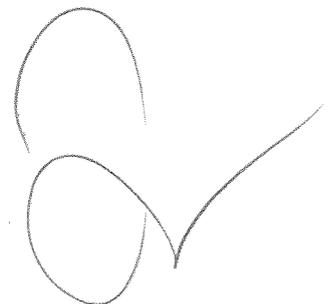
Organisation
55 Central Inc.
Aboriginal Biodiversity & Conservation Foundation
Accordwest
Albany Youth Support Association
Amaroo Care Services Inc.
Autism Association of Western Australia Inc.
Bethanie Housing Limited
Brightwater Care Group Limited
Broome Community Housing Group
Bunbury Housing Association Inc.
Community Housing Limited
Connect Victoria Park Inc.
Co-operation Housing



Eastern Region Domestic Violence Services Network Inc.
Foundation Housing Ltd
Housing Choices Western Australia Ltd
Indigo Junction
Mawarnkarra Health Service
Menzies Aboriginal Corporation
Mission Australia
Mosaic Community Care
Multicultural Services Centre of Western Australia
Murchison Region Aboriginal Corporation
Newman Women's Shelter
Noongar Mia Mia
Nulsen Group
Pat Thomas House Inc.
Pathways South West Inc.
Rise Network Inc.



Rocky Bay Ltd
Ruah Community Services
Share & Care Community Services Group Inc.
Shire of Boyup Brook
Shire of Donnybrook-Balingup
Shire of Williams
South West Refuge Inc.
Southern Aboriginal Corporation
Southern Cross Housing Limited
St Bartholomew's House Inc.
St Vincent de Paul Society (WA) Inc.
Stellar Living Limited
Sun City Care Inc.
The Goldfields Indigenous Housing Organisation (GIHO)



UnitingCare West

West Court Retirement Village Inc.

Yaandina Community Services

Zonta House Refuge Association



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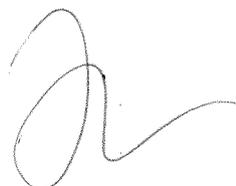
The Hon Steve Martin MLC asked:

19. I refer to page 528 of Budget Paper 2, Volume 2, Paragraph 3:

- (a) What are the current eligibility criteria in accessing public housing;
- (b) What are the current eligibility criteria in accessing a priority listing when applying for public housing;
- (c) What were the income limits in accessing both general and priority listing for public housing over the following years:
 - (i) 2016-17;
 - (ii) 2017-18;
 - (iii) 2018-19;
 - (iv) 2019-20;
 - (v) 2020-21; and
 - (vi) 2021-22?

Answer

- a) To be eligible for public housing assistance, clients must meet the following criteria:
 - be an Australian citizen or permanent resident
 - live and receive income in Western Australia
 - earn no more than the current income limits
 - not own or part own property or land
 - not have cash assets more than \$38,400 (singles) or \$63,800 (couples), \$80,000 (seniors 60 years plus singles or couples)
 - be able to prove identity
 - be 16 years of age or above.
- b) To be identified as having a priority housing need, clients must be:
 - eligible for public housing
 - able to demonstrate alternative housing options have been exhausted and barriers to resolving their priority need continue, resulting in no other viable option than public housing
 - able to demonstrate external risk factors are present and threatening the safety of the household in their current living situation or able to demonstrate personal vulnerabilities are impacted by, or will deteriorate, a person's wellbeing in their current living situation.



c) (i-iv) Public housing income eligibility limits are the same for general and priority lists.

It is noted that the member requested the public housing income limits from 2016-17. Public housing income limits from 2006 – 2020 remained unchanged and are provided below.

Weekly Assessable Income Limits

Number of people in household	Metro & Country		North-West / Remote	
	Single income \$	Dual Income \$	Single Income \$	Dual Income \$
1	430	N/A	610	N/A
2	580	670	820	940
3	695	790	980	1120
4	815	930	1150	1320

Add \$115 per week for each additional householder.

Weekly Assessable Income Limits for people with a disability

Number of people in household	Metro & Country		North-West / Remote	
	Single income \$	Dual Income \$	Single Income \$	Dual Income \$
1	540	N/A	760	N/A
2	725	830	1025	1180
3	870	1000	1225	1400
4	1020	1160	1440	1650

Add \$145 per week for each additional householder.

(v) Public housing income limits 2020 – 2021 are provided below.

Weekly Assessable Income Limits

Number of people in household	Metro & Country		North-West / Remote	
	Single income \$	Dual Income \$	Single Income \$	Dual Income \$
1	450	N/A	640	N/A
2	600	710	850	995
3	715	830	1010	1175
4	835	970	1180	1375

Add \$115 per week for each additional householder.

Weekly Assessable Income Limits for people with a disability

Number of people in household	Metro & Country		North-West / Remote	
	Single income \$	Dual Income \$	Single Income \$	Dual Income \$
1	565	N/A	795	N/A
2	750	880	1060	1250
3	895	1050	1260	1470
4	1045	1210	1475	1720

Add \$145 per week for each additional householder.

(vi) Public housing income limits 2021 – 2022 (current) are provided below.

Weekly Assessable Income Limits

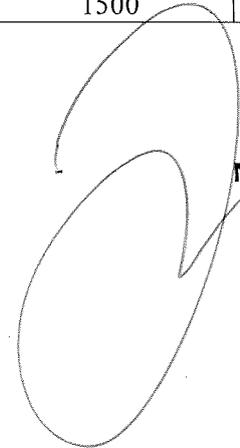
Number of people in household	Metro & Country		North-West / Remote	
	Single income \$	Dual Income \$	Single Income \$	Dual Income \$
1	470	N/A	660	N/A
2	620	735	870	1030
3	735	855	1030	1200
4	855	995	1200	1395

Add \$115 per week for each additional householder.

Weekly Assessable Income Limits for people with a disability

Number of people in household	Metro & Country		North-West / Remote	
	Single income \$	Dual Income \$	Single Income \$	Dual Income \$
1	590	N/A	825	N/A
2	775	920	1085	1290
3	920	1070	1290	1500
4	1070	1245	1500	1745

Add \$145 per week for each additional householder.

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