

Housing



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In 2020, **1 in 5 (200,000)** households were estimated to need some form of housing assistance from the WA Government.¹ By 2030, **45,000 additional households** are likely to need assistance.²



What IWA heard

During consultation on the draft strategy, there was strong support for many of the recommendations, including the importance of ongoing sustained investment and suitable housing options to contribute to functional communities and local economies. To the extent required, this has been reinforced in content amendments and new sub-recommendations.

Stakeholders raised the need for greater transparency and consistency of definitions, targets, data and reporting across the sector, and for the Strategy to expand consideration of affordable housing to ensure needs can be met across a range of circumstances. In this regard, several mechanisms identified by stakeholders have now been recommended for further government consideration.

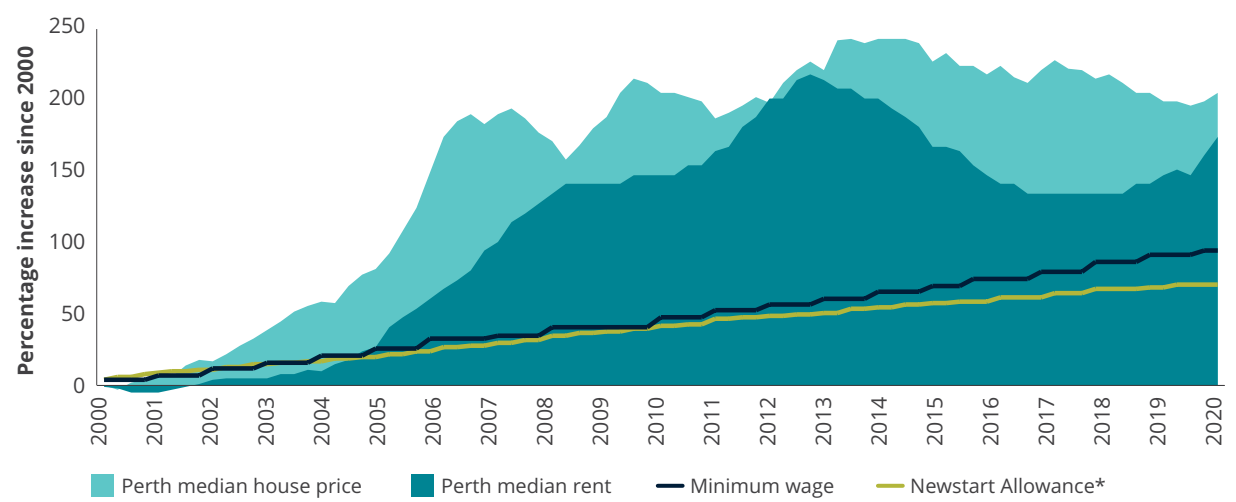
The availability, affordability and appropriateness of housing was consistently raised as a high-priority issue in the regions, heightened by buoyant economic conditions and the impacts on their ability to attract and retain a skilled workforce. In response, a new sub-recommendation draws attention to the need for government intervention in certain regional areas.

Access to appropriate and affordable housing is a critical enabler for community wellbeing and economic participation. It contributes to WA being considered a sought-after place to live and improves productivity. However, WA's population and household structures are changing, living costs are increasing and more people are seeking social housing support services.

The benefits of an effective housing system are evidenced across health and social services, as well as the justice system, as it provides a secure base from which people can participate in the workforce and contribute in the community.³ For example, conservative estimates released in 2016 using linked WA housing and health data indicate annual savings of \$16.4 million to the WA health system (or \$13,273 per person) by providing housing to people experiencing, or at risk of, homelessness.⁴

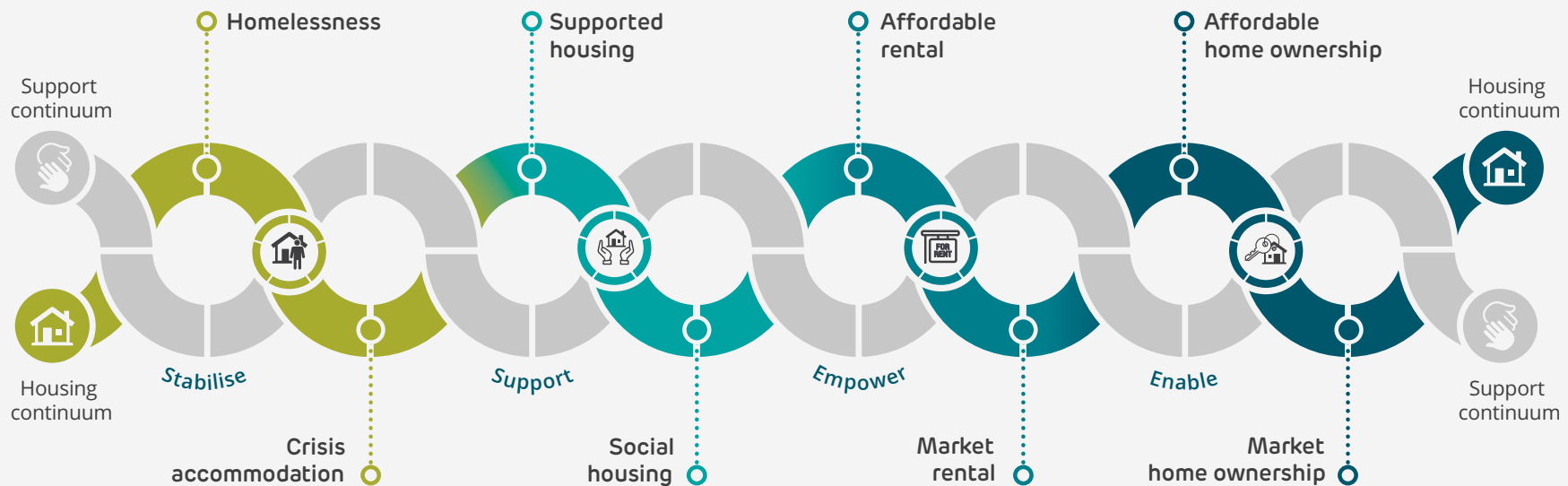
Housing affordability is an entrenched structural issue across Australia, influenced by economic and social conditions that sit outside the housing market, including population growth, household economics and access to finance. Australia is currently facing a period of peak demand for housing – amplified by the COVID-19 pandemic – affecting those most susceptible to price increases, who may be forced out of rental and ownership markets. Figure 44 demonstrates decreasing housing affordability in Perth and WA.⁵

Figure 44: Housing affordability in Perth since 2000⁶



*The Australian Government's JobKeeper Payment program commenced on 30 March 2020 and ended on 28 March 2021. Note: Historical numbers may have been revised and have not been updated.

Figure 45: The housing continuum⁷



Housing is often described in terms of a continuum, reflecting varying levels and types of housing need and support (Figure 45).⁸ Those on particularly low incomes or with high service needs require more support and a greater level of intervention. For others, less assistance is required to access housing or otherwise avoid housing stress. By its nature, the whole housing continuum needs to function to enable people to change their housing circumstance when they are able to do so. This is a key consideration for government in terms of intervention in the housing market and management of demand for supported housing. This Strategy focuses on areas that require the greatest level of government attention and investment: homelessness, social and affordable housing and regional housing.

Social housing refers to subsidised rental dwellings for very-low-income to low-income households owned or managed by the state government (public housing), or not-for-profit organisations and local governments (community housing). Together with other supported and crisis accommodation services, social housing provides a critical safety net for the most vulnerable in the community.

The *WA Housing Strategy 2020–2030* defines affordable housing as housing that households on low to moderate incomes can afford to access, while meeting other essential living costs.⁹ For the purpose of consistency, this Strategy has adopted the same definition. In the context of the housing continuum, this ranges from subsidised affordable rental and ownership programs to market affordable housing. Households are said to be subject to housing stress when they spend more than 30% of their gross income on housing and fall in the bottom 40% of income distribution for WA.¹⁰



While the '30/40 rule' referred to above appropriately focuses attention on those most vulnerable to housing market changes, there are locations across WA where, even for people on higher incomes, there are difficulties accessing appropriate housing due to availability and cost. This is particularly prevalent in regional locations with highly cyclical economies, such as key centres in the Pilbara.

Resolving a meaningful definition for affordable housing is a matter of ongoing debate across the sector. In WA, there are inconsistencies across affordable housing targets and policies, which impacts on sector legibility as well as the monitoring and reporting of outcomes. In addition to purchase or rental affordability, successive sector strategies have recognised the importance of ensuring housing is available and appropriate.¹¹ This includes the opportunity for households to live in well-designed, energy-efficient, fit for purpose housing that is close to transport, amenities, services and employment. Affordable living is important for individuals and the whole community and is linked to the sustainability of urban environments.

Provision of government infrastructure should be particularly focused on the most vulnerable; however, housing has long been recognised as an issue that no state government can address on its own. Participation by federal and local governments, as well as community and not-for-profit providers and private industry, is required for a balanced system that reduces cost and maximises choice.

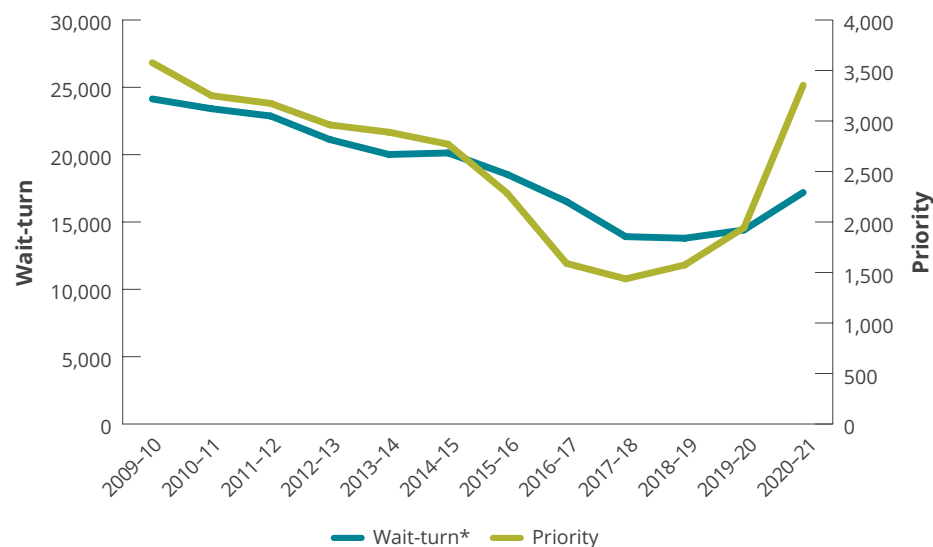
Social housing

The gap between the adequacy and availability of WA's social and supported housing infrastructure and community need is growing. This has been recognised by the WA Government in recent social housing investments totalling \$2.1 billion over the next 4 years to 2024–25. Reflecting strong housing market demand, limited availability of skilled workers and materials in the housing construction sector and a depleted land asset base, the approach to boosting social housing includes limiting attrition of existing social housing stock, concurrent with delivery of new supply using modular and alternative construction methods.

On the 2016 Census night, the number of people experiencing some form of homelessness in WA was estimated to be 9,005, including 1,083 people sleeping rough and 3,871 living in severely crowded dwellings.¹² Homelessness and overcrowding are particularly acute for Aboriginal people, who make up 3.1% of WA's population and 29% of those recognised as homeless.¹³

In WA, there are approximately 42,600 social housing dwellings.¹⁴ Around 35,200 of these are owned and managed by the Housing Authority.¹⁵ The balance is managed and/or owned by community housing organisations (CHOs).¹⁶ Applications for social housing assistance have been increasing. In October 2021, the social housing waitlist was 17,824, including 3,683 on the priority waitlist.¹⁷ The general waitlist is below levels during the last resources boom (23,400 in 2010–11 and 20,100 in 2014–15).¹⁸ However, priority waitlist numbers have returned to the same level as the last period of extraordinary market pressure in 2009–10, at well over 3,500 applications (Figure 46).¹⁹

Figure 46: Public housing waitlist (wait-turn and priority), 2009–10 to 2019–20²⁰



*The number of wait-turn applications includes priority listed applications.



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By the end of 2020–21, the National Housing Finance and Investment Corporation had issued **\$1.9 billion in bonds to support social and affordable housing outcomes** across Australia.²¹ Only 4% of the value of these bonds have been allocated to WA via CHOs.²² In comparison, New South Wales providers have received 45% of the total value of bonds financed by the corporation.²³

The *WA Housing Strategy 2020–2030* target is for 6% net growth of social housing by 2030 (Target 1). Given the trends, this is unlikely to adequately respond to latent and growing demand and housing stress.

WA's social housing asset base is ageing, inefficient and often misaligned with community need. A substantial proportion of state-owned housing stock is approaching end-of-life, with more than 20% over 40 years old.²⁴ In addition, 52% of metropolitan and 46% of regional housing stock is 20 to 40 years old.²⁵ Without substantial ongoing investment and maintenance, operating costs will continue to increase, and assets will be lost at a rate greater than can be replaced.

As a proportion of total housing stock, social housing (comprising both public and community housing) in WA has declined from 4.1% to 3.8% in the 5 years to 2020 (Figure 47).²⁶ This is compared to a national figure of 4.3%.²⁷ A portion of social housing stock remains vacant at any time for a range of reasons, such as significant refurbishment. Despite substantial investment, the challenge of an ageing portfolio and long-term under-investment in maintenance has meant that dwellings that are unsafe, too expensive to maintain or not fit for purpose are decommissioned, including large complexes with a significant number of social homes. This exacerbates the decline in housing stock, with 1,155 dwellings lost between the 2016–17 peak and 2019–20.²⁸



CHOs make a considerable contribution to social housing provision, with collective ownership or management of approximately 17% of WA's social and supported housing stock.²⁹ In WA, this has remained fairly static since 2015 (Figure 47) while, in many other jurisdictions, the proportion of social housing stock that is community housing has grown. This, in part, relates to limited transfers of public housing stock, debt ceilings being reached on existing assets, regulatory settings and performance agreements. Community housing can attract diverse funding, as well as offer a more tailored service and deliver housing choice to tenants.

Figure 47: Public and community housing as a percentage of total residential dwellings, 2015 to 2020³⁰



Recent WA Government housing investment

Recent WA Government investment packages to address homelessness and improve the quantity and quality of housing equate to \$2.1 billion and an estimated 3,300 additional social housing properties over the next 4 years to 2024–25, including:

Social Housing Investment Fund to substantially increase and improve the stock of social housing across WA	\$750 million
Regional social housing precinct renewal in Albany, Bunbury and Geraldton	\$20 million
Homelessness and crisis accommodation services , including Common Ground facilities, youth crisis accommodation and partnership grants for local government	\$105 million
Social Housing Economic Recovery Package , which includes new dwellings (250), refurbishments (1,500), Aboriginal short-stay accommodation facilities and expansion of family and domestic violence women's refuges	\$319 million
Housing and Homelessness Investment Package , including 300 new social houses, 70 social housing property refurbishments and 200 additional shared equity homes	\$150 million
METRONET Social and Affordable Housing and Jobs Package to increase the number of social and affordable homes in proximity to public transport and amenity	\$394 million



Affordable housing

Affordable housing programs bridge the gap between social housing and affordability of the housing market. Along with investment in social housing, adequate support for community members who would otherwise struggle to access appropriate housing in the market is critical. Without this, there will be greater pressure on social housing. More broadly, monitoring and amending policy settings for a well-functioning housing market that is accessible to those on low to moderate incomes is vital to reduce pressure on social and affordable housing infrastructure.

Keystart is a WA home loan organisation with the WA Government as its sole shareholder. Lowering entry barriers to home ownership through reduced upfront fees and opportunities for shared equity arrangements, Keystart have supported 118,000 home loans since 1989.³¹ In 2021, Keystart provided 3,977 loans valued at \$1.45 billion and carried 21,300 loans valued at \$5.9 billion.³²

The National Rental Affordability Scheme has boosted access to affordable rentals for low-income to moderate-income working households. This 10-year federal subsidy incentivised landlords to rent to eligible households at 20% below prevailing market rates. The Australian Government decision to discontinue the National Rental Affordability Scheme in 2018 without a replacement program will leave a significant gap for the sector. WA will lose more than 5,000 allocations between 2018 and 2026 (Table 4).³³ Of the more than 4,000 dwelling allocations remaining in WA, 83% are in major regional centres and Perth.³⁴

Table 4: National Rental Affordability Scheme allocations ceasing by calendar year³⁵

	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
WA	0	50	131	266	352	1,110	920	891	1,574	5,294*
National	198	1,218	1,368	3,059	6,360	6,619	9,178	3,998	4,591	36,589

*Note: over 600 incentives are still to be activated.³⁶



A lack of affordable rental housing targeting key and essential workers, including childcare, retail, service industry, tourism and agricultural workforces, impacts on service delivery and the overall economy. It is an area of particular concern for regional housing sector stakeholders. Key worker housing has been provided by state and local government and CHOs, but this occurs on a discrete, project basis rather than through formal programs.

Initial affordability of dwellings at the point of construction or purchase is influenced by a wide range of factors, including location, size and condition of a dwelling, as well as land supply, planning and approval requirements, construction costs and taxation settings. The WA Government is an important and active participant in the property market. As the largest land developer in the state, its activity influences timely housing and land supply. Targets in the *WA Housing Strategy 2020–2030* are for a minimum 20% social and affordable housing in government residential developments (Target 2), and 70% residential land lots sold below the median price and 30% in the lowest quartile in government residential developments (Target 3).

There is also a connection between affordability and state and federal policy settings. Settings in the state's planning and development system including state planning policies, local planning schemes, local planning policies and building regulations, all contribute to housing and land supply, density, diversity, construction costs, design quality and costs of living. Planning policy initiatives particularly influencing the location and design of new dwellings include metropolitan infill targets and the Design WA suite of state planning policies. In metropolitan redevelopment areas under DevelopmentWA, planning policies require 12% of dwellings to be made available for social and affordable housing.

Stamp or transfer duty and land tax have been identified as financial barriers to housing activity, with reforms being progressed in several other jurisdictions across Australia. Making it easier for people to move between houses could encourage people to occupy dwellings that are better aligned to their circumstance and need at a point in time. Further, addressing land tax disincentives for the construction of innovative affordable housing solutions, such as build to rent developments, could be of benefit.

Diverse housing needs

Ensuring housing is fit for purpose requires an understanding of the diverse housing needs of a range of community cohorts. This includes disability, aged, youth, Aboriginal and single households. Long-term planning of housing programs and state government asset portfolios should be informed by housing needs assessments. In addition to targeted housing programs, a review of standards can facilitate greater inclusion in the community. The National Construction Code sets parameters for addressing inclusive and accessible design in new buildings, with current proposals for the National Construction Code 2022 to include minimum accessibility provisions for residential housing and apartments to adhere to silver standards in the Liveable Housing Design Guidelines. It will be important for WA to adopt these new requirements from 2022 without delay.

Regional housing

The availability, affordability and appropriateness of housing in regional areas is an ongoing issue in WA. Housing is an important, and often limiting, factor in attracting and retaining employees to regional areas who, in turn, support local economic activity and deliver government and community services such as health, policing and education. Some regional housing markets can be highly volatile and challenging to forecast. In locations subject to highly cyclical economies, particularly in many of WA's mining and resources centres, local housing markets can swing between acute shortages with extraordinarily high costs and gluts leading to investor exodus.

Many factors contribute to regional housing market failures in these locations, including inconsistent land supply, high costs of living and development, more transient community members seeking access to rentals rather than homes to purchase, limited investor pools and more difficult commercial project and purchaser lending criteria. Consequently, many regional areas are reliant on government participation through land development activity, as well as other interventions such as through housing delivery and management programs.



Through DevelopmentWA, the state government monitors, plans and responds to land supply needs across WA and is generally required to meet a minimum return on investment. In some instances, and where it would otherwise be unfeasible, regional land development projects by DevelopmentWA are subject to reductions on the required rate of return to manage development costs.

The state government provides affordable rental housing to government officers and some non-government organisation employees through its regional officer housing programs, and a related home ownership incentive scheme. The Department of Communities owns, manages and leases around 5,100 Government Regional Officer Housing (GROH) properties for key public sector workers in over 250 regional locations across WA.³⁷ Just over half are owned, and the other half are leased.³⁸ Officer housing is also owned and managed on a smaller scale by other state agencies, including by the WA Country Health Service, WA Police and Main Roads WA. The significant proportion of government employee housing, while essential for meeting service delivery needs, can sometimes contribute to local housing market distortions.

In some locations, employers, including local government and resource, tourism and agricultural businesses, provide housing or housing subsidies as a component of employment conditions. There are many smaller businesses, however, for whom this is not possible. Government participation in housing non-government key workers also occurs, on a discrete project basis.



Aboriginal housing

The critical importance of improved standards of living and wellbeing for Aboriginal people is well recognised. Despite a range of programs and funding streams that seek to respond to housing needs for Aboriginal people across urban, regional and remote settings, progress to improve Aboriginal housing outcomes has been slow. Poor housing quality and overcrowding remain at unacceptable levels, leading to the Closing the Gap target of increasing the proportion of Aboriginal people living in appropriately sized housing to 88%. Access to safe, good-quality housing underpins, and is fundamental to, achieving outcomes in health, education and employment, as well as community safety and economic participation.

Governance

Housing is a multi-provider system. The state government has primary responsibility for housing service provision in WA and works with federal and local governments, not-for-profit organisations and the private sector, all of which are important housing providers and enablers.

Homelessness

State government leads the funding and provision of specialist homelessness and crisis services to assist people experiencing, or at risk of homelessness. This includes wraparound services crucial to re-establish independence, positive social connections and improve financial stability, including increased employment.³⁹ *All paths lead to a home – WA's 10-Year Strategy on Homelessness 2020–2030* establishes the strategic direction for more homelessness services coupled with strong, effective wraparound support, underpinned by an action plan.

A diversity of not-for-profit providers are vital to the management and operation of facilities and wraparound services in the community. Some local governments also deliver targeted facilities and services in their local communities.

Social and supported housing

State government responsibilities for the policy, provision and management of social housing across WA are led by the Department of Communities, acting under the powers and responsibilities of the Housing Authority. This includes the delivery of new social housing where there are less than 30 dwellings. DevelopmentWA is responsible for the state government's commercial and land development functions, and supports the delivery of social housing projects in larger developments (greater than 30 dwellings). The *WA Housing Strategy 2020–2030* outlines 5 focus areas to lead WA to an agile housing system and applies to the breadth of housing across the continuum.

Federal funding supports housing and homelessness initiatives and boosts overall sector investments. In 2020–21, the Australian Government expects to spend around \$8.4 billion nationally to improve housing and homelessness outcomes.⁴⁰ This includes around \$5.5 billion in Commonwealth Rent Assistance to help eligible Australians pay their rent, and around \$1.6 billion to jurisdictions through the National Housing and Homelessness Agreement, of which WA will receive \$170.3 million.⁴¹

Registered CHOs own or manage community housing portfolios of varying size. Other not-for-profits, local government and the private sector also have different levels of involvement via service provision, asset ownership or, in the case of local government, local policy settings.

Supported and social housing caters for several specific cohorts, including people with disabilities (Specialist Disability Accommodation), people experiencing mental health issues, Aboriginal people and seniors and aged persons. National Disability Insurance Scheme funding provides for Specialist Disability Accommodation based on eligibility criteria.

The Department of Communities also continues to fund essential and municipal services in 141 remote and town-based Aboriginal communities, with an expenditure of more than \$60 million in 2020–21, and provided housing services to 2,699 community houses in 112 of those communities under housing management agreements, with an expenditure of \$30 million in 2020–21.⁴²



Affordable housing

Reflecting the breadth of matters that influence housing affordability, roles and responsibilities are more widely distributed. State responsibilities for affordable housing policy, provision and management are led by the Department of Communities.

This includes the delivery of new affordable housing where there are less than 30 dwellings and the management of GROH properties for key public sector workers in over 250 regional locations across WA. During 2021, the Department of Communities also issued 4,427 bond assistance loans to support people to access private rental housing.⁴³ Operating under an independent board and with the state government (the Housing Authority) the sole shareholder, Keystart home loans reduce entry barriers to home ownership via low-deposit and reduced-fee transitional home loan products. Through the Country Housing Authority, Keystart also offers housing finance options to rural and regional business owners.

A number of registered CHOs own and manage affordable housing portfolios, including projects that have attracted National Housing Finance and Investment Corporation investment to WA.

DevelopmentWA is responsible for the state government's commercial and land development functions, including to support affordable housing projects over 30 dwellings.

Recent structural changes within the state government have reallocated the Housing Authority's commercial and land development functions to DevelopmentWA. The Department of Communities has retained responsibility for managing social and affordable housing, and delivery where there are less than 30 dwellings. **A close and coordinated effort between these state agencies is essential** to meet targets and ensure data sources and outcomes are aligned. A steering committee has been charged with responsibility for advising on the transition of assets and functions between these 2 agencies.



Some local governments provide community housing or choose to operate in the property market to fill gaps, particularly in regional towns. Local governments also participate via local policy settings that contribute to affordability.

The Australian Government provides housing assistance in the form of Commonwealth Rent Assistance, the National Rental Affordability Scheme and low-cost financing through its National Housing Finance and Investment Corporation.

The private sector's significant contribution to WA's affordable housing includes, but is not limited to, working in partnership with government to produce lower-cost housing, institutional investment to housing providers, delivering diverse and innovative housing product, and affordable private market rental.

Recommendations

Regional housing plans

Place-based analysis of housing needs, conditions, market activity and active housing programs and providers is critical to understanding and appropriately responding to housing priorities. The preparation and periodic refreshment of housing plans will enable strategic, targeted housing outcomes for each region. Recognising the challenges of housing across regional areas, these housing plans will be useful for capturing the unique housing drivers in cities, towns and communities across WA. The housing plans will provide a consistent evidence base to apply to future investment proposals, housing programs, local planning instruments and land and housing supply. Data that informs the housing plans should be maintained and be accessible for use by stakeholders.

The plans should:

- be prepared for each WA region, including the Perth metropolitan area
- reflect and respond to settlement patterns, with a focus on regional centres

- respond to community, housing, land supply and economic characteristics, barriers and opportunities
- capture government and non-government housing activity, providers, asset types and programs
- provide a vehicle to engage with the local community, stakeholders and service provider priorities and perspectives
- establish meaningful place-based housing targets and objectives
- inform asset management, including dwelling type and number, as well as renewal and maintenance activities, which in turn, will improve future strategic asset plans and business cases
- influence future housing sector strategies and policies, procurement and project delivery models.
- include housing program data to inform provision of supporting wraparound services.

Recommendation 71

Improve long-term planning and inform infrastructure investment for social and affordable housing by:

- a. preparing and publishing 10+ year regional housing plans for each WA region, including the Perth metropolitan area, to provide a consistent evidence base and drive better housing outcomes across the state, to be refreshed at least every 5 years
- b. conducting an initial regional housing plan pilot to resolve housing data coordination and management challenges, define requirements and establish methods of stakeholder input.

Social and affordable housing infrastructure investment

Substantial recent investment to boost homelessness services and the supply of social housing stock to 2025–26 have been welcomed by sector stakeholders. Beyond the next 4 years, the sector will require a sustained, transparent investment program to facilitate longer-term strategic asset and program planning. A robust comprehension of the existing social housing asset base will be a critical input. This should include an assessment of existing dwelling conditions, maintenance needs, opportunities to improve sustainability performance (where feasible) and further development potential. Sustained investment, informed by regional housing plans, is an opportunity for countercyclical development activity to the benefit of the economy.

Assessing the effectiveness of *WA Housing Strategy 2020–2030* targets, particularly 6% net growth in social housing, is difficult. The target is not connected to housing needs assessments or population growth. Nor does it reflect social housing as a proportion of total housing stock. Equating to only 260 additional dwellings per year, it is unlikely to adequately respond to need. Rapid changes to social housing need, WA Government investment and the wider housing market in general since 2020 necessitate broader consideration of this target and potentially other aspects of the *WA Housing Strategy 2020–2030*.

Monitoring and continued investment in affordable housing mechanisms will also be critical, particularly noting the immediate focus on social housing, the strong property market conditions, and the ceasing of significant National Rental Affordability Scheme allocations during this period. Additional affordable housing mechanisms requiring state government support may need to be considered where progress towards established targets has to be escalated. Options may include rental affordability schemes, key worker housing and continued advocacy for beneficial changes in federal government policy and taxation settings affecting access to affordable housing.

Recommendation 72

Prioritise further infrastructure investment in social and affordable housing by:

- a. assessing the level of sustained investment required to accelerate the *All paths lead to a home – WA’s 10-Year Strategy on Homelessness 2020–2030* and accompanying action plan, and support people experiencing or at risk of homelessness
- b. undertaking a comprehensive audit of social housing assets, including assessments of housing stock condition and opportunities to extend the life of existing assets, as well as the opportunity to better use land assets
- c. reviewing the social housing growth targets in the *WA Housing Strategy 2020–2030* and setting revised evidence-based net growth targets aligned to forecast need
- d. monitoring and reviewing the effectiveness of affordable housing mechanisms, including rental and home ownership programs and policy settings
- e. developing a sustained social and affordable housing investment program informed by regional housing plans (see Recommendation 71a) and in line with revised social housing targets (see Recommendation 72c) and existing affordable housing targets.

Social and affordable housing providers and housing choice

While the sector will always require direct government participation, social and affordable housing is an asset class capable of attracting other sources of finance and service provision. With a range of circumstances and housing needs across the community, more pathways for people to access safe, affordable housing are needed.

The state government can review existing policy, legislation and programs and leverage its assets to broaden participation of providers and investment into the sector. In addition to funding (see Recommendation 72), establishing financing opportunities can facilitate greater participation and responsiveness by other housing providers, including CHOs and local governments. There are numerous financing models that could be explored, and further investigations should carefully consider allocation of risk between participants.

Community housing organisations

CHOs are a valuable contributor to housing provision and management. They present an opportunity to secure greater levels of investment in both social and affordable housing through access to financing options, concessions and support not available to the state government. This also includes institutional investment, low-cost finance via the National Housing Finance and Investment Corporation, tax initiatives such as Goods and Services Tax concessions and capital gains discounts for investors, and eligibility of tenants to receive Commonwealth Rent Assistance.

Several areas of regulation and procedural practice are a concern for CHOs in WA. Limited progress in the transfer of additional dwellings that can be leveraged by CHOs, strict provisions relating to finance and property transactions under Community Housing Agreements and tenant allocations restricted by program streams are limiting the potential and performance of community housing in WA. Building capacity and leveraging capability of CHOs is needed, including reviewing existing Community Housing Agreements to address barriers in attraction of alternative financing and funding of new projects. During 2021, the WA Government commenced reforms to support more collaborative partnerships, including an increase in loan-to-value caps from 30% to 50% for providers operating under a Community Housing Agreement with the Department of Communities. However, there are a range of other contractual, policy and procedural improvements that should also be further considered.



Government assets

Opportunities for housing providers to more readily access leasehold government land to deliver housing outcomes would improve access and reduce project costs for housing providers, while enabling government to retain the opportunity for redevelopment or expansion, commensurate with the urban and market context at a future point in time.

Long-term rental housing choice

The private rental landscape has changed over time, with more people across a range of demographic cohorts living in private rentals for longer periods. For these people, a rental premise is potentially a long-term home. The Department of Mines, Industry Regulation and Safety is currently undertaking a review of the *Residential Tenancies Act 1987*. The legislative changes outlined in the review's Discussion Paper propose a number of reforms aimed at modernising the Act. As this process progresses, it is important that the review strikes the right balance between tenants and owners. Beyond legislative change, there should be the ability for an owner to sign a tenant for longer than 12 months on a common and commercially available contract, where that is desirable for both parties. This could provide longer-term surety for both the owner and tenant without specialist contracts, or less secure methods. Longer-term leases should remain an option for owners and tenants alike, as 6-month and 12-month leases do currently.

Recommendation 73

Enable and diversify social and affordable housing providers and housing choice by:

- a. investigating government financing mechanisms, including risk profiles, to support future investment in the sector
- b. reforming policy to facilitate growth of registered community housing organisations and reviewing existing Community Housing Agreements to address provisions that limit, or disincentivise, the attraction of alternative financing and funding of new projects
- c. leveraging government land assets, including greater opportunities for leasehold tenure, and providing financial and yield incentives to broaden private sector and institutional investment
- d. facilitating voluntary participation by tenants and owners in longer-term leases through common and commercially available contracts.

Regional housing outcomes

Housing market conditions are such that government participation in land supply and housing provision is essential in some regional locations. For these communities, the lag between identification of need and the prioritisation of a suitable program response can be a source of great frustration and local disruption, both socially and economically.

The availability of fit for purpose key worker and government officer housing is critical to respond to service need, and positively contributes to regional economic activity and liveability.

In some instances, state agencies have adopted individual employee accommodation programs outside the GROH program, creating duplication that does not represent best value to government and undermines the centralised management role of the Department of Communities. This has occurred in circumstances where GROH is unable to meet demand or GROH options are not considered suitable for the state agencies' staff accommodation requirements. Past reviews, undertaken in 2010 and 2014, found the GROH program to be costly, outdated, inefficient and not keeping pace with the needs of state agencies or employees, yet there has been limited action in optimising and improving the program.

Government participation in housing key non-government workers should be considered only where significant local housing issues warrant a discrete project response. However, there are opportunities to more holistically consider where and how government should intervene, and the costs and benefits of a range of models that could be applied. Options could include accelerated land supply, financing and partnering opportunities and direct housing provision. Greater clarity about roles and responsibilities across government will enable more timely development of any future projects, and the exploration of innovative partnerships would assist timely responses. The availability of sustained social and affordable housing investment and mechanisms in appropriate locations will also influence the need for discrete key worker projects in the future.

Recommendation 74

Respond to the need for affordable and available housing in regional areas by:

- a. establishing the principles, criteria and models for government housing intervention in regional locations that are demonstrating market failure, informed by regional housing plans
- b. independently reviewing all regional officer housing assets and programs across the public sector, including the Government Regional Officer Housing program, to assess and identify:
 - implementation status and application of previous reviews
 - effectiveness, efficiency and value for money, particularly in regard to duplicate programs being operated by multiple state agencies
 - opportunities to consolidate housing programs across state agencies
 - ability to respond to state agency and tenant needs
 - appropriateness of models to specific regional property markets, including the risks of negatively impacting local market conditions
 - opportunities for improvements in effectiveness, efficiency, value for money and responsiveness to the needs of agencies, tenants and regional locations
- c. investigating innovative models for implementation that would provide high-quality regional officer and other key worker housing, while managing the cost to government.



Case study

North West Aboriginal Housing Fund

The North West Aboriginal Housing Fund was established in 2016 to invest \$200 million into initiatives intended to increase access to affordable, suitable and stable housing options for Aboriginal people living in the Pilbara and Kimberley regions. Ultimately, the fund aims to facilitate social and economic independence and wellbeing for north-west Aboriginal people and communities through investment in diversified housing options for working Aboriginal families.

The fund has provided a mechanism for Aboriginal-led, designed and delivered housing programs to be developed with and by Aboriginal organisations and their partners, in collaboration with state government. This approach has enabled 2-way capacity building and contributes to systemic change. The fund received dozens of innovative ideas through a Request for Expressions of Interest process in 2019 and has been working with successful respondents to support them to develop their ideas.

The fund has expanded the successful East Kimberley transitional housing program with an additional 50 homes and has launched a similar 40-home program in South Hedland, branded locally as the Hedland Aboriginal Home Ownership Program. In December 2020, a \$9.7 million investment in Jalbi Jiya was announced. Jalbi Jiya (meaning 'your home' in Yawuru language) is offered through a partnership with the not-for-profit company Nyamba Buru Yawuru and will provide affordable rental and home ownership pathways for Aboriginal people in Broome.

In early 2021, 2 further investments were announced: the Ganalili Accommodation and Training Facility in Roebourne, led by Yindjibarndi Aboriginal Corporation, and an Employee Housing and Career Development project in Halls Creek, led by Yura Yungi Medical Service.

All construction projects provide apprenticeships and jobs for local Aboriginal people. Over 4 years, the fund is expected to achieve:

- support for 300 Aboriginal families
- increased school attendance for at least 600 Aboriginal children
- participation in jobs and training by at least 300 adults
- apprenticeships for 30 young people
- eventual home ownership for at least 15 families.

The majority of fund expenditure is expected to be delivered via services and construction contracts with Aboriginal organisations.

For further information, refer to www.wa.gov.au/nwahf.



Aboriginal housing outcomes

New approaches are needed as a priority to accelerate culturally appropriate, Aboriginal-led housing design, management and support services and meaningful evaluation of outcomes. There is strong recognition of the importance of working directly with Aboriginal people to develop improved solutions that respond to cultural needs (see the Aboriginal cultural heritage, wellbeing and enterprise chapter).

Aboriginal housing programs that mandate co-design and direct involvement and control by Aboriginal people are occurring, although challenged by capacity and capabilities. In line with Closing the Gap and the first WA *Closing the Gap Jurisdictional Implementation Plan*, targeted action is needed to bolster the capacity and capability of Aboriginal Community Controlled Organisations and other organisations to lead and participate. Ongoing, sustained and certain investment in Aboriginal housing will enable Aboriginal organisations to plan for and be more involved in housing provision, including construction, maintenance and management. Further investment in affordable housing options and a more agile housing system is essential for WA to achieve Target 9 of Closing the Gap.

The ability to demonstrate housing need through the development of a social impact strategy can lead to continuity of funding. This would enable Aboriginal organisations to plan strategically and attract, train and retain skilled staff. Involvement of private industry in investment in Aboriginal housing also presents an opportunity for organisations to provide targeted, sustained funding and to demonstrate corporate social responsibility and commitment to the Traditional Owners and Custodians of the land from which wealth is drawn.

Recommendation 75

Improve Aboriginal housing outcomes and enable options for housing infrastructure by:

- a. ensuring Aboriginal social and affordable housing activities and targets correspond with Target 9 of the *National Agreement on Closing the Gap* to increase the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing to 88% by 2031
- b. delivering sustained investments in Aboriginal housing and capacity building of Aboriginal Community Controlled Organisations to embed housing services into strategic organisational plans, attract and retain skilled staff, and deliver meaningful associated training opportunities, in accordance with Recommendation 6 in the Aboriginal cultural heritage, wellbeing and enterprise chapter
- c. developing a clear, targeted social impact strategy to demonstrate housing need, to seek required funding from the Australian Government, as well as attract diverse financial participation from the private sector where possible.

