

UNLOCK HOUSING

2021 State Election Policy Recommendations

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Acknowledgement of Country

The Unlock Housing Coalition acknowledges the Traditional Custodians of Country and their ongoing connection to land, waters and community. We pay our respects to all Aboriginal and Torres Strait Islander peoples and to the Elders past, present and emerging. We support the Uluru Statement from the Heart and recognise and accept your invitation to walk with you towards a movement of the Australian people for a better future.

1. Our Supporters

Unlock Housing presents a united voice urging government to unlock the potential of all West Australians. Shelter WA has developed the Unlock Housing campaign, in partnership with the sector, industry and people with lived experience of homelessness, with three core priorities that address the housing crisis and set us up for a bright housing future.

PRINCIPLE PARTNERS



PARTNERS



PEAK BODY SUPPORTERS



ORGANISATIONAL CHAMPIONS



INDUSTRY SUPPORTERS



2.Unlock Housing – Who are we?

The Unlock Housing campaign was developed to respond to the impact on West Australians of the affordable housing and homelessness crisis.

We are a coalition of peak bodies, community sector organisations, and homelessness services and housing providers who have united to urge government to commit to invest in social and affordable housing and ending homelessness in Western Australia.

A housing and homelessness crisis of this scale requires a bold and collaborative response.

Unlock Housing proposes a pragmatic, co-investment package to unlock the housing needs of all Western Australians.

Unlock Housing, will create jobs, stimulate the economy and increase diverse affordable housing supply, unlocking the potential of thousands of West Australians in housing stress across our State.

Unlock housing will improve the safety, health, mental health and wellbeing and housing security of thousands of West Australians.

Our vision will optimise government investment and our recovery efforts to harness our creativity and collective efforts to build a future where everybody has a home that enables them to thrive.

The Unlock Housing partners can be found on the website at unlockhousing.com.au

3.Our Vision for the future

COVID-19 forced us all to stop business as usual and to work quickly, effectively, and collaboratively to keep all Western Australians healthy and well. As we move into a state election and ongoing recovery, we have the opportunity to reflect on what type of society we want to build, using our creativity, investment, and collective efforts to create a future that makes us inspired and proud.

At the heart of our vision for the future is a society where everybody has a safe, secure, healthy, and affordable place to call home, regardless of their life circumstances. And that the homes that we build consider their impact on the climate, delivering improved energy efficiency outcomes for residents and our planet – homes that are less expensive to live in and reduce their environmental footprint.

The pandemic showed that housing is critical for a functioning and resilient community. If we want to build a strong sense of cohesion and community wellbeing, across WA we need to make sure that nobody is homelessness or faces housing insecurity, and that all citizens have access to the services they need to obtain and sustain a home regardless of their social or economic circumstances or where they live. Also, that the homes we build, repair or maintain are responsive and adaptative, creating inclusive communities, responding to changing demographic needs and driving the green economy.

To unleash our State's potential and bright future we need to Unlock Housing.

4. Our Key Election Messages

We can address the social and affordable housing crisis through strong stewardship, leadership and resolve from government, and a collaborative, partnership approach with the community sector and people with lived experience of housing insecurity. Housing is critical infrastructure. Investment in housing will drive recovery. This is a win-win - great for people, great for the economy and this investment will deliver enduring social value for all.

More people than ever before are at risk of losing their home. WA renters are facing unprecedented difficulty trying to find a home, which will only get worse when the moratorium on rent increases and evictions ends in March 2021 and a predicted rent increase of 20 per cent. Around 15,700 households, or 31,400 people are on the waitlist for social housing – an increase of 13% since 2019¹. That's enough to fill the Perth Arena twice over. More than 1,000 people in WA sleep rough every night and another 8,000 are the 'hidden homeless' – people with no choice but to couch surf or sleep in their cars.

The WA Housing Strategy 2020-2030 plans to create just 260 new social homes a year to meet this demand. Our State has seen a decline in social housing properties, with a loss of 1155 properties since 2016/17, due to selling more social housing homes than we are building.

Action is needed so all Western Australians have a place to call home.

Unlock Housing is a housing and homelessness package the sector is united behind.

Unlock Housing proposes a \$4.4 billion co-investment package over four years to invest in social and affordable housing, fix the housing system and end homelessness. Almost half of this investment is leveraged from non-government sources. As well as providing a diverse range of housing options and support for those in need, this housing package will create around 32,000 jobs and stimulate the economy. Most importantly, it will improve the health, wellbeing and housing security of thousands of West Australians in housing stress.

Shelter WA has developed, in consultation with the sector and people with lived experience, a policy platform that addresses the housing crisis and sets us up for a bright housing future. We are calling on all political parties to adopt our three core asks. These are:

- 1. Invest in social and affordable housing**
- 2. Fix the housing system**
- 3. End homelessness**

Our package will ensure people have a home, keep people in their homes, and end homelessness.

The COVID-19 pandemic showed that we need a stronger housing safety net for people in need – but it also showed us what is possible when government puts the health, safety, and security of people first.

We must unlock housing opportunities for everybody including people experiencing housing stress and at risk of homelessness.

¹ Sunday Times and The Australian, reported January 25, 2021 at <https://www.theaustralian.com.au/nation/taxpayers-bankroll-wealthiest-homes-in-perth-under-building-bonus-scheme/news-story/5eac309b67de9ebfe00c5f70476b0d66>

5. The Western Australian community supports action on housing and homelessness.

A Report on Community Views on Homelessness released in January 2021 showed strong levels of compassion for those experiencing homelessness and strong support for more action to address the issue.¹

The survey found:

- 94% believe that becoming homelessness can occur outside of an individual's control
- 89% know that homelessness can happen to anyone.
- 61%, Two thirds of respondents agreed that no one chooses to be homeless and
- 53% have noticed an increase in street present homeless in recent months
- The top three suggestions for how the community can help people overcome homelessness were providing financial support and financial counselling; having more public and social housing available; and addressing underlying issues in society such as mental health and poverty.

The survey findings are significant. It is a shift from the vilification and stigma associated with homelessness in the past. It shows a growing degree of understanding and compassion towards those who find themselves homeless and a strong desire to ensure there is an adequate safety net to catch people. There is a new awareness that anyone can become homeless in uncertain times and the impact can be devastating for both the individual and society.

Another significant survey demonstrating strong support for action on housing and homelessness was released by Clean State in August 2020. It looked at the attitudes of West Australian voters towards COVID-recovery and economic stimulus measures. It found all voter groups overwhelmingly support recovery efforts that create a cleaner, fairer economy for WA, and 78% supported investment in social housing and homelessness as a recovery measure. Boosting jobs in aged care and the care sector and investing in social housing and homeless also featured in the top three initiatives supported².

6. Social and Affordable Housing and Homelessness – The Facts

"The Australian housing market is under stress. The structure of the housing market—characterised by a competitive private rental market, limited public housing with long wait lists, and high cost of purchasing a home in relation to average incomes in Australia—all act to marginalise a proportion of the population."

Department of Communities 'Homelessness in Western Australia' Report (2018)

The Unlock Housing platform recognises successive governments have failed to adequately invest in social housing.

Evidence indicates the lack of social and affordable housing in Western Australia.

²

https://d3n8a8pro7vhmx.cloudfront.net/ccwa/pages/11814/attachments/original/1597729795/Clean_State_Jobs_Plan_FULL_low_res_singles.pdf?1597729795

Housing affordability is an entrenched structural issue. Since 2000, house prices in Perth have increased more than 200 per cent and rental prices have increased 135 per cent, with income and Newstart increases barely keeping up³. At the same time there is an acute shortage of private rentals and a *net decrease* in social housing homes.

Research has shown an unmet need of 39,200 social and 19,300 affordable homes – a total of 58,500 homes – across Western Australia⁴.

We are calling for a response commensurate with the problem, one that delivers solutions to the chronic issues underpinning our social housing, affordable rental, and homelessness systems.

Social Housing

There are around 44,000 social homes across Western Australia, accounting for just 4% of total housing stock. Supply has simply not kept up with demand. Today over 15,700 applicants (at least 31,400 people) are on the joint waitlist for social housing, waiting 2.5 years on average to access a home. That is enough people to fill Perth's RAC Arena twice over.

In 2020 there was an increase in demand for social housing:

- The social housing waitlist has risen by 13% in the twelve months between Dec 2019 and 2020
- The Priority Waitlist increased by 50 applicants in May 2020 (to 1,860) – representing an increase of 4.8% since February 2020

The Private Rental Market

There is a critical lack of rental supply and affordability across WA.

The vacancy rate is at a 40-year low. In November 2020 Perth's residential vacancy rate hit 0.8 per cent, the lowest level it has been in 40 years. Traditionally a vacancy rate under 3% is considered a crisis. The Real Estate Institute of WA (REIWA) has warned Perth could run out of available rentals in early 2021⁵. In addition, over 4000 rentals in WA are provided through the NRAS scheme, which ends in 2026 and will further exacerbate the shortage of private rental homes⁶.

The rental market is completely unaffordable for low-income households⁷. According to the Anglicare Rental Affordability Snapshot 2020, a single person on the Job seeker payment can afford 0% of properties in the Perth metro region, but with the Coronavirus Supplement payment a single person can afford 1% (51 properties). The 2020 National Shelter Rental Affordability Index found private rental properties in WA to be severely unaffordable for most people on lower incomes⁸. (Table 1).

³ Western Australian Housing Strategy 2020-2030, Page 1

⁴ UNSW City Futures Research Centre (2018). Estimating need and costs of social and affordable housing delivery. <https://cityfutures.be.unsw.edu.au/research/projects/filling-the-gap/>.

⁵ <https://www.abc.net.au/news/2020-10-21/perth-rental-crisis-warning-as-residential-vacancy-rate-slumps/12798076#:~:text=Real%20Estate%20Institute%20of%20WA,lowest%20level%20in%2013%20years.>

⁶ Department of Communities, 2019

⁷ Department of Communities, 2019

⁸ <https://www.sgsep.com.au/projects/rental-affordability-index>.

Table 1: Household type and Rental unaffordability			
Household type	Rent as share of income – Greater Perth	Rent as share of income – Rest of WA	Level of unaffordability
Person on JobSeeker payment	56%	56%	Severely unaffordable rents
Single pensioner	65%	65%	Extremely unaffordable rents
Pensioner couple	38%	38%	Unaffordable rents / Severely unaffordable rents
Single part-time worker parent on benefits	33%	33%	Unaffordable rents
Hospitality worker	30%	27%	Unaffordable rents / Moderately unaffordable rents

Private renters have also been found to have the most difficulty meeting housing costs in 2019 with 52% regularly struggling compared to 38% of those with a mortgage.⁹

Over half of WA's renters with lower incomes are in rental stress.

The Productivity Commission's Report on Government Services released on January 20, 2021 found rental stress – defined as spending more than 30% of gross income on rent – was affecting 52% of low-income households in the private rental market, or 99,078 households. This figure is "largely unchanged over the past 10 years."¹⁰

Rents are predicted to surge by 20% when the moratorium on evictions and rent increases ends in March 2021.¹¹

The Housing Industry Forecasting Group notes in 2020 that housing supply is emerging as a key challenge for WA in early 2021 and the lifting of the moratorium on residential tenancies scheduled to occur in March 2021 is likely to drive higher turnover and place significant upward pressure on median rents. This in turn could force low-income households to seek assistance with housing costs or to apply for social housing and puts them at risk of homelessness¹².

Renters are increasingly living in insecure tenure of poor quality

The Australian Institute of Health and Welfare (AIHW) reports the experience of tenants in the private rental market is increasing in importance as more households are renting, and for longer periods. Its Housing Affordability snapshot released in August 2020¹³ reported that many renters find their housing to be insecure, of poor quality and unaffordable. In 2018 for example, 44% of renters were concerned that a request for repairs could result in an eviction and 68% were worried they would face rent increases if they complained about the low quality of their housing or asked for repairs¹⁴.

Based on current investor-owner trends, the government will fall well short of the 130,000 private rental dwellings it has identified over the next 10 years in the WA Housing Strategy 2020-30.

⁹ <https://bcec.edu.au/assets/2019/05/Getting-our-house-in-order-BCEC-Housing-Affordability-Report-2019.pdf>

¹⁰ "Table GA.3 – Proportion of lower income private rental households paying more than 30 per cent of income on housing costs by state and territory. Housing and homeless services sector overview at <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/housing-and-homelessness>

¹¹ Tent row policy Twilight Zone. Peter Law. The West Australian. 21 January 2021.

¹² <https://www.dplh.wa.gov.au/getmedia/e3f39807-5f91-4bc5-a124-ce8d08716ce0/HIFG-November-2020-Update-and-Media-Statement>.

¹³ <https://www.aihw.gov.au/reports/aus/228/housing/housing-affordability> and see also AIHW. (2020). Housing assistance in Australia 2020. Australian Institute of Health and Welfare. Cat. no. HOU 320. Canberra: <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2020>

¹⁴ CHOICE et al. 2018 reported in <https://www.aihw.gov.au/reports/aus/228/housing/housing-affordability>

Homelessness

" Homelessness is one of the deepest expressions of social exclusion and extreme poverty in Australian society." – Department of Communities, Homelessness in WA ¹⁵.

It is estimated that there are over 9,000 people experiencing homelessness in WA¹⁶.

Around 78 per cent of people experiencing homelessness only require a home to end homelessness. For the remainder, support from the community sector will be required to support them to maintain and sustain their homes, with around 12 per cent who are chronically homelessness requiring a home and intensive wrap around support¹⁷.

1000 people are sleeping on the streets each night. It's likely these numbers significantly underestimate the true story, with many reporting these numbers have doubled since the pandemic. In Fremantle for example, rough sleepers have increased from 60 in March 2020 to more than 200 in January 2021¹⁸.

41 homeless people died on Perth streets in 2020¹⁹, and data from the 'By the Name' list indicates shows in just three months between July and October 2020 ten people who were homelessness in the metropolitan area lost their lives. **For rough sleepers, the personal cost is devastating,** with the average age of death among homeless people is just 45 years.²⁰.

Rough sleepers account for a small proportion (12%) of total homelessness. Most people experiencing homelessness are living in severely crowded dwellings (47%), are "couch surfing" or staying with others temporarily (22%), those living in boarding houses or temporary lodgings (12%) and those living in supported accommodation (12%).

The impact of COVID-19 saw homelessness numbers increase. In areas such as Midland, service providers described a " tsunami" of people experiencing homelessness with an increase of up to 700% accessing services.

Aboriginal people are overrepresented. Almost one third (29%) are Aboriginal people²¹, a significant overrepresentation given people identifying as Aboriginal only make up 3.7% of WA's population. Older Western Australian Indigenous people represent 40 per cent of the older homelessness population.

Domestic and Family Violence is the largest cause of homelessness. Domestic and family violence is the main reason women and children become homeless and is consistently one of the most common reasons clients have sought assistance from specialist homelessness agencies²². Nationally, the number of women seeking assistance has *increased* by 10% each year since 2012-13, and more than 25,000 children between 0 -9 years are being accommodated in Women's Refuges across Australia on any given day.

¹⁵ https://www.communities.wa.gov.au/media/1296/co-037-homelessness-in-wa-report_web.pdf

¹⁶ ABS Census 2016

¹⁷ DRHE/ UCD (2019)

¹⁸ Figures according to the City of Fremantle

¹⁹ A/Professor Lisa Wood, School of Population and Global Health, [University of Western Australia](#))

²⁰ The average age of death in Perth among homeless people is 45 years. Source: A/Professor Lisa Wood, School of Population and Global Health, [University of Western Australia](#))

²¹ https://www.communities.wa.gov.au/media/1296/co-037-homelessness-in-wa-report_web.pdf

²² <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2016-17/contents/client-groups-of-interest/clients-who-have-experienced-domestic-and-family-violence>

"There are people escaping DV having to live in their cars, having to live on the street rather than choosing to stay in that relationship. But there's nowhere for them to go and there's no getting into private tenancies for some of the families that we see." - Marie Burman-Wiegele, Anglicare WA housing support worker.

Here in WA:

- **42% of all homelessness in WA is due to family and domestic violence.**
- On any given night in WA, 184 women and 253 children are provided with crisis accommodation.
- The number of women and children needing housing support due to family and domestic violence rise sharply in recent months²³
- WA has just 42 refugees accommodating single women and women with children to 18 years.

Older people, especially older women are at an increasing risk of homeless. There has been a 28% increase in the number of elderly people who have nowhere to live. The majority of these are older women. There has also been a 27% increase in older women between 65-74 experiencing homelessness. Couch surfing among older women has almost doubled over the past four years and there has been a similar rise in the number of older women sleeping in cars, a report by Homelessness Australia found.

On any given day in 2020 around 4100 Western Australians were supported by specialist homelessness services. 57 requests for assistance were unable to be met each day.²⁴

7. Government Initiatives

This section outlines recent State Governments social and affordable housing and homelessness initiatives.

7.1 SOCIAL HOUSING INITIATIVES

The Western Australian Housing Strategy 2020-2030 will not deliver social housing to meet need.

The *WA Housing Strategy 2020–2030* ²⁵launched in October 2020 has social housing targets that fall well short of current and projected demand need. It will only deliver 2600 new social housing dwellings over 10 years, an increase of just 260 homes per year.

Recent social housing investment will only deliver 870 new social homes

The state government's 2020 budget and Covid-19 recovery response, whilst welcome, will only deliver 870 new social homes:

- The METRONET social housing and jobs package will build **320 social homes** and 400 affordable homes aimed at low to moderate income earners, with another 670 to be sold at full market price.
- The \$319 million *Social Housing Economic Recovery Package* (SHERP) included \$97 million to build or buy (off-the-plan) about **250 dwellings**. It also included \$222 million

²³ <https://www.abc.net.au/news/2020-12-18/housing-squeeze-leaves-domestic-violence-victims-nowhere-to-go/12990786>

²⁴ <https://www.aihw.gov.au/getmedia/47590041-f048-4a1e-bfbd-b0e9a18dfd7b/aihw-hou-322-WA-infographic.pdf.aspx>.

²⁵ <https://www.communities.wa.gov.au/strategies/wa-housing-strategy-2020-2030/#:~:text=The%20strategy%20will%20connect%20150%2C000,particularly%20for%20the%20most%20vulnerable.>

to refurbish 1500 existing homes and run targeted maintenance programs for 3800 regional properties.

- The \$150 million Housing Investment Package (HIP) will build around **300 new social homes** and 200 shared equity homes and refurbish 70 public housing properties.

The Unlock Housing coalition is concerned by the following findings:

1. Whilst the waitlist and average wait times have dropped under the current government, but we are seeing worrying trends.

- WA's average public housing wait time dropped significantly from 158 to 94 weeks in five years.²⁶ While this is welcome news, 94 weeks is still an unacceptable time to wait.
- The number of applicants on the waitlist was 17,000 when the government took office in 2017. This dropped to 14,400 in 2019 but has recently increased 15,700 in 2021.²⁷

2. Social housing numbers are going backwards.

- In the last three years the number of social housing homes decreased by 1155 properties.
- Social housing figures have fallen from 44,087 in 2016-17 to 42,932 in 2019-20.²⁸ (Table 2)

Table 2: Number of social housing properties at the end of the past four financial years					
Financial Year	2016-17	2017-18	2018-19	2019-20	Net difference
Social Housing Stock	44,087	43,863	43,615	42,932	-1155

3. New construction and purchase of social housing is at a record low.

- Only 119 social housing properties were built in the last three years, compared with 956 built in 2016/17.²⁹ (Table 3)
- Just 105 homes were spot purchased, compared with 359 in 2016/17

Table 3: Number of social housing properties purchased or built in the last five financial years						
Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Construction	228	597	52	20	47	944
Spot purchase	61	359	37	50	18	525
Total	289	956	89	70	65	1469

4. Almost 1000 social housing homes were sold off over the last five years.

- A total of 945 social housing properties were sold off between 2015-2020 (Table 4)
- The number of selloffs more than doubled under the current government.

Table 4: Total number of social housing properties sold each year for the past five financial years						
Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Social Housing Sales	127	92	296	234	196	945

²⁶ At November 2019 <https://www.abc.net.au/news/2019-11-06/single-mother-jamie-spent-six-years-waiting-for-public-housing/11674170>

²⁷ <https://www.bdtimes.com.au/news/social/wa-government-defends-homelessness-record-ng-s-2046760>

²⁸ Using figures from Question on Notice No.6178 asked in the Legislative Assembly 26 May 2020 by Mr A Krsticevic to the Minister for Housing at <https://parliament.wa.gov.au/parliament/pquest.nsf/viewLAPQuestByDate/70B9F78EB463C5FA4825856F00370537?opendocument>

²⁹ Using figures from Question on Notice No.6178 asked in the Legislative Assembly 26 May 2020 by Mr A Krsticevic to the Minister for Housing at <https://parliament.wa.gov.au/parliament/pquest.nsf/viewLAPQuestByDate/70B9F78EB463C5FA4825856F00370537?opendocument>

5. The government has sold off more social housing than it has built.

- For the period 2017-2020, the government delivered 224 new social housing homes, but sold off 726 social homes. This is a net loss of 502 homes. (Table 5)

Table 5: Social housing sold off compared with built or purchased 2017-2020

Financial Year	Number of social homes delivered ³⁰	Number of social homes disposed	Net difference
2017/18	89	296	-207
2018/19	70	234	-164
2019/20	65	196	-131
	224	726	-502

BOX 1: Victoria's landmark \$5.4 billion "Big Housing Build"

Victoria's recently announced \$5.4 billion housing stimulus aims to create over 12,000 homes in four years, including 9,300 new social housing homes. The package includes:

- \$532 million to build on public land, including six "fast start" sites, to deliver 1040 homes¹⁴
- \$948 million to spot-purchase 1800 homes
- \$1.4 billion for community housing projects to build up to 4,200 homes
- \$2 billion for new opportunities with private sector and community housing providers to deliver up to 5,200 homes.¹⁵

It's worth noting that while the target of 9300 new social housing homes is certainly 'big', there's an estimated shortfall of 164,000 social and affordable homes in Victoria.¹⁶ Continued leadership and commitments of a similar scale will be needed to overcome these shortages.

7.2 HOMELESSNESS INITIATIVES

In December 2019, the WA Government launched All Paths Lead to Home; WA's 10-year strategy on homelessness. This strategy, centred in Housing First, was developed in partnership with the community sector and people with lived experience of homelessness and welcomed by the sector. The Government announced \$72M of new investment in homelessness initiatives which included:

- \$34.5M for new Housing First³¹ Initiatives
- \$35M for two new Common Ground facilities in metropolitan Perth

Subsequent initiatives included investment to provide immediate accommodation and support for people sleeping rough in paths:

³⁰ Using figures from Question on Notice No.6178 asked in the Legislative Assembly 26 May 2020 by Mr A Krsticevic to the Minister for Housing at <https://parliament.wa.gov.au/parliament/pquest.nsf/viewLAPQuestByDate/70B9F78EB463C5FA4825856F00370537?opendocument>

³¹ Government of Western Australia. (2019). Housing First Homelessness Initiative: Frequently Asked Questions. Department of Communities. <https://www.communities.wa.gov.au/media/2731/hfhi-faq-all-locations.pdf>

- In December 2020, \$3.8M to address the East Perth ‘tent city’ – to assist 53 people who experience homelessness link to permanent housing and support.
- In January 2021 short term accommodation for people living in Fremantle tent city. Also \$2.3M of new investment was provided to the homelessness sector help individuals move from emergency accommodation into longer term accommodation.³²

7.3 PRIVATE RENTAL INITIATIVES

We welcomed the government’s **expansion of the \$30M Residential Relief Grant Scheme criteria** enabling more tenants to meet their rental payments due to financial circumstances resulting from the COVID-19 pandemic³³, and preventing people from becoming homeless. Also, the fourth phase of rent grant scheme announced on the 31st January which aims to soften the blow of expected rent increases through giving tenants and landlords an incentive to continue current tenancies with the aim to reduce evictions and large rent increases after March 28, 2021³⁴. This policy position was put forward by Shelter WA.

Due to the tight eligibility criteria only \$8M had been allocated from the initial scheme. The remaining grants will be re-purposed to provide landlords with direct one-off payments equivalent to 75 per cent of the accrued rent arrears incurred during the emergency period, up to a maximum of \$4,000. This will include any rent that was waived or deferred during the emergency period. A key condition of landlords receiving the funding is that a fixed-term tenancy agreement of six months or longer is entered into with the existing tenant at a reasonable rent that is affordable. It is estimated that 3,750 to 4,000 tenancies will be preserved by providing this extra financial assistance.

7.4 ELECTION COMMITMENTS

Election commitments will be tracked on the Unlock Housing Website at www.unlockhousing.com.au

³² Fremantle Herald, Volume 32, No 5 Saturday January 20, 2021, Page On3

³³ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/12/COVID-19-relief-grants-expanded-to-help-pay-tenants-rent-debt.aspx>.

³⁴ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2021/01/More-financial-help-to-secure-tenancies-after-moratorium-ends.aspx>.

8. Our Response

The Unlock Housing campaign has taken an approach that is needs based, cost effective and job-delivering.

A Needs-Based Response

The Unlock Housing Platform directly responds to the current and projected housing need in WA. Through evidence-based research, working with experts, member groups and people with lived experience, we have identified three core needs:

- Investing in Social and Affordable Housing
- Fixing the Housing system to make it fairer and more affordable; and
- Ending homelessness.

Investment must be prioritised to respond to greatest need. People need to be at the centre of the housing and service response, with responses informed by the voices of people with lived experience. Services for First Nations people must be culturally informed and culturally led.

(A full summary of how each of our policy recommendations meets housing need is at the Appendix.)

A Cost-Effective Response

It is conservatively estimated that \$16 million is the annual saving to the Western Australian Health system by providing housing to people experiencing, or at risk of homelessness (Flatau, et. al., 2008).

Investment in housing has been put forward to drive recovery as:

- Direct public investment has been demonstrated to be the single most cost-effective way to scale up the number of social housing dwellings, boosting jobs and income.³⁵
- For every dollar invested into social housing, it is estimated to boost GDP by \$1.30.³⁶
- Three job opportunities are created in construction for every home built.³⁷
- The WA Affordable Housing Strategy 2008-09 Global Financial Crisis response by maximising public investment and delivering a large volume of new supply was a success.³⁸
- It is more cost effective to prevent housing stress and homelessness than to respond to this through long term support. Research has shown:
 - Annual saving of \$16.4 M per year (Est) or \$13K per person by providing stable housing and support services for people who currently access specialist homelessness services.³⁹

³⁵ Julie Lawson, Hal Pawson, Laurence Troy, Ryan van den Nouweland, Carrie Hamilton (2018) Social housing as infrastructure: an investment pathway, AHURI Final Report No 306, Australian Housing and Urban Research Institute

³⁶ http://www.nwhn.net.au/admin/file/content101/c6/social_housing_initiative_review.pdf

³⁷ For every \$1 million spent on construction output (houses, non-residential buildings, etc.) in 1996-97, a possible \$2.9 million in output would be generated in the economy as a whole, giving rise to nine jobs in the construction industry (the initial employment effect), and 37 jobs in the economy as a whole from all effects.

³⁸ https://www.ahuri.edu.au/policy/ahuri-briefs/why-building-housing-infrastructure-after-the-pandemic-can-benefit-australia?utm_source=website&utm_medium=homepage&utm_campaign=slide

³⁹ Wood, L., Flatau, P., Zaretsky, K., Foster, S., Vallesi, S. and Miscenko, D. (2016). What are the health, social and economic benefits of providing public housing and support to formerly homeless people? AHURI Final Report No. 265, Australian Housing and Urban Research Institute Limited, Melbourne. This is based on a 19.5% decrease in the proportion of people accessing hospital emergency department; a 24.7% decrease in overnight hospital stays; a 6-day reduction in length of hospital stays; a 57.8% decrease in proportion of people accessing psychiatric care; and a 8.4-day reduction in average length of psychiatric care stay. See also Flatau, P., Zaretsky, K., Brady, M., Haigh, Y., Martin, R. (2008). The cost-effectiveness of homelessness programs: a first assessment, AHURI Final Report No. 119, pg. 143, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/119>

- Annual saving of \$84,000 per person per year (Est) through preventing acute mental health admission by providing housing with linked community mental health support ⁴⁰
- 30 per cent of people occupying inpatient beds could be discharged from hospital if there were adequate community-based accommodation and/or mental health community supports in place⁴¹.

This investment will create jobs, new apprentices, and pipelines in construction. Along with construction, employment will be created in the ancillary services that surround the construction industry and the community services sector. This will provide education and training opportunities for people and with the right procurement strategies create new employment opportunities for people whose employment has been impacted by COVID-19 and those who are traditionally disadvantaged in employment markets including women, young people, people with disabilities and Aboriginal and Torres Strait Islander people.

A Nuanced Response

We know that the current pipeline of residential construction activity is expected to largely be defined by stimulus measures and border restrictions. Lot sales, an important forward indicator of dwelling commencements, have been boosted by State and Federal government stimulus measures and historically low mortgage rates. In response to low stock levels, close to 4,000 lots are currently under construction, over 50 per cent more than last year. These lots are expected to be released to the market within the next 12 months.

Data from the Housing Industry Forecasting Group notes that dwelling starts in WA are expected to remain below the state's long-term average of 22,000 for the foreseeable future, with a forecast to approximately 18,500 dwelling commencements in 2020-21.⁴² As the focus shifts from first homebuyers we have the capacity to plan for and ramp up the construction of new social and affordable housing supply. And in the interim supply can be increased through a targeted response including spot purchases, conversion of vacant officers, modular technology and government retaining homes that were developed for market sale for social housing supply.

A Job Delivering Response

The Unlock Housing platform will create approximately 32, 000 supported jobs over 4 years

This investment will deliver the jobs required to drive recovery efforts.

Modelling released last year by the Community Housing Industry Association and National Shelter found 18,000 jobs could be created each year through a four-year social housing construction program that built 30,000 new dwellings. GDP, the modelling said, would increase by between \$5.8bn to \$6.7bn.⁴³

⁴⁰ WAAMH, 2019-20, Prebudget submission, Perth.

⁴¹ Op cit. See also Davey, Melissa. (2017). Sleeping rough costs society \$10,000 per person per year – report. The Guardian. <https://www.theguardian.com/australia-news/2017/mar/16/sleeping-rough-costs-society-10000-per-person-per-year-report>

⁴² <https://www.dplh.wa.gov.au/getmedia/e3f39807-5f91-4bc5-a124-ce8d08716ce0/HIFG-November-2020-Update-and-Media-Statement>.

⁴³ https://www.theguardian.com/australia-news/2021/jan/20/australian-housing-system-broken-with-more-than-half-of-low-income-renters-facing-rental-stress?CMP=Share_iOSApp_Other

The Unlock Housing Coalition have calculated that up to 32,000 new jobs would be created through the adoption of this platform.⁴⁴ (Table 6).

Table 6: Jobs created by the Unlock Housing platform over four years	
New builds	27,000
Refurbishments	400
Maintenance	600
Energy Retrofits	3750
Vacant building conversions	100
Policy Reform – new unit in Department	16
Housing First Case managers	75
Regional One stop shops	9
Lived Experience Program	10-15 part time (5FTE)
Subtotal	31,955
1% admin staff	320
Total	32,275 new jobs

⁴⁴ Calculations are approximate and include:

New builds – 2.7 jobs supported per new build x 10,000 new homes = 27, 000

Refurbishments & Conversions= 100 jobs per 1000 homes x 4 years = 400

Maintenance =150 jobs per year x 4 years = 600

Energising community housing = 3750 jobs over 4 years (calcs based on NSW project/BOOM power)

9. The Unlock Housing Platform

In developing our Platform, consideration has been given to:

- Cost effective, co-investment opportunities to deliver positive social and economic outcomes
- Reflecting current and projected pressure points across the housing continuum
- Considering metropolitan and regional needs
- A place-based approach
- Building on evidence-based initiatives that work
- Responding to the housing needs of specific groups who are over-represented in housing stress and homelessness including seniors, people with disabilities and First Nations peoples
- Ensuring services for First Nations people are culturally owned and culturally led
- Driving the COVID-19 recovery through a housing response
- Leveraging the strengths of the community housing sector
- Maximising partnerships between government, the community sector and industry.

We are proud to put forward **12 policy recommendations** under three core priorities, summarised below. (Table 7)

In summary, our package:

- Delivers **18,000 new social and affordable rental homes**
- Takes more than 36,000 people out of acute housing stress and homelessness
- Provides safe, interim accommodation solutions for 620 rough sleepers as a pathway to a permanent home
- Upgrades 15,300 homes including 8300 solar and energy retrofits
- Unlocks \$2 billion investment into social and rental homes from industry and institutional investors, and
- Drives economic recovery and creates 32,000 jobs

Table 7: UNLOCK HOUSING PLATFORM				
Commitment			Total investment over 4 years	No. homes over 4 years
PRIORITY 1	1	Revitalise Social Housing (SHERP BOOST)		
		<ul style="list-style-type: none"> New builds / spot purchases 	\$3.88bn (\$1.94b state funding)	10,000 homes
		<ul style="list-style-type: none"> Maintenance 	\$127m	6000 upgrades
		<ul style="list-style-type: none"> Refurbishments 	\$95m	1000 upgrades
		<ul style="list-style-type: none"> Rental subsidies 	\$40m	2000 homes
	2	Increase Affordable Rental Housing Supply	\$44m	4000 homes
	3	Energising Housing	\$58m	8300 upgrades
	4	Emergency Audit - government land and buildings	Existing resources	1000 homes
PRIORITY 2	5	Unlock vacant buildings	\$50m revolving fund	1000 homes
		<i>Subtotal - Priority 1</i>	\$4.294 billion (\$2.35 billion state contribution)	<i>18,000 homes 7000 upgrades 8300 retrofits</i>
	6	Policy reform <ul style="list-style-type: none"> Residential Tenancies Act, Stamp Duty Planning System, Community Housing growth, Social Housing Allocation, Disability Housing, and Maintenance in remote communities. 	\$8m	-
		<i>Subtotal - Priority 2</i>	\$8m	
PRIORITY 3	7	Rapid Interim solutions as a pathway to a permanent home*(two-year funding needed)		
		<ul style="list-style-type: none"> 2 'Bridge to Common Grounds' 	\$9.8m over 2 years	140 over 2 years
		<ul style="list-style-type: none"> Hostel models – accommodation and support 	\$24m over 2 year	480 over 2 years
	8	Expand Housing First Initiative		
		<ul style="list-style-type: none"> Expand into 4 new locations 	\$34.5m	850 families
		<ul style="list-style-type: none"> 75 new support workers 	\$30m	-
	9	Emergency Relief funding for renters to keep people in their homes	\$5.6m	1000 families
	10	Regional One Stop Shops	\$3.96m	-
	11	Homelessness Innovation Fund	\$8m	-
PRIORITY 3	12	Lived Experience Peer Support Program	\$2m	-
		<i>Subtotal - Priority 3:</i>	\$117.86m	<i>620 rough sleepers accommodated 1850 families assisted</i>
TOTAL			\$4.4 billion (\$2.5 billion state gov contribution)	33,920 homes 18,000 new homes 620 emergency accommodation 15,300 improved homes

BOX 2: The pragmatic and innovative costing model we are proposing

Unlock Housing acknowledges the significant investment required to deliver housing at the scale needed and believe state governments should not bear this cost alone.

For this reason, we are recommending the state government directly contribute \$2.5 billion to our \$4.4 billion package (across all 3 Priorities), with the balance leveraged from **co-investment models**. These include:

- Using government-owned land and buildings as sites for innovative developments by the community housing sector
- Enabling institutional investors (such as Australian superannuation funds which hold \$2.9 trillion) to invest in affordable housing, through build to rent models managed by the community housing sector¹
- Using density bonuses to facilitate social and affordable housing supply
- Introducing innovative financial instruments such as affordable housing bonds that are attractive to retail and institutional investors and provide cheaper finance (in the form of zero interest long term loans) at scale for community housing providers.¹
- Asset transfers (either long term management or title) to increase the cashflow and balance sheets of community housing providers enabling them to leverage more investment into supply
- Policy changes to enable housing providers to manage their assets more efficiently and ensure better housing outcomes
- Supporting the community housing sectors to capitalise on Federal initiatives such as the National Housing Finance Investment Corporation (NHFIC) and institutional investment, GST and Commonwealth tax concessions, to drive growth
- Seeking 50% co-funding from the commonwealth government under a revitalised national agreement or social housing stimulus package , and
- Building on current initiatives such as the My Home Project¹, which has developed architecturally designed prefabricated homes that are cost effective and can be swiftly manufactured and erected on site.

9.1 PRIORITY ONE: New Investment in Social and Affordable Housing

There are simply not enough affordable housing options for people in WA. New investment in social and affordable housing at a level that matches the need is crucial. We are proposing a game-changing \$4.3 billion package to deliver 18,000 new homes, 15,300 improved homes, and create approximately 32,000 new jobs. This could be delivered over five new programs, outlined below.

RECOMMENDATION 1: REVITALISE SOCIAL HOUSING

WHAT ARE WE PROPOSING?

Building on the government's Social Housing Economic Recovery Package (SHERP) a second round or **"booster fund" of SHERP funding is proposed** to deliver a pipeline of work beyond the current program and respond to the urgent unmet need.

We are proposing a game-changing package worth \$4.1 billion over four years to deliver:

- New builds or spot purchasing of 10,000 new diverse social housing (emphasising spot purchases are recommended as an immediate response to the significant number of people in acute housing crisis)
- Maintenance to 6000 existing homes,
- Refurbishments to another 1000 homes
- Private rental subsidies to access 2000 private rental homes (a new SHERP stream). (Table 7).

Table 7: Revitalising social housing package – SHERP BOOSTER PROPOSAL		
SHERP package	Current government commitment	Proposed Boost over 4 years
Stream 1 - New Homes	\$97m for 250 dwellings by 2023	\$3.88 billion for 10,000 new homes and spot purchases (\$1.94n state gov contribution)
Stream 2 - Maintenance	\$80m for targeted maintenance for 3800 regional homes by 2021	\$127m for maintenance to 6000 homes
Stream 3 – Refurbishments	\$142m to refurbish 1500 homes by 2022	\$95m to refurbish 1000 homes
Stream 4 – Private Rental Subsidies (NEW STREAM)	-	\$40m for subsidies for 2000 private rental homes
Total	\$319 million 250 new homes 5300 maintained or refurbished.	\$4.1 billion total investment* (*\$2.2 billion state government contribution) 12,000 new homes 7000 maintained or refurbished.

Stream 1 - New Builds and Spot Purchases

10,000 properties (2500 properties per year) estimated at \$388K per property

Total cost: \$3.88 billion over 4 years

Total state government investment: \$1.9 billion over 4 years

6570 jobs supported per year

Criteria for Housing Delivered under this Package

It is also important that new housing meets criteria for quality and liveability. We propose that all new properties are:

- Managed by Community Housing Providers.
- Support the Aboriginal Community Housing Sector to deliver culturally lead and culturally owned housing options.
- 100% universal design making homes accessible for people with a disability (to a minimum of Silver Level as per the Liveable Housing Design Guidelines⁴⁵). Universal design is the process of creating products that are accessible to people with a wide range of abilities, disabilities, and other characteristics. For a home to be appropriate and suitable for all people throughout their life, homes need to be universally designed to a minimum standard. Diverse housing products to meet current and projected need
- Minimum 8-star energy efficient standard (with subsidies to assist the community build to 8-star), and
- Built as a minimum to the National Construction Code 2019 (NCC 2019).

⁴⁵ Liveable Housing Design. 2012. Livable Housing Design Guidelines
http://livablehousingaustralia.org.au/library/help/Livable_Housing_Design_Guidelines_Web1.pdf

To deliver this package, in addition to direct government funding, it's recommended the government consider innovative investment mechanisms such as affordable housing supply bonds, and the social housing investment fund model used in NSW.

Social Housing Investment Fund

The New South Wales Social and Affordable Housing Fund (SAHF) shows it will provide a long-term revenue stream to plug this gap and encourage private and non-government organisations to team up to develop housing projects. Impact investing plays a key role in driving private capital into the social and affordable housing sector to create new housing stock and scale innovative operating models. Whilst there is the National Housing Finance and Investment Corporation (NHFIC) already in operation, the eligibility criteria require community housing providers to be registered which most providers in WA are not. Furthermore, the WA community housing providers are significantly smaller than those in the Eastern States, meaning most funding is given to the larger providers who are financially able to contribute more resources and absorb more costs than smaller providers. For these reason, Western Australian community housing needs its own investment fund that is tailored to the needs of the Western Australian housing industry.

A state-based community housing investment fund should include a package of tax incentives or other stimulus measures to catalyse institutional investment in social and affordable housing and homelessness services through scalable funding models.

BOX 3: What are Affordable Housing Bonds?

Affordable Housing Bonds are a straightforward, long term financial instrument widely used in other countries as a stable, reliable way to deliver affordable housing and even finance large infrastructure projects. Affordable housing supply bonds can be designed to provide cheaper finance at scale and reduce the cost and complication of access to finance for affordable and community housing providers, through for example zero interest long term loans. Bonds can also be designed to attract retail and institutional investors through a mix of tax incentives and government guarantees, such as 5-6% tax-free return on investment over 10 years.

Australia's most eminent researchers and housing economists through the Australian Housing and Urban Research Institute (AHURI), RMIT and UNSW have put forward models that suit Australian conditions and are strongly supported by peak bodies, and welfare agencies alike. The potential for housing supply bonds has also been the subject of a number of reports, inquiries and campaigns. Prominent peak bodies calling for the introduction of affordable housing bonds include the Salvation Army, National Shelter, the McKell Institute, the 'Australians for Affordable Housing' coalition representing over 60 national housing, welfare and community sector organisations, and pension funds.

In 2010 the Productivity Commission highlighted that a lack of access to private capital and the absence of financial intermediaries was hindering the not-for-profit sectors' development. In 2015 the Senate Inquiry into Affordable Housing recommended giving due consideration to the introduction of housing supply bonds and establishing a Housing Supply Financing Task Force. In 2018 the commonwealth government established the National Housing Finance and Investment Corporation (NHFIC) which finances housing projects through low cost, long-term loans to registered community housing providers (CHPs) in the form of affordable housing bonds and a \$1b line of credit facility. The Commonwealth have introduced tax concessions to support the growth of affordable housing through the community housing sector.

Unlock Housing strongly supports the exploration of a state-based housing bond instrument to finance housing projects, suited to the smaller size and unique characteristics of the housing industry and community housing sector here in WA.

Stream 2 - Maintenance Booster

6000 homes over four years

\$127M over four years⁴⁶

This initiative builds on the State Government's regional rolling maintenance program, by expanding it to the metropolitan area and targeting state assets managed by the community housing sector.

The investment provides a direct economic stimulus by engaging small construction businesses, as well as increasing the life, value, and liability of the asset of the asset base, extending the investment dollar; and will enable approximately 2000 social housing properties to bring forward planned maintenance and minor refurbishment works.

It is recommended the program be flexible as some properties will require minor works, whilst others will be more substantial, and incorporates the cost property inspections, relocating tenants if required and lost revenue from vacant property.

This package will create jobs for existing or new trade and maintenance contractors working. It would include targeted apprenticeships for young people and women and targeted procurement from Aboriginal businesses.

Stream 3 - Refurbishment Booster

1000 refurbishments

\$95M over four years⁴⁷

A 2019 international systematic review of 39 quantitative studies on the relationship between housing and health showed consistently that housing refurbishment and modifications, the provision of adequate heating, and improvements to ventilation and water supply were associated with improved respiratory outcomes, quality of life and mental health.⁴⁸

This initiative builds on the State Government's refurbishment program targeting state assets managed by the community housing sector. This investment will engage small construction businesses, increase the assets life, and improve the liveability of an asset or increase the capacity of the asset base, extending the investment dollar. The package and scope of works will be quickly developed to drive recovery through the provision of immediate packages of work. This package will create jobs for existing or new trade and maintenance contractors working. It will include targeted apprenticeships for young people and women and targeted procurement from Aboriginal businesses.

New Program – Private Rental Subsidies

2000 properties over four years (estimated at \$20K per property)

\$40M over 4 years

Building homes takes time. There is a critical need now to provide homes for people. Along with spot purchases, a private rental subsidy scheme is proposed that will enable community housing providers through a head lease or management agreement to access homes from the private rental market for people eligible for social housing. Funding will address the rental affordability issue and provide funding for wrap around service support that tenants may need to maintain and sustain their tenancy. Whilst this option won't initially increase supply overall supply of rental accommodation it ensures that more rental properties are affordable to people on low incomes. Whilst we acknowledge there is an extreme rental shortage at present, rental subsidies

⁴⁶ based on the SHERP estimates of \$21 052 per home

⁴⁷ based on the SHERP estimates of \$94, 666 per home

⁴⁸ WHO. 2005. Is housing improvement a potential health improvement strategy? World Health Organisation: Health Evidence Network (HEN). <http://www.sphsu.mrc.ac.uk/Evidence/Research/Review%2001/WHOHousing.pdf>

are proposed as a longer-term solution to delivering more social housing through the private rental market.

RECOMMENDATION 2: INCREASE AFFORDABLE RENTAL HOUSING

To increase affordable rental supply with a subsidy program to catalyse investment and construction.

WHAT ARE WE PROPOSING?

We are proposing a \$44m subsidy program to facilitate affordable rental housing supply, including affordable Build to Rent products, to deliver 4000 new rental homes within four years.

HOW COULD IT BE DELIVERED?

Two options are put forward to deliver more affordable rental housing. These options harness the strengths of the community housing sector, enabling Commonwealth incentives to facilitate an increase affordable housing supply in Western Australia. Advocacy will occur for changes to Commonwealth Taxation Policy to enable managed investment trusts (MITs) to invest in long-term rental products like the emerging build-to-rent sector, with a focus on facilitating affordable supply within the suite of offerings.

Option One - Head leasing / Management Agreements program

\$44M over 4 years

Total new dwellings – 4000 with a subsidy of \$11,000 per year

Under this model, private rental properties would be either head leased or leased through a management agreement by the community housing sector and made available for affordable rent. This option will enable landlords, who work in partnership with a community housing provider, to access Commonwealth taxation incentives. A long-term rental arrangement will not only provide a secure cash flow to the property owner and the community housing providers it will enable Community Housing providers to leverage their balance sheet, and to harness new Commonwealth financing and taxation incentives to increase new social housing supply. Whilst this option will not initially increase supply overall supply of rental accommodation it ensures that more rental properties are affordable.

Option Two – Catalyse the Build to Rent Market

\$44M over 4 years

Total new dwellings – 4000 with a subsidy of \$11,000 per year

Under this model, Government subsidises up to 15% of properties within a Build to Rent complex to make them affordable. The subsidy would depend on size and location of the property. Properties would be managed by community housing providers who would receive the subsidy and pass on the saving to their tenants via reduced rent. Another option is to offer a density bonus to developers in return for assigning a portion of dwellings to be managed by Community Housing provider in perpetuity. This option will add new affordable rental supply into the market.

Build-to-Rent is typically large-scale residential property specifically designed, built, and managed as a single asset for long term ownership and rental. Build-to-Rent developments seek returns from long-term rental income, rather than up-front sales or capital growth, driving an increased focus on tenant experience and satisfaction. Build-to-Rent targets the growing renter

market seeking secure long-term rentals with increased amenity⁴⁹. The University of New South Wales in 2019 examined the capability for build to rent schemes in Australia to be effective, compared to the success seen in the USA and UK. The study found that an arrival of international investment, the developing Australian demographic profile, and changes in 'residential consumer' sentiment have enhanced the likelihood of build to rent to effectively emerge in Australia. It is important to note that for a build to rent model to be effective in Australia, and to attract the necessary investors, tax reforms are needed, especially to land taxes⁵⁰.

The Queensland Government has approved two Brisbane-based affordable housing projects as part of a Build to Rent Pilot Project. These developments offer a combined 750 apartments, with up to 240 of those at a discounted rent. Construction is set to commence in mid-2021⁵¹. Upon the Labor Governments Build to Rent Pilot Project announcement the Queensland State Opposition announced the Liberal National Parties plan to attract \$2 billion in private investment, create 4600 construction jobs, and see 4000 homes built over the next 10 years under a build to rent model. This announcement includes significant land tax cuts to foreign investors for building rental properties in Queensland⁵².

RECOMMENDATION 3: ENERGIZE HOUSING RETROFIT PROGRAM

To dramatically reduce utility costs and improve comfort for tenants in social housing by investing in rooftop solar and energy efficiency measures.

WHAT ARE WE PROPOSING?

We are proposing a \$58m investment over four years to install energy efficiency and household solar in 8300 community housing homes, reducing energy bills, and maximising comfort in their homes whilst driving clean, green jobs and recovery.

This will build on the government's \$6m package to install solar panels at 500 social housing properties as part of the COVID recovery package and will significantly reduce energy costs and prevent low-income earners experiencing energy bill stress. The state government estimates solar panels installed on social housing will reduce energy bills by up to 20%⁵³. Unlock Housing believe the figure could be substantially higher. The National Grid Support Service (NGSS) for example estimate the average Australian home consumes 8000kW hours of electricity per year at an annual cost of \$3200. A 6kW solar system could provide 75% of this power, reducing the bill by 75% or \$2400 over a year, and \$52,000 over the life of the panels⁵⁴.

Furthermore, affordable energy and energy efficient homes dramatically improve thermal comfort within their homes, improving the health, social and liveability outcomes of homes.

HOW COULD IT BE DELIVERED?

⁴⁹ Queensland Government. (2020). Build to Rent Pilot Project. Treasury, Queensland Government. <https://www.treasury.qld.gov.au/programs-and-policies/build-to-rent-pilot-project/>

⁵⁰ Pawson, H., Martin, C., van den Nouwelant, R., Milligan, V., Ruming, K., & Melo, M. (2019) Build to rent in Australia: Product feasibility and affordable housing contribution, Report, Sydney: Landcom. <https://cityfutures.be.unsw.edu.au/research/projects/how-can-australian-build-rent-product-contribute-urban-renewal-and-affordable-housing-supply/>

⁵¹ Queensland Government. (2020). Build to Rent Pilot Project. Treasury, Queensland Government. <https://www.treasury.qld.gov.au/programs-and-policies/build-to-rent-pilot-project/>

⁵² Moore, Tony. (2020). LNP promises land tax cuts as incentive for low-rent building scheme. Brisbane times, 4 October 2020. <https://www.brisbanetimes.com.au/national/queensland/lnp-promises-land-tax-cuts-as-incentive-for-low-rent-building-scheme-20201004-p561tf.html>

⁵³ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/12/WA-first-6-million-dollars-worth-of-solar-panels-installed-on-public-housing.aspx>

⁵⁴ <https://nationalgridsupport.com.au/how-much-money-do-you-save-with-solar-panels-australia/>

Unlock Housing strongly recommends exploring the development of Social Housing Energy Retrofits as a form of certified carbon offset in WA.

Option One: Package the abatement from this program as a government accredited carbon offset

\$58m (co-funded through leveraging \$17.4 million over 25 years raised through carbon offset package)

8330 homes over 4 years (\$23,000 per retrofit)

Estimated jobs supported – 3,750 jobs

Energy efficiency is not only one of the best ways to improve comfort and efficiency of homes but is also one of the most effective and cheapest ways to reduce carbon emissions. We are calling on the state government to investigate the potential for emissions abatement under a social housing retrofit program as a new form of WA carbon offset credit. This would generate revenue and help pay for the retrofit program and enable WA's biggest polluters to invest in a product that has a significant social impact.

The cost of this package could be heavily reduced by offering the carbon abatement achieved through the program as a WA government-accredited carbon credit or offset. At \$15 per tonne, emissions abatement under this program could generate \$17.4m over 25 years.⁵⁵ This would be a win-win-win solution: significantly reducing the cost of this program, facilitating industry investment into social benefits, and helping us meet our net zero by 2050 ambition.

Option Two: Investment funding into the WA Impact Fund

\$58 million (leveraging \$58 million of private investment) over 4 years

8330 homes over 4 years (\$23,000 per retrofit)

Estimated jobs supported – 3,750 jobs

Government funding can catalyse investment into upgrading community assets to be more energy efficient. It can also catalyse private and philanthropic investment, with the recently launched WA Impact Fund interested in investing in this space. We propose:

- Provide grant funds to upgrade community-based assets through energy efficiency retrofits, enabling a blended finance approach to scaling up the sector.
- Leverage private impact investment and philanthropic funding, allowing for a wider economic stimulus and reach across multiple sectors.

Option Three: Energising Community Housing Project – Energy Retrofit Program

\$58 million over 4 years

8330 homes over 4 years (\$23,000 per retrofit)

Estimated jobs supported – 3,750 jobs

Under this model grants of up to \$23 000 are provided to deliver energy retrofits for approximately 8,330 community housing properties, over a four-year period. This would retrofit properties with solar, hot water heat pumps, insulation, draught-proofing and sealing, and split-cycle air-conditioning. The \$58 million would be in the form of grants or no-interest loans.⁵⁶ The

⁵⁵ Calculations: Annual emissions 7 tonnes per home, assuming deep retrofits + solar will reduce emissions by up to 80% x 8300 homes = 58,100 tonnes pa BAU x 80% reduction = 46,480 tonnes of abatement x \$15 per tonne = \$697,200pa or \$17.4m over the 25-year lifetime.

⁵⁶ The investment for energy retrofits to community housing of \$58 million is based on:

- Retrofit without batteries: \$6,250/property x 5,900 community housing properties equals \$37million.
- Investment for batteries: Battery investment would \$5,000/per property with a 50% leverage in private investment x 4,200 community housing properties equals \$21 million.

program will be designed to be flexible and community housing providers will apply to undertake work. This ensures that they do their due diligence which considers the ongoing services, repair, and maintenance costs.

RECOMMENDATION 4: EMERGENCY AUDIT OF GOVERNMENT-OWNED LAND & BUILDINGS WITH THE AIM TO DELIVER 1000 NEW HOMES IN FOUR YEARS

To urgently investigate the amount of land and buildings currently owned by government and the development potential for rapid conversion into affordable housing and emergency accommodation, and ensure any land and buildings sold has a strong affordability caveat.

BACKGROUND

The state government owns a significant amount of land and buildings, but over time these assets have been ‘disposed of’ in order to generate revenue instead of being developed to meet other important goals such as affordable housing.⁵⁷ Government-owned land and buildings provide one of the best opportunities to quickly and affordably deliver social and affordable rental housing.

The Unlock Housing Coalition has determined:

- **Successive governments have sold off 206 land and property assets between 2015 – 2020.**
Many of these sites had obvious opportunities to be developed as social and/or affordable housing and emergency accommodation development. For example, in 2014, 20 parcels of land and buildings with a total developable area of almost 40 hectares was earmarked for disposal by the then Premier to ‘reduce State debt’. These included the Shenton Park Hospital Site, Princess Margaret Hospital Site, Swan District Hospital Site, Woodside Maternity Hospital, and the School for the Deaf Cottesloe.
- **There are currently 16 government owned land assets and buildings on the market for sale with a total developable area of at least 226 hectares,** including vacant land in South Hedland, Carnarvon, Geraldton, and White Gum Valley.⁵⁸ Developing these sites at a modest density (r30) with just 20% devoted to affordable and social housing **could create over 1300 new social and affordable homes.**⁵⁹
- **Another 21 properties being prepared for sale,** including land across the metropolitan area and the regions.

These selloffs are occurring without any caveats, for example to develop social or affordable housing or including a minimum amount of social housing or affordable rental properties. **This must change.**

Using government-owned land and buildings is one of the fastest and most cost-effective ways to deliver urgently needed social and affordable housing. ‘Lazy’ land refers to sites which already house

⁵⁷ The Department of Lands has responsibility for this process and its current website states: “*State owned land is disposed where it is surplus to government requirements and has the potential to be utilised in private ownership at highest and best use in the interest of the State.*” – Department of Planning, Lands and Heritage at <https://www.dplh.wa.gov.au/information-and-services/crown-land/land-asset-sales>

⁵⁸ <https://www.dplh.wa.gov.au/information-and-services/crown-land/land-asset-sales>

⁵⁹ Note ‘Lazy’ land refers to sites which already house low-rise facilities like government offices and libraries but is compatible with accommodating affordable housing. Figures at <https://www.dplh.wa.gov.au/information-and-services/crown-land/land-asset-sales>

low-rise facilities like government offices and libraries but is compatible with accommodating affordable housing.

Land is one of the biggest costs of development⁶⁰, developing on well-located land can be prohibitive for non-profit housing providers and empty buildings provide ideal for rapid refurbishment/conversion into safe, secure apartments. We propose that government instead lease its land to the non-profit/community housing sector for a nominal fee to eliminate this cost and drive rapid investment into construction.⁶¹

BOX 4: Victoria and Vancouver unlock lazy’ government land for social and affordable housing

Victoria’ s recent \$5.4 billion social housing package leans heavily on the use of state and local land to reduce the cost of the new housing. It included \$532 million to build 500 social housing homes and 540 affordable and market homes on public land, including six “fast start” sites.

Vancouver’ s (Canada) 2017 Housing Strategy aimed for the 300,000 dwellings for lower-income households by 2027 with a core part of the strategy to use all suitable and well-located vacant and under-utilised government land. In April 2018, Vancouver also committed to provide 600 units of modular supportive housing for homeless people on vacant government land. Within five months half of these units were complete or being built.

The Cause We Care House initiative in Vancouver is another example of creative use of “lazy” public land . Five floors of housing for women escaping domestic violence have been built on top of a library. Twenty-one mothers and their children have found stable and secure housing as a result of the project, made possible through a combination of local government land, state government subsidy and philanthropic donations.

(Source: The Conversation November 20, 2021 at tinyurl.com/42fe34sc)

WHAT ARE WE PROPOSING?

We are proposing a target of 1000 social and affordable rental homes within four years to be built on government owned land and buildings. This could be achieved through an immediate audit on all government-owned land and buildings and investigation of the suitability of each site for the development of affordable housing, including social housing and interim accommodation solutions to a pathway to a permanent home, such as Foyer models.

For assets currently listed for sale and being prepared for sale, we propose the addition of strong caveats (such as a mandatory minimum social and affordable rental target), and that the first option to purchase be provided to community housing providers or affordable housing consortiums working in partnership with the non-government sector.

HOW WOULD THIS BE DELIVERED?

An audit and independent analysis of suitability of each site for affordable housing could easily be delivered within existing government resources. The Department of Lands already has

⁶⁰ <https://static.treasury.gov.au/uploads/sites/1/2017/06/nhsc-residential-cost-analysis-urbis.pdf>

⁶¹ It could also explore construction and building permit exemptions, expedited planning permits, low-rate construction loans and mortgages as well as ongoing Commonwealth Rent Assistance subsidies attached to projects can all help to reduce affordable housing costs. At <https://theconversation.com/put-unused-and-lazy-land-to-work-to-ease-the-affordable-housing-crisis-102720>

responsibility for publishing assets listed for sale or sold through the Property Asset Clearing House. It also has a committee which assesses the use of 'lazy lands' - lands which are currently deemed unproductive but have development potential.

RECOMMENDATION 5: UNLOCK THE POTENTIAL OF VACANT BUILDINGS

An \$50m pilot program to audit and convert vacant buildings and offices into diverse forms of affordable housing, creating up to 1000 new homes in four years.

In contrast to WA's record-low residential rental vacancy rate, Perth is experiencing a near record high commercial vacancy rate.

In July 2020 Perth's CBD office vacancy rate was 18.4% and equivalent to 331,570 square meters.⁶² These figures are expected to be even worse when new data is released in February 2021.

Perth office vacancies are some of the highest in Australia, compared with the Australian average of 9.2 per cent.⁶³

In Perth, "C-grade" office buildings make up the bulk of vacant buildings in Perth. C-grade office buildings are typically older than 20 years, smaller than newer buildings, with older finishes and fewer amenities. These buildings are perfect for conversion to affordable housing. Research in 2017 found almost 340,000 square metres of vacant C-grade office space (representing a vacancy rate of 25.7 percent) across Perth's CBD, in West Perth and suburban office markets.⁶⁴ A ground-breaking report commissioned by the City of Perth in 2017 found more than a quarter of Perth's outdated C-grade office stock stands empty and could be converted to suit a range of different uses.⁶⁵ The report, completed by Architecture firm Cameron Chisholm Nicol produced six concept schemes that explore alternative uses for the more than 200 C-grade office buildings across Perth, including converting the buildings into multi-residential buildings, student accommodation, "vertical schools," or mixed-use properties incorporating supermarkets and co-working spaces or health and wellbeing precincts.

WHAT ARE WE PROPOSING?

We are proposing a pilot program with a \$50m revolving fund to enable:

- Audits of vacant buildings within their boundaries by local governments
- Conversion, refurbishment and repurposing of buildings into affordable housing across the entire spectrum, including student housing, social housing, and long-term affordable rentals for key workers.
- Housing delivered under this scheme would be ideally developed and managed in collaboration with the community housing sector.

⁶²

https://www.propertycouncil.com.au/Web/Content/News/WA/2020/Perth_offices_prove_resilient.aspx#:~:text=The%20overall%20vacancy%20rate%20for,total%20vacancy%20of%20331%2C570sqm.

⁶³ Property Council of WA at <https://research.propertycouncil.com.au/data-room/office>

⁶⁴ <https://architectureau.com/articles/six-alternative-futures-for-perths-old-vacant-office-buildings/>

⁶⁵ <https://architectureau.com/articles/six-alternative-futures-for-perths-old-vacant-office-buildings/>

Converting just 20 per cent of Perth's currently empty office spaces (or 66,314 sqm) to housing would create 989 new two-bedroom apartments (67 sqm minimum⁶⁶) or 1410 one-bedroom (47 sqm minimum) apartments. This could be achieved at a fraction of the cost of building or purchasing new homes.

HOW WOULD IT BE DELIVERED?

The Unlock Housing Coalition understands there are many barriers for building owners to raise funding and complete conversions, and often there are perverse market incentives to keep buildings unoccupied. There are many models of financing and delivering conversions available, including low or zero interest loans and direct grants.

We recommend exploring the **Building Upgrade Finance** model – a sustainability and heritage focused financing scheme used in other jurisdictions that allows landlords to upgrade their buildings (particularly lower grade/older stock) to perform better on a range of environmental indicators (energy, waste, water efficiency etc). While this model has been used nearly exclusively for sustainability and heritage upgrades, there is no reason why it could not be used to support the repurposing of buildings to convert them to residential stock.

In the building upgrade finance model used by the City of Sydney and City of Adelaide, the building owner, the lender, and the City enter into a contract known as an environmental upgrade agreement. Under this contract, the lender advances funds to the building owner to complete the upgrade works and the loan is repaid through the existing rates collection process, as an environmental upgrade charge⁶⁷.

In this case we are proposing the loan could be provided by the state government out of a revolving fund and repaid through the rent collected on the new property (or forgiven altogether as part of a wider strategy to deliver housing rapidly). We recommend all new housing (and tenancies) delivered under this model would be managed by the community housing sector. This model would also allow much needed innovation in the building sector.

WHAT WOULD IT COST?

We propose introducing this package as a Pilot Program with a \$50m revolving fund, to provide grants of up to \$50,000 per dwelling and deliver 1000 new affordable rentals over four years. The program could be refined in collaboration with the sector to hone the best model and amount to incentivize conversions.

Total cost: \$50m over four years (revolving fund).

9.2 PRIORITY TWO: Fix the Housing System

The housing system cannot be fixed without addressing the structural drivers underlying the problems. We put forward pragmatic recommendations for policy reform in four areas to make the housing system fairer, more efficient, and more affordable, with an investment of \$8 over four years to create a new policy reform unit to drive system change across all agencies of government.

⁶⁶ Using the WA government DesignWA guidelines for minimum internal areas of 37 square metres for a studio apartment. 47 square metres for a one-bedroom apartment. 67 square metres for a two-bedroom apartment. 90 square metres for a three-bedroom apartment. At <https://architectureau.com/articles/wa-government-reveals-draft-design-policy-minimum-apartment-sizes/#:~:text=37%20square%20metres%20for%20a,for%20a%20three%20bedroom%20apartment>

⁶⁷ <https://www.cityofsydney.nsw.gov.au/environmental-support-funding/building-upgrade-finance#:~:text=How%20it%20works,the%20value%20of%20their%20asset>.

RECOMMENDATION 6: POLICY REFORM

Four bold and pragmatic areas of policy reform are put forward to address the underlying and systemic problems in our housing system.

WHAT ARE WE PROPOSING?

The Unlock Housing coalition is proposing policy reform in key areas we identify below and the boosting of policy reform within the Department that will work within and across agencies to drive systemic change.

REFORM AREA ONE: Reform the Residential Tenancies Act (1987)

Renting as a form of tenure has changed dramatically in just a few generations. The number of people renting has increased, with about 750,000 renters in WA, and renting has become a longer term or lifelong housing option for many Australians.⁶⁸ However, the legislation governing the rental sector - the *Residential Tenancies Act 1987* - has failed to keep up with this changing environment.

For example, the majority of leases are just six or 12-months, which negatively impacting on the sense of tenure security. By contrast, Denmark, Germany, and the Netherlands have indefinite and fixed-term leases where it is difficult to terminate the fixed-term lease without the tenant's permission⁶⁹. Tenants also have to seek permission to make minor alterations to premises, such as hanging pictures.

Data from WA's Make Renting Fair Alliance, a coalition of WA's key community organisations and people who rent their home paints an even worse picture. In a survey of 800 Western Australian renters in 2020⁷⁰, they found:

- 50% of renters in WA say their property is in need of repairs
- 50% of renters have been discriminated against
- 20% of renters experienced issues with mould that is difficult to remove or reappears
- 27% experienced issues with pests (such as cockroaches, moths, and ants)
- 21% have waited more than a week for urgent repairs; and
- 14% have avoided making a complaint or requesting repairs for fear of adverse consequences

Reform of the *Residential Tenancies Act 1987* presents an opportunity to ensure renting is supported as a longer term, safe and secure housing option and enables renters to make the property they rent into a home.

The Make Renting Fair Alliance has identified ten areas of reform needed to make renting a more safe and secure housing option and address energy poverty. Known as the 'Tenancy 10', we propose these be adopted in full.

⁶⁸ Hulse, K., Parkinson, S. and Martin, C. (2018) Inquiry into the future of the Private Rental Sector, AHURI Final Report 303, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/303>.

⁶⁹ A 2018 report by Choice, National Shelter and the tenants' group Nato, cited in <https://www.theguardian.com/australia-news/2018/dec/05/most-australian-renters-live-in-homes-in-need-of-repair-report-finds>

⁷⁰ <https://www.makerentingfairwa.org.au/renting-in-wa/>

The ‘Tenancy Ten’- ten reforms to make renting fairer. These are:

1. End unfair evictions – introduce reasonable grounds

Most renters are on a fixed six- or twelve-month lease agreement. A landlord or agent can choose not to renew the fixed-term lease by giving just 30 days’ notice to vacate, and on a periodic lease, the landlord can issue a 60-day termination notice without giving a reason. This creates an imbalance of power between landlord and tenant, as it can result in tenants not asking for necessary maintenance or exercising their rights out of fear to losing their home. The power for a landlord to terminate without reason means that a renter does not have long-term housing security. Renters should not face termination of their tenancies and bear the financial and emotional cost of moving to a new house continuously unless there are reasonable grounds for it. “Without grounds” termination powers must be replaced with a “just cause” termination clause to make renting fairer, meaning that a landlord can only terminate a lease when there is a good reason to do so.

2. Allow reasonable modifications

Many people want to make small changes to their rental property so that it feels more like a home, or better suits their needs, but are unable to do so. Renters should be allowed to make reasonable modifications to the property so that it feels more like a home, instead of just somebody’s investment property.

3. Create minimum standards including climate appropriate housing

The lack of minimum standards in rental properties places the health and wellbeing of renters at risk, and fear of eviction often deters tenants from seeking repairs from real estate agents and landlords. Renters often have to bear the cost of energy and water use without the ability to make changes to energy and climate efficiency measures such as insulation, heating and cooling appliances. Minimum standards would help ensure all renters have comfortable, efficient housing, and save money on utility bills.

4. Stabilise rent increases

Many people rent due to necessity and some people choose to rent, however the level of concern about unexpected or exorbitant rent rises is very high, particularly in regional WA where rental markets go through a boom-and-bust cycle. Unreasonable rent increases can force tenants to leave their homes to find a more affordable home, which can cause severe stress and disruption to the tenants’ sense of home and security.

5. Include boarders and lodgers

Boarders and lodgers don’t have the same basic rights and protections in legislation as any other tenant. New legislation is crucial that provides not only the boarders and lodgers, but also their landlords or housing providers, with adequate safeguards and guarantees through the provision of minimum rights and responsibilities for both parties.

6. Allow pets

More than half of Western Australians own a pet, but the vast majority of rental properties do not allow pets. In a desktop study of all rentals advertised in the Greater Perth area on 19 January 2021,⁷¹ we found:

⁷¹ Study conducted on January 19, 2021 by analysing rentals listed in the Greater Perth area at realestate.com.au and filtering for “pets considered”.

- **Only 10 properties in Perth with weekly rent under \$250 allowed pets to be considered** (out of 159 listed, or 6%)
- Only 143 properties listed with weekly rent between \$250-\$350 allowed pets to be considered (out of 804 listed, or 17%)
- Of all 3384 properties listed for that date across Greater Perth, 651 allowed pets to be considered. (19%)

These figures mirror statistics in the 2016 Census which found only 13 per cent of rental properties listed in WA say pets are allowed, 27 per cent say, “no pets” and 60% make no reference to pets at all.⁷² The result of this is that pets are surrendered due to the owners housing situation, or renters are unfairly forced to forego the companionship and many benefits of owning a pet.

7. Quick, fair, and consistent dispute resolution

Both tenants and landlords/property managers want to have quick, fair, and consistent decisions in resolving tenancy matters. Most tenancy disputes can be settled fairly by mediation using a qualified and experienced mediator. This should be the first step in good dispute resolution process for tenancy matters. However, this does not currently occur. Efficient and fair dispute resolution can be achieved through facilitated mediation between parties. If a dispute cannot be settled by mediation, it could be referred to a Tribunal for a decision. Decisions made by the Tribunal should be reported for transparency and consistency, which allows the public, landlords, property managers and tenants to learn how the Tribunal interprets the laws to make decisions on matters. This would help advocates and lawyers to provide good advice when assisting with tenancy disputes. The State Administrative Tribunal already publishes reported decisions for their existing jurisdiction, this same logic should be applied to tenancy disputes.

8. A better deal for public housing tenants

In Western Australia, 29 per cent of public housing tenants are on the aged pension, while another third are on a disability or medical support pension, and 20 per cent of tenants are single parents or carers. The overwhelming majority of tenants (97%) have not had a disruptive behaviour strike issued against them, but there are still negative perceptions and opinions surrounding public housing tenants. According to the Equal Opportunity Commission (2013), “public housing tenants are subject to a harsher regime than tenants in the private market”.⁷³ This becomes particularly evident through the ‘three strikes policy’, that is used by the Housing Authority to evict tenants due to disruptive behaviour. However, this policy often disregards that it disproportionately affects Aboriginal people, people with mental illness and severe trauma and complex needs. Often the tenant is penalised for being the victim of family violence or having a family member with serious mental illness. Therefore, discriminatory provisions within the Residential Tenancies Act should be removed and public housing tenants should be entitled to the same protections as other tenants.

9. Increase access to tenant advocacy and information

One way to ensure the balance of power in the private rental market is addressed, is to provide funding to enable tenants to access advocacy and information about their obligations, the obligations of the landlord and assistance to deal with disputes. Currently, the interest earned on rental bond monies is paid into a Rental Accommodation Account (REA) managed by the State Government. The monies in this account can be used to fund community agencies for tenant

⁷² https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/5?opendocument.

⁷³ WA Equal Opportunity Commission (2013). A Better Way: A report into the Department of Housing’s disruptive behaviour strategy & more effective methods for dealing with tenants.

advice and education purposes, along with covering the costs of the Magistrates Court, Bond Administrator, and the Department of Commerce in carrying out functions under the *Residential Tenancies Act (1987)*. This funding is lumpy and reliant on interest rates. A consistent and expanded funding stream is needed to grow this program. Expanding this program can help to address the power imbalance.

10. Privacy

In Western Australia, property inspections in rented properties take place every three months. In addition, prospective tenants are required to provide detailed personal information, such as employment contracts, when applying for a rented property. These measures can be seen as severe and unnecessary infringements into the privacy of tenants, whilst there are also no guarantees and safeguards in place in regard to storing and disposing of this sensitive information.

REFORM AREA TWO: Reform property taxes

Introduce stamp duty concessions and replace stamp duty with a broad-based land tax

Countless reviews show that stamp duty is an inefficient tax that distorts people's housing decisions and contributes to the inefficient use of housing stock.⁷⁴ Even the Real Estate Institute of WA (REIWA), WA's peak real estate body has called for stamp duty reform for landlords to help with the rental crisis, arguing people should be able to opt in to either pay a lump sum when they buy a home or pay it in annual instalments instead⁷⁵.

Stamp duty affects housing affordability and labour mobility as it acts as a disincentive for people to move to take advantage of new employment opportunities or to downsize to a more appropriately sized home. Research indicates that abolishing stamp duty and replacing it with a land tax across Australia would boost the Australian economy by about \$17-20 billion per year.⁷⁶

An annual property levy could replace stamp duty for NSW homebuyers under proposed tax changes in the [state government's 2020/21 budget](#). Instead of being charged an average \$34,000 in stamp duty at the time of purchasing a property, this could be spread over a number of years to help more people enter the market. In 2012, the Australian Capital Territory government began phasing out stamp duty over 20 years and replacing it with higher municipal rates. Victoria introduced a one-off duty exemption/concession for eligible pensioners buying a new or established home up to a certain value as their principal place of residence, and the abolition of stamp duty for first-home buyers up to a certain value⁷⁷. The Northern Territory provides stamp duty reductions for eligible seniors, pensioners or carers,⁷⁸ and South Australia started phasing out stamp duty for all non-residential, non-primary production land⁷⁹.

Whilst Western Australia has some stamp duty concessions it is proposed to facilitate a more efficient housing market that stamp duty is abolished with a move to a broad-based progressive land tax. To implement these changes a transition period is proposed to ensure the impact on

⁷⁴ For example Daley, J. and Coates, B. (2015). *Property taxes*, Grattan Institute, Melbourne and Australian Government, 2010, Australia's Future Tax System Review Final Report, Canberra.

⁷⁵ REIWA calls for reform to lure back investors. The West Australian. January 19, 2021.

⁷⁶ Infrastructure Australia (2018). "Making Reform Happen: Using incentives to drive a new era of infrastructure reform". Australian Government.

⁷⁷ <http://www.sro.vic.gov.au/first-home-owner/apply-pensioner-duty-exemption-or-concession>.

⁷⁸ <https://nt.gov.au/property/buying-and-selling-a-home/get-financial-help-to-build-or-buy-a-home/stamp-duty-reductions-for-seniors-pensioners-and-carers>.

⁷⁹ Revenue SA, Stamp Duty on Transfer of Real Property (Land) <https://www.revenuesa.sa.gov.au/taxes-and-duties/stamp-duties/real-property-land>.

current homeowners, who have already paid stamp duty is minimised. Also, to ensure ongoing affordability, considerations will need to be made for low-income households during both the transition period and in the ongoing implementation of a broad-based land tax.

This could be done by progressively structuring the land tax with exemptions for lower value properties, and/or basing concessions on household income. This will be particularly important for seniors who may live in an area with high value land, but do not have access to enough income to pay an annual land tax. This reform will need to be designed in consultation with key stakeholders to fully understand the implications and implemented with care to effectively manage change.

REFORM AREA THREE: Embed social and affordable housing in the planning system

The planning system plays an important role in influencing housing affordability through planning controls to address factors such as house size, location, orientation, and design. Planning regulation manages the use and development of land to optimise public value and create orderly and efficient urban development.

Unequal access to housing drives sprawling development patterns; worsens traffic congestion; pollutes air quality; increases taxpayer dollars spent on basis infrastructure; and decreases cultural and economic diversity...and this basic dynamic will not change naturally.”⁸⁰ What is important is that the planning system is utilised to create diverse and inclusive communities through the provision of social and affordable housing. Affordable housing priorities in a planning context are not just good for individuals but delivers metropolitan efficiency and net public value.

Research shows that socio-economical homogenous areas create net community costs in terms of loss of diversity and broad social cohesion, intergenerational inequity, congestion costs to individuals and businesses, pollution costs to health and the environment and instability in local labour markets. For example, there is a cost to individuals and to society when key workers cannot afford to live close to where their work; when young people cannot find affordable housing near their families or where they study or work; when people from different cultural backgrounds cannot find the affordable, diverse housing stock that meets their cultural needs; or when people with disabilities cannot find appropriate, affordable housing within the community.

With Perth’s population set to exceed four million by 2050, Greater Perth faces increased pressure to offer more sustainable and diverse accommodation housing options. The new strata title reforms, especially the leasehold strata scheme regulations, provide great potential to expand the land available for, and development of, social and affordable housing. The Department of Planning, Lands and Heritage has set a target to deliver 47 per cent of all new dwellings in existing urban areas, however the actual rate is around 30 per cent and mostly consists of high-density apartment development. There remains a gap in the medium density space, the missing middle. There is an opportunity for sensitive infill development which can improve a neighbourhood through delivering better quality public amenities and infrastructure, while also delivering a diverse range of housing options.⁸¹

An Australian Housing and Urban Research Institute (AHURI) report suggests a ‘precinct approach’ of targeted redevelopment in areas of aged housing stock and existing public housing is a valuable method of increasing density and adding to the supply of affordable housing. This precinct approach can ensure that there is deep engagement with local communities and what is important to residents in terms of local character and local amenity is understood and preserved.

⁸⁰ Rick Jacobus Inclusionary Housing: Creating and Maintaining Equitable Communities.

⁸¹ <https://news.curtin.edu.au/stories/infilling-perths-property-gap/>.

The land use planning changes around METRONET stations provides a significant opportunity to plan for and deliver diverse, social and affordable infill dwellings.

Inclusionary zoning is a land use planning intervention by government that either mandates or creates incentives so that a proportion of residential development includes a number of affordable housing dwellings.⁸² Other planning mechanisms to increase affordable housing such as planning concessions, density bonuses, and negotiated voluntary planning agreements.⁸³ These, along with the development of local housing strategies, provide an opportunity for local governments, given their key role in assessing development and managing change and growth, to facilitate more social and affordable housing supply. Mandatory inclusionary zoning is a lever that can increase supply of social and affordable housing for both ownership and rent. Inclusionary zoning works well when social housing and affordable housing is indistinguishable from other property in the development area.

South Australia legislated inclusionary zoning at a level of 15 per cent in all new significant developments with a focus on affordable home ownership.⁸⁴ The ACT has legislated it for both rental housing and home ownership. In Western Australia inclusionary zoning is a policy position of Development WA, with 12-to 15 per cent of their developments to include affordable housing. The ability to mandate for social and affordable housing means that new developments would already have a set level of stock under pre-sale. This can assist the developer by increasing the rate of pre-sales and make accessing finance quicker.

REFORM AREA FOUR: Community Housing Growth Strategy

Community housing is an integral part of the housing system. Data indicates there are 41,683 social housing dwellings in Western Australia, of which 20 per cent (or 8,337 properties) are managed by approximately 200 community housing providers (CHPs). The largest 40 providers manage 70 per cent of the community housing stock.⁸⁵ In Western Australia, there are four housing co-ops operating 37 homes. The housing outcomes achieved through co-op housing demonstrates there is benefit in building the strength and size of this sector to increase affordable housing choice in the housing system.

The Australian Housing Ministers agreed in May 2009 that jurisdictions and the Commonwealth would develop, over time, a large-scale not-for-profit sector comprising up to 35 per cent of social housing by 2014⁸⁶. The Australian Government outlined that the goal of this commitment was to grow the not-for-profit social and affordable housing sector and increase housing supply and offer diversity in the mix of tenants. Ultimately, this will help meet the overall demand for housing, reducing homelessness and supporting the Government's agenda for social inclusion.⁸⁷ Transferring housing assets to community housing providers, means they can leverage private finance against the assets, as well as attract Government subsidies. This potential growth in stock is crucial in addressing the estimated social housing need.⁸⁸

⁸² AHURI (2017). Understanding inclusionary zoning, Melbourne, <https://www.ahuri.edu.au/policy/ahuri-briefs/Understanding-inclusionary-zoning>.

⁸³ Inclusionary Zoning, National Shelter page4.

⁸⁴ Significant developments include government land, major developments and private developments that are bound by the development plan policy for affordable housing <https://www.sa.gov.au/topics/planning-and-property/land-and-property-development/planning-professionals/developer-responsibilities-for-affordable-housing>.

⁸⁵ AIHW (2019). National Social Housing Survey. Retrieved from: <https://www.aihw.gov.au/getmedia/46555204-b4ca-4429-9d1a-a1797e6a06cd/aihw-hou-311.pdf.aspx?inline=true>.

⁸⁶ A Progress report to the Council of Australian Governments from Commonwealth, State and Territory Housing Ministers – Implementing the National Housing Reforms, November 2009 published by the Victorian Government Department of Human Services on behalf of the Housing Ministers Conference available at www.coag.gov.au p.26

⁸⁷ Australian Government (2010). Regulation and Growth of the Not-For-Profit Housing Sector – Discussion Paper. Retrieved from: <https://apo.org.au/sites/default/files/resource-files/2010/04/apo-nid21116-1160536.pdf>.

⁸⁸ Australian Government (2010). Regulation and Growth of the Not-For-Profit Housing Sector – Discussion Paper. Retrieved from: <https://apo.org.au/sites/default/files/resource-files/2010/04/apo-nid21116-1160536.pdf>.

If the WA State Government implements the plan of having the social housing sector comprised of 35 per cent of not-for-profit housing organisations, there would be significant savings to the State budget. The 2019 Review of Government Services data shows that, the net recurrent cost for a public housing dwelling is around \$14,700 per annum, while the cost for a community housing dwelling is \$9,400, which means that there is a cost saving of \$5,300 per dwelling, and in total a cost saving of \$42,500,000 for all current community housing dwellings in Western Australia.⁸⁹⁹⁰ If the not-for-profit housing sector were to comprise 35 per cent of social housing in Western Australia, the total cost saving could potentially be \$74,170,000 per annum.⁹¹

Other jurisdictions are building on the strengths of the community housing sector. The National Social Housing Survey shows at a national level, but not in Western Australia, that the number of public rental housing households has decreased, while over the same period, the number of community housing households has more than doubled.⁹² These changes reflect a gradual, but steady shift of policy focus in other jurisdictions towards growing the community housing sector by transferring ownership or management of public rental housing stock.

The rationale is that providers can leverage funding into new supply. Also, the community housing provides a more agile and nuanced response to tenant needs than public housing. In addition, investment into the sector enables community housing providers to innovate, undertake more longer-term asset management planning and to increase supply. Also, Community Housing Providers (CHPs) are mission driven, with a sole purpose to deliver good social and affordable housing and great outcomes for tenants and as not-for-profits, any surplus is reinvested into their business to ensure better tenant outcomes and increasing supply.

Within this strategy, government policy must community housing providers to manage their assets more efficiently and facilitate a choice-based allocation of homes. Best fit allocations work better for providers and for tenants as they consider key factors such as diverse location preferences, trauma triggers, pets, and family connections.

There are two ways in which other jurisdictions are growing the sector. Asset transfers, which involves the transfer of the dwelling ownership for use as social housing and term management transfers where the CHP takes responsibility for all aspects of the management of the property including receiving rental income, maintenance, and tenant outcomes. As long as the standard of assets transferred are good, both forms of transfer can generate growth by enabling the CHP to leverage private finance, secured against the transferred asset and repaid through projected rental income stream. These transfers occur without increased public debt on government balance sheets.

For example, the NSW government has completed its largest social housing transfer with the transfer of over 2,000 homes and 4,000 tenants to a community provider. The NSW State Government aims to eventually transfer around 14,000 properties to nine registered community housing providers, saying this will provide upwards of \$1 billion over the next 20 years to improve the experiences of people living in social housing. In summary, the benefits of the community housing sector to government includes:

Better Tenant outcomes

⁸⁹ Productivity Commission (2019). Report on Government Services (2019). Housing data sets.

⁹⁰ These calculations were undertaken by using the numbers and costs highlighted in the Housing Section of the Report on Government Services (2019). The total saving for the State Government in WA have been calculated by multiplying the individual saving for a dwelling for the total amount of community housing dwellings in Western Australia.

⁹¹ Productivity Commission (2019). Report on Government Services (2019). Housing data sets.

⁹² Ibid.

The National Social Housing Survey found that, a higher proportion of community housing tenants in Western Australia were satisfied with the overall services provided by their housing organisation (85 per cent) compared to tenants in public housing (76 per cent). In most cases, the dwelling condition was the most important factor in tenants' dissatisfaction.⁹³ The survey highlights that maintenance is a major issue. Only 69 per cent of tenants in public housing in Western Australia were satisfied with the day-to-day maintenance services provided by their housing organisation. 79 per cent of community housing tenants though were satisfied with maintenance services provided to them. This research lends weight to the argument that community housing providers provide better tenant outcomes. Unlike the State, many CHPS have tenant advisory committees, ensuring that tenants have a direct say and input into policies which impact on them. Also, they take a supported landlord approach to managing their tenancies, which ensures that the outcomes for their tenants are at the centre of their business model.

Independently Regulated

Unlike the State, CHPS who are registered are formally regulated through a national regulatory system for community housing, mirrored by a policy and reporting regime in WA. This independent oversight ensures that CHPS are subject to externally monitored service provision standards, which leads to comparable quality and standards across the community housing sector. It ensures that there is independent probity and good governance standards which are reviewed.

Accessing new financing options

CHPs are able to access different financing options bringing in new investment to Western Australia. These opportunities include:

- Increasing Commonwealth Rental Assistance into WA.
 - CRA can boost rental income for a tenant by as much as 60 per cent
- Accessing new institutional investment via NHFIC.
 - Registered CHPS can access finance at wholesale rates
- Harnessing tax initiatives
 - Utilising GST concessions
 - Increased capital gains tax discounts for investors who rent properties through CHPS
 - Potential for private tax rulings enabling investors who rent their properties through CHPS to write off their income loss

REFORM AREA FIVE: Disability Housing

More than 411,500 people live with a disability in our State⁹⁴. People with disabilities are overrepresented in housing assistance programs and social housing wait lists. They are twice as likely to be in bottom 20% of gross household incomes, where 60% of their income is spent on housing. The NDIS only funds specialist disability housing for 6% of people with a disability, around 2500 – 3000 people, in WA.⁹⁵

The Disability Royal Commission has highlighted a range of risk issues and abuses for vulnerable persons residing in institutional care and traditional disability group homes. *The Aged Care Royal Commission* has exposed the growing number of people with disabilities residing inappropriately in aged care homes or hospitals, due to a lack of alternative, appropriate housing options in the community.

⁹³ Ibid.

⁹⁴ <https://www.communities.wa.gov.au/strategies/state-disability-strategy-2020-2030/>

⁹⁵ NDS WA

Western Australia has a Housing Strategy, a Disability Strategy and a Mental Health and other Drug and Alcohol Accommodation Strategy. There is a need for a Strategic Framework or Plan to bring together initiatives across these plans and co-ordinate outcomes across policy, planning, program arrangements, asset management, capital funding and other issues which fundamentally impact on providing good housing outcomes for people with disabilities. This plan, by ensuring the person with a disability is front and centre and has choice and control, will drive the housing suitability and better match housing supply and demand.

This plan should be co-designed with people with disabilities, State and Federal government and the community sector, providing a clear framework to deliver the disability housing outcomes sought from current state plans. This plan could focus on key focus areas such as Contemporary Policy Frameworks; Stock & Supply; Design & Accessibility; Housing Awareness & Information; and Housing Pathways and Support.

REFORM AREA SIX: Social Housing Allocation Policies

Allocations systems lie at the core of social housing. They determine who is eligible for housing, the order of providing assistance, and the matching of households with specific properties. In so doing, they affect the circumstances and wellbeing of individual households and the composition and capacity of local communities. Allocations systems also affect all aspects of housing providers' operations, including tenancy management, asset planning and management, rent revenue and, ultimately, financial viability⁹⁶. In Western Australia people access social housing through a joint wait list, which includes a priority waitlist, between the Department of Communities and Community Housing Providers.

Increased targeting has been a response to a number of factors, including increasing waiting lists and greater diversity of need in the context of declining real funding and decreasing social housing stock; the need to provide exit points for people in various forms of emergency, temporary and transitional housing; and governments' requirements for accountability in terms of who is being housed for the social housing dollar

One of the issues around current allocation policy is the extent to which it limits choice for individual households. Also, it limits the efficient and effective allocation of stock by housing providers. There is the need to review the current allocation system to ensure that the access for people who require social housing assistance is households is whilst maintaining the strengths and expertise of housing providers.

REFORM AREA SEVEN: Management of Maintenance on Remote Communities

The Department of Communities provides a range of services including property and tenancy management and housing maintenance services to approximately 2,700 properties in 112 remote communities throughout Western Australia. While property and tenancy management services are generally provided to these communities through direct service provision from the Department or local regional service providers, maintenance services are provided under a head maintenance contract arrangement. Leaders in these communities have been seeking to identify options and arrangements to increase the level of local, including from within community, businesses and workers involved in the delivery of maintenance services for several years. Consistent with the State Government's Aboriginal Procurement Policy and the Department of Communities' Aboriginal Community Controlled Organisation Strategy.

⁹⁶

https://www.ahuri.edu.au/_data/assets/pdf_file/0011/2054/AHURI_Final_Report_No75_The_changing_role_of_allocations_systems_in_social_housing.pdf.

The current head contractor maintenance model was implemented in 2015 and intended to provide a housing maintenance program that would have capacity to improve living conditions and increase the life cycle of houses in remote Aboriginal communities. However, this has not occurred. Houses in remote communities are subject to extreme elements and often due to the lack of housing there is overcrowding (multiple family units living in one house), which results in high repairs and maintenance needs. The effective delivery of the current program has also been significantly impacted by factors including remoteness and large travel distances, the loss or non-realisation of work opportunities affecting Aboriginal trades, and excessive and variable travel costs that can substantially consume a community's allocated maintenance budget. It is expensive and not cost efficient or effective.

A new model would have the potential to deliver:

- Increased delivery of maintenance services through local workers, businesses, and tradespeople
- Capacity building opportunities for Aboriginal Community Controlled Organisations throughout regional Western Australia
- Economic development opportunities for Aboriginal people and businesses based in remote Aboriginal communities, and/or surrounding towns; and
- Creation of sustainable job, apprenticeship and training opportunities for Aboriginal people residing in remote communities.

The ultimate goal of developing a new model is to improve health, housing, educational and employment outcomes for Aboriginal people, by engaging local Aboriginal people in the delivery of safe and healthy homes in their communities. However, it also offers the potential to build critical capacity, capability, and resilience in the social and economic development of regional and remote communities. The ultimate benefit of this work will be the Aboriginal tenants who live in these homes on the remote communities.

HOW WOULD THIS BE DELIVERED?

Cost: \$8m over four years

Employing 16 people to boost policy reform across government.

9.3 PRIORITY THREE: End Homelessness

Homelessness has reached a crisis point and WA's most vulnerable people are being left behind. There has never been a more important time to invest in services. We propose an investment of \$117.9 million over four years to implement six recommendations to end homelessness in WA.

RECOMMENDATION 7: RAPID INTERIM SOLUTIONS AS A PATHWAY TO A PERMANENT HOME

Providing safe and secure accommodation as an urgent interim solution to a permanent home, to 620 people every year

WHAT ARE WE PROPOSING?

Safe and secure interim solutions to accommodate people sleeping rough are severely limited at any time, however this issue has only been further exacerbated by the COVID-19 crisis. It is critical that Housing First is the approach taken to end rough sleeping in WA.

We are proposing immediate, safe, secure interim accommodation solutions as a rapid response to ensure people who are sleeping rough have access to a safe and secure place to sleep as the first step towards a pathway to a permanent housing solution. We propose 620 people rough sleepers could be accommodated within two years through the development of two new Common Ground facilities and utilizing vacant rooms in hostels with appropriate service support.

Two 'Bridge to Common Ground' facilities

The State Government has invested funding for two new Common Ground facilities. And while these facilities are welcomed, they will take a number of years to build.

Two rapid response Common Ground facilities are proposed to immediately house people experiencing homelessness who required this permanent housing solution, in buildings that already exist and could be repurposed rapidly. It is anticipated that 60 per cent of the housing of each Common Ground would be designated to people with a severe and chronic homelessness background; and 40 per cent of the housing would be available to low-income social housing tenants. The development of these facilities would be dependent on the successful identification of a suitable dwelling/location (which could be assisted through the government property audit we recommend in Part 4 of this Platform).

In addition, the set-up and refurbishment of the Interim Common Ground would require additional resources including the provision of 24-hour security/concierge and support workers, as well as case workers and medical staff. The cost for this initiative is based on an average \$35K per year per person to cover the accommodation and service support costs, noting that apart from sunk costs the cost of specific support for each person may differ depending on their individual circumstances.

COST: \$9.8M m over two years
Supporting 140 people over 2 years

Hostel Models

Hostel models utilises vacant rooms at hostels to provide accommodation for people who are sleeping rough and required a Housing First homelessness response. It would be complemented

by a person-centred case management, which would give each participant access to a support working to support them towards independent living, through future planning towards long-term sustainable housing and accommodation options. This would include support and assistance with personal hygiene, budgeting, and financial wellbeing. In addition to this, support workers would be able to refer participants to other supports such as mental health support and counselling for alcohol and drug issues.

Location and potential dwellings have been located and interim options could be progressed quickly. It is recommended that between 30-40 people are provided accommodation at any site with access to the services that they need. It is estimated that the cost of progressing Hostel options would be around \$per annum. This amount includes accommodation costs, case workers, flexible brokerage funds, and an Aboriginal support worker.

This investment includes the cost of supporting engagement hubs as a pathway to link people to these interim options. The cost is based on an average \$25K per person per year to cover the costs of accommodation and support workers. year per person to cover the accommodation and service support costs, noting that apart from sunk costs, the cost of specific support for each person may differ depending on their individual circumstances.

COST: \$24M over two years
Supporting 480 people over two years

RECOMMENDATION 8: EXPAND HOUSING FIRST HOUSING INITIATIVES INTO FOUR NEW LOCATIONS

To build on the Housing First Housing Initiative by expanding it to four new locations and investing into 75 new support workers to link people with housing and wrap around support.

WHAT ARE WE PROPOSING?

The Housing First Approach is a proven model by providing a home and support to people who are sleeping rough. The State Government has committed \$34.5 million in new funding over five years for the Housing First Homelessness Initiative (HFHI). The HFHI addresses homelessness and rough sleeping by using a housing first approach, where people are placed in housing as a first priority and then provided wrap-around support. Whilst the implementation and investment into the Housing First Initiative in Western Australia is welcome, there is a need to expand this initiative to other areas across Western Australia. We are proposing to expand the Initiative into new regional locations. It would also employ 75 new support workers to link people into services and housing support.

HOW WOULD IT BE DELIVERED?

Expansion of Housing First to four new locations

Building on the 50 Lives 50 Homes collective impact model⁹⁷, this initiative will be delivered into four new locations. It will use private rental subsidies to quickly house individuals and families who are experiencing homelessness with wrap-around supports. to provide stable housing and support to 850 people over four years.

COST: \$34.5M over four years

⁹⁷ Vallesi S, Wood NJR, Wood L, Cumming C, Gazey A, Flatau P. (2018). 50 Lives 50 Homes: A Housing First Response to Ending Homelessness in Perth. Second Evaluation Report. Centre for Social Impact: University of Western Australia, Perth, Western Australia. 2018. https://www.csi.edu.au/media/Final_2nd_50_Lives_Report.pdf

Assisting 850 people over the four years

Increasing support workers

To support people experiencing homelessness to a pathway towards permanent housing and to stop the cycle of people experiencing homelessness in and out of hospital it is recommended that there is an immediate increased in outreach case management support. To meet current need case management capacity needs to be increased by 75 workers. As people are placed into housing, the need for the outreach case workers is reduced, shifting to housing support workers who to support people to remain in their permanent homes. To provide an additional 75 workers will also require an additional \$30 million of State investment over the 4 years.

COST: \$30M over four years
Employing 75 new workers

TOTAL COST: \$64.5M over 4 years

RECOMMENDATION 9: FLEXIBLE BROKERAGE FUNDING TO KEEP RENTERS IN THEIR HOMES

Providing flexible brokerage funds to provide emergency relief to assist renters stay in their homes whilst they get back on their feet.

The end of JobKeeper and reductions to JobSeeker will make things tougher for Western Australians on low incomes who rent. A range of short-term and long-term responses are needed, as well as further modelling to anticipate needs into 2021.

Beyond December 2020, the number of people at risk is likely to increase progressively as individual savings declines and other support ends. There is a need to provide flexible support packages to support people to access a housing option and provide ongoing support for some households to sustain a new housing tenancy whilst people get back onto their feet. An increase in the provision of flexible brokerage funds to assist with rental debts is required for support assists in maintaining a tenancy.

WHAT ARE WE PROPOSING?

Providing \$5.6m over four years for flexible support packages to support people in rentals to remain in their homes and provide ongoing support for some households to sustain their tenancy whilst people get back onto their feet.

HOW WOULD IT BE DELIVERED?

The provision of flexible emergency relief funds to assist with rental debts is required for support assists in maintaining a tenancy.

COST: \$5.6M per year over 4 years

Assisting 250 households per year (@ \$5600 per household with 4 weeks of funding at \$200 per day)

RECOMMENDATION 10: REGIONAL ONE-STOP SHOPS

The creation of a coalition of 'one stop shops' for people experiencing homelessness in the regions, enabling them to find information, services and assistance on housing programs and options.

WHAT ARE WE PROPOSING?

To build on the network of regional services who provide housing outcomes for their clients, we are proposing \$3.96m over four years to support services to better collaborate and reach their clients through a network of 'one stop shops.' This will enable people experiencing homelessness or housing insecurity to access information, services and assistance on housing programs and options in a seamless way.

HOW WILL IT BE DELIVERED?

This investment will provide the glue between the services, with a part-time place based in each region facilitating networks between services and people with a focus on those who are 'newly vulnerable' or experiencing hardship as a result of COVID-19. These people are more likely to present to local government seeking assistance than charities and or mainstream public services. This model will utilise current infrastructure, within local communities. This could include the network of skill centres, local government libraries, or CRC centres. This will enable services to reach people quickly and efficiently and assist them. It will include brokerage funding to provide immediate support to people as needed to prevent people from becoming homeless.

COST: \$3.96M over four years

RECOMMENDATION 11: HOMELESS INNOVATION FUND

Supporting homelessness services to transition and drive the outcomes of the WA Homelessness Strategy.

Western Australia's 10-Year Strategy on Homelessness is based on the Housing First Model. It provides the platform for the commissioning of homelessness services to drive strategy implementation. The Strategy will be delivered through two action plans. Action Plan One, which includes a focus on ending rough sleeping and building a No Wrong Door System will require the homelessness services sector to be nimble with the skills and resources to deliver the Strategy's outcomes. This coupled with the re-commissioning of homelessness services will require support of the sector through a period of transformation.

WHAT ARE WE PROPOSING?

\$8m over four years to facilitate sector reform to support the sector to transition and drive the outcomes of the WA Homelessness strategy.

HOW WOULD IT BE DELIVERED?

A pool of funds that homelessness services could access to assist them, as required, towards implementation of Housing First and driving the outcomes of the WA Homelessness Strategy. There is precedent with this approach; between 2005 – 2009 the SAAP innovation fund allocated \$1.3M per year to support the sector develop new initiatives that focused on innovation, trialling new ways of working and learning from action research and evaluation to achieve better client

outcomes. Based on this learning it is critical that there are pathways for good practice to become embedded into practice

TOTAL COST: \$8M over four years

RECOMMENDATION 12: LIVED EXPERIENCE PEER SUPPORT PROGRAM

Supporting the involvement and harnessing the skills and knowledge of people with lived experience with decision making processes.

The voice and involvement of people with lived experience of homelessness is critical in the development of housing and homelessness solutions. To engage people effectively and supportively with lived experience in decision making a well-trained peer support group of people with lived experience is needed. The primary role of this project would be to provide investment to develop a supportive network of people with lived experience equipped with the tools to enable effective collaboration and advocacy with services, and decision makers.

COST: \$2M over 4 years

APPENDIX: Responding to Need – An Overview

Shelter WA's **Unlock Housing** campaign responds directly to the homelessness and affordable housing crisis and need for more services in the community right now, by addressing the following needs directly:

Key Asks	Reflecting Need
PRIORITY ONE: INVEST IN SOCIAL & AFFORDABLE HOUSING	
<p>12,000 new social homes</p> <p>(10,000 new builds/spot purchases + 2000 Rental Subsidies)</p> <p>Targeting groups in housing stress:</p> <ul style="list-style-type: none"> • People with disabilities • People with persistent mental health issues • Older people • Youth • Aboriginal people <p>Across Metropolitan and regional WA</p> <p>New Builds, Spot Purchases and Rental Subsidies – energy efficient, accessible to people of all abilities</p> <p>More diverse homes meeting need</p> <p>Managed by the community housing sector</p>	<ul style="list-style-type: none"> • Over 9000 people experience homelessness every night. • 15,700 households on the joint social housing waitlist • 2.5 years average wait time for social housing • Increase in demand for social housing – <ul style="list-style-type: none"> ○ Social housing waitlist up 229 between March - May 2020. ○ Priority waitlist up by 50 applicants in May 2020 (to 1,860), an increase of 4.8% since February 2020. • Social housing applications are impacted as fewer current tenants exit their properties • Current shortfall of 39,200 homes to meet current need⁹⁸ • At 7% unemployment 2,500 more households will require social housing assistance • Current housing recovery packages will not meet demand <ul style="list-style-type: none"> • SHERP – 250 new social homes • HIP (Housing Investment Package)– 300 new social homes • Metronet – 320 new social homes + 400 affordable homes • Spot purchases will immediately increase social housing supply • Investment provides pipelines of work in the construction sector • Government develops housing to sell on the market – i.e., the Metronet package is developing 670 homes for sale • Initiatives such as My Home that use modular construction and are cost effective can be built on now to swiftly increase supply • Procurement can provide new opportunities for apprenticeships and employment for women and young people and people with disabilities • Procurement can build supply chains for Aboriginal businesses
<p>Maintenance – 6000 homes</p>	<ul style="list-style-type: none"> • Many people in public housing live in homes that are not well-maintained which impacts on their physical and mental health • The SHERP maintenance program is only in regional WA • Provides pipelines of work in the construction sector • Procurement can provide new opportunities for apprenticeships and employment for women and young people and people with disabilities • Procurement can build supply chains for Aboriginal businesses
<p>Refurbishments – 1000 homes</p>	<ul style="list-style-type: none"> • Extending the useful life of a home is a cost-effective way to maintain social housing

⁹⁸ UNSW City Futures Research Centre (2018). Estimating need and costs of social and affordable housing delivery. <https://cityfutures.be.unsw.edu.au/research/projects/filling-the-gap/>.

	<ul style="list-style-type: none"> • A challenge is relocating tenants when refurbishments occur – that is why we need to build more homes • Provides pipelines of work in the construction sector • Procurement policy can provide new opportunities for apprenticeships and employment for women and young people and people with disabilities • Procurement policy can build supply chains for Aboriginal businesses
4000 new Affordable Rental Homes	<ul style="list-style-type: none"> • Over 100,000 Western Australians live in rental stress • 98% of rentals in the WA market are not affordable to people on minimum wage • No affordable private rentals for people on income support (RAI 2020) with pensioners and people on JobSeeker hit the hardest • Less than 1% vacancy rate in the private rental market • REIWA predict a 20% increase in rents when the moratorium on evictions and rent rises ends in March 2021. (The West 2/11) – at this time JobKeeper is expected to end too • 4,000+ rentals in WA are provided through NRAS, which ends in 2026 (Department of Communities, 2019) further reducing affordable rental supply. • This will prevent a new wave of homelessness • This will stimulate new Build to Rent product
Energizing Housing: 8600 more energy efficient social homes <ul style="list-style-type: none"> • Built to an 8-star minimum energy efficiency standard (NatHERS) • Constructed under standards within the National Construction Code (NCC) 2019. 	<ul style="list-style-type: none"> • Energy and utility costs are one of the largest housing costs for people on low incomes • The cost of energy disproportionately impacts households on the lowest incomes, with households receiving financial counselling that are below the poverty line are dedicating 6.1 per cent of their expenditure on utilities compared to 4% of average Australian households.⁹⁹ • Solar panels on social housing will reduce energy bills by up to 20% (WA Government Media 9/12/20) • This investment will reduce drawdown on the government's hardship utility grants
Rental assistance brokerage program	<ul style="list-style-type: none"> • 52,900 people on the lowest income quintile– up to \$24K per year – are in rental stress • 62,400 people on the second lowest income quintile – up to \$53K per year – are in rental stress • Less than 1% vacancy rate in private rental market • \$30M Residential Rental Relief Scheme is not fully utilized • Eviction and rent rise moratorium will end in March along with REIWA predicting 20% increase in rents (The West 2/11) • JobKeeper payments will end in March 2021 putting greater financial pressure on renters • More cost effective to prevent homelessness than respond to it by keeping people in their homes.
Emergency Audit – government owned land and buildings	<ul style="list-style-type: none"> • State government-owned land and buildings is being disposed of without affordable or social housing outcomes yet provides a cost-effective way to deliver such housing

⁹⁹ WACOSS (2019) Cost of Living 2019. Western Australian Council of Social Service. Perth. Australia. <https://wacoss.org.au/wp-content/uploads/2019/12/WACOSS-2019-Cost-of-Living.pdf>

	<ul style="list-style-type: none"> • 206 land and property assets have been sold between 2015-2020, 16 are currently on the market, and 21 are being prepared for sale • An audit and independent analysis of suitability of each site for affordable and social housing will provide transparency and much needed opportunities to quickly deliver affordable housing and even interim accommodation solutions on the pathway to permanent housing.
Unlock vacant buildings	<ul style="list-style-type: none"> • Perth is experiencing a near-record high commercial vacancy rate with over 18% of all offices, or 331,570 sqm vacant in July 2020 • C-grade offices make up the bulk of our vacant stock, and are typically older, smaller, and less likely to be re-leased. • A study found a quarter of all C-grade office stock (over 200 buildings) could be converted to different uses including residential and student housing • Converting just 20% of Perth's empty office space would create 1410 one-bedroom apartments
PRIORITY TWO: FIX THE HOUSING SYSTEM	
Reform the Residential Tenancies Act (1987)	<ul style="list-style-type: none"> • Rental laws do not reflect that renting is becoming a longer term or lifelong housing option for many people • Renters pay rent to live in their home yet having a pet is difficult, they cannot make minor modifications to their homes, boarders and lodgers are not protected and people can be evicted without reasonable grounds. • People who rent need appropriate protection under the law.
Reform property taxes	<ul style="list-style-type: none"> • Stamp duty is an inefficient tax that affects housing affordability and discourages people from moving into a home that better suits their needs • Abolishing stamp duty and replacing it with a broad-based land tax would boost the Australian economy by \$17-\$20B per year
Embed social and affordable housing in the planning system	<ul style="list-style-type: none"> • The planning system can facilitate inclusive communities through incentives for developers to build social and affordable housing products within developments • This can also help to kick start developments • This ensures that all people can live close to services, transport and employment opportunities.
Explore a vacancy tax	<ul style="list-style-type: none"> • There are over 130,000 unoccupied dwellings across WA (Est) • Whilst some are vacant for good reason others could be used for housing • The Victorian government introduced a vacancy tax to ensure that these homes were available for people to live in
Community Housing Growth Strategy	<ul style="list-style-type: none"> • We need more investment in the social and affordable housing system • The community housing sector can be a catalyst to stimulate investment not available to the State government: <ul style="list-style-type: none"> ○ Commonwealth Rental Assistance (CRA) is available tenants renting the private market or with CHPS (not available to public housing tenants) ○ Many CHPs are income tax exempt charities with Public Benevolent Institution status and Deductible Gift Recipient standing meaning that they can receive various tax benefits and concessions

	<ul style="list-style-type: none"> ○ The Commonwealth established new tax and financial arrangements including the National Housing Finance and Investment Corporation (NHFIC), to support the growth of social and affordable housing supply by harnessing the community housing sector. ○ People who lease their homes through CHPs receive additional capital gains tax discounts and, with a private ruling to the CHP, may be able to offset income forgone through their tax. • If the CHP sector were to compromise 35 per cent of social housing the total cost saving could potentially be \$74,170,000 per year.¹⁰⁰ • Community Housing Providers (CHPs) engage in joint ventures, innovative projects, and investment models to bring quality social and affordable housing to market – demonstrating the potential to broker partnerships between government and private industry. • CHPs business models channel profits back into properties and programs which results in greater re-investment into housing assets and tenant outcomes • CHPS who are registered are formally regulated through a regulatory system. This independent oversight leads to a comparable quality and standards and independent probity and good governance standards which are reviewed.
PRIORITY THREE: END HOMELESSNESS	
Homelessness Innovation Fund	<ul style="list-style-type: none"> • Specialist Homelessness Services contracts have been rolled over for ten years impacting on service sustainability and the people in desperate needs of services • To facilitate alignment of the homelessness sector with the new State Homelessness Strategy investment will support the sector to transform to drive strategy outcomes
Rapid Interim accommodation options as a pathway to permanent housing <ul style="list-style-type: none"> • 2 x Interim Common Ground • Hotel and Hostel models 	<ul style="list-style-type: none"> • Ten people experiencing homelessness in the metro area died between July and October – some in their early thirties. • Approx. 700-900 rough sleepers in the metropolitan area • Long-term solutions are important but will take time to build – i.e. Common Ground will take 2-3 years to build • Vacant hostels can provide accommodation and pathways to permanent housing and service support – and support local business and deliver positive social outcome • This model is being used as a response to the tent cities •
Expanding Housing First initiative to 75 new case management and support workers	<ul style="list-style-type: none"> • The <i>By Name List</i>, a list of people who are sleeping rough in metropolitan Perth, shows only 20% of people receive case management support • People are cycling in and out of accident and emergency departments and shelters as they do not have support for their immediate needs and a pathway to a permanent home. • People are dying because they do not have a home
Expansion of Housing First Housing Initiative to four new areas	<ul style="list-style-type: none"> • Homelessness services seeing an increase in rough sleeping as a result of COVID-19 • Housing first an evidence-based response to ending rough sleeping • Approx. 700-900 rough sleepers in the metropolitan area

¹⁰⁰ Productivity Commission (2019). Report on Government Services (2019). Housing data sets.

	<ul style="list-style-type: none"> • People are dying – 41 people are known to have died homeless in Perth. • The average age of death here in Perth among homeless people is 45 (A/Professor Lisa Wood)
Emergency relief fund	<ul style="list-style-type: none"> • The end of JobKeeper and reductions to JobSeeker will make things tougher for lower income renters • Support is needed for some households to access a housing option and sustain a new tenancy and get back on their feet
Network of regional one-stop shops - connecting people to housing and homelessness services	<ul style="list-style-type: none"> • A place-based go to person in each region of WA will leverage current investment by connecting services and people ensuring better co-ordination and alignment of effort • Utilization of current infrastructure, ie Libraries, Community Resource Centres, will ensure that this is a cost-effective and embedded approach.
Homelessness Innovation Fund	<ul style="list-style-type: none"> • Investment is needed to help the sector develop new initiatives, trial new ways of working together, and complete research and evaluation to achieve better client outcomes
Lived experience peer support program	<ul style="list-style-type: none"> • The voices of people with lived experience are the center of All Paths Lead to Home – the WA Homelessness Strategy • Unlike other states there is no WA based peer support program to facilitate engagement with people with lived experience into housing and homelessness policy

Useful Resources

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