## [ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 25 May 2016] p390b-403a

Chairman; Mr Fran Logan; Mr Terry Redman; Mr Paul Papalia; Mrs Glenys Godfrey; Ms Janine Freeman; Mr Mick Murray; Mr John McGrath; Mr Brendon Grylls

## Division 69: Housing Authority, \$68 604 000 —

Mr I.C. Blayney, Chairman.

Mr D.T. Redman, Minister for Regional Development representing the Minister for Housing.

Mr P.R. Whyte, Acting Chief Executive Officer.

Mr G. Cash, General Manager, Service Delivery.

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

Mr N. Hindmarsh, General Manager, Commercial Operations.

Ms T. Loosley-Smith, General Manager, Strategy and Policy.

[Witnesses introduced.]

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

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to the discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I give the call to the member for Cockburn.

**Mr F.M. LOGAN**: On page 783 of budget paper No 2, I refer to "Spending Changes" and the first line item, "Government Regional Officer Housing Lease Expenditure". Can the minister explain what the difference is between the estimated actual figure for 2015–16 and the figures for the forthcoming financial year and the out years, because, obviously, there is a significant difference?

Mr D.T. REDMAN: Specifically GROH and the estimated actual?

Mr F.M. LOGAN: Yes, it is the first line. It is expenditure on GROH.

**Mr P. PAPALIA**: If the minister is looking at the budget papers, it is pretty obvious.

Mr F.M. LOGAN: Yes.

Mr D.T. REDMAN: So, the difference between the estimated actual for 2015–16 —

Mr F.M. LOGAN: It is the difference between that and the figures for the forthcoming financial year and the out years.

**Mr D.T. REDMAN**: — and 2016–17?

**Mr F.M. LOGAN**: Yes, and the out years. The reason I ask this is that the estimated actual is \$34 000 for the current financial year and it is \$12 million for the forthcoming financial year, and then it rises to \$15 million, so there is a significant difference.

Mr D.T. REDMAN: I will ask the acting CEO to respond.

**Mr P.R. Whyte**: The matter that the member refers to relates to an increase in demand for GROH, primarily for teachers and police in regional Western Australia. A downward adjustment was made at midyear review for GROH expenditure, and that has since been adjusted back to the numbers that the member sees on page 783 of the *Budget Statements*—\$12 million, \$15 million and \$12 million.

**Mr F.M. LOGAN**: Is that \$34 000, which is the estimated actual for 2015–16, just what is left of the spending for the financial year? That is not the total amount of money, is it?

Mr P.R. Whyte: No; that is the spending change for this particular financial year.

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**Mr F.M. LOGAN**: In the out years, does the GROH lease expenditure for teachers and police involve stock in either Karratha or Port Hedland; and, if so, where? I am asking on behalf of the member for Pilbara.

Mr D.T. REDMAN: Can the member make that question clear again? I am having a struggle.

**Mr F.M. LOGAN**: The expenditure for the forthcoming financial year is \$12 million, and we have been informed that the expansion in expenditure in the out years will be for GROH leases for teachers and police. Will that expenditure occur in Karratha or Port Hedland; and, if so, where and how many houses?

**Mr D.T. REDMAN**: So, is there any teacher and police expenditure that applies to GROH in Karratha and Port Hedland in those forward estimates?

Mr F.M. LOGAN: Yes; that is what we are told it is for.

**Mr P.R. Whyte**: We do not have the figures or the information.

**Mr F.M. LOGAN**: Can I ask for that to be provided by way of supplementary information? I am basically asking for where that expenditure will take place for the forthcoming financial year and the out years; that is all.

Mr D.T. REDMAN: Is the member talking about the changes in expenditure?

Mr F.M. LOGAN: No, just that expenditure.

**Mr D.T. REDMAN**: Is the member talking about the fundamental GROH expenditure in Karratha and Port Hedland?

Mr F.M. LOGAN: No, just where GROH is. Mr Whyte did not have the information, so I will just keep it a simple question.

Mr D.T. REDMAN: Yes, but I am trying to understand what the member is actually asking for.

Mr F.M. LOGAN: I am asking for where that expenditure on the leases will take place.

Mr D.T. REDMAN: Where the teacher and police—

Mr F.M. LOGAN: No, not for teachers and police—where that money will be spent?

**Mr D.T. REDMAN**: The question that the member asked was about spending changes on page 783 of budget paper No 2.

Mr F.M. LOGAN: We have gone past that, minister. That was a previous question; we dealt with that.

Mr D.T. REDMAN: Is the member now dealing with GROH generally?

Mr F.M. LOGAN: Regarding that line item, minister, we have already dealt with the question about the changes in expenditure. The second question was about what it is going to be spent on. Mr Whyte does not have all that detail, so I am asking for the minister to provide it.

**Mr D.T. REDMAN**: Is the member asking what that money there will be spent on or is he talking about the changes?

Mr F.M. LOGAN: No; I am referring to the forthcoming financial year—2016–17.

Mr P. PAPALIA: Look at the budget papers.

Mr D.T. REDMAN: What page, member for Warnbro?

**Mr P. PAPALIA**: It is on page 783. The top line item in the table under the heading "Spending Changes" is "Government Regional Officer Housing Lease Expenditure". That is the line item and that is what the member is asking about.

Mr D.T. REDMAN: That is spending changes.

Mr P. PAPALIA: There are no changes there.

**Mr D.T. REDMAN**: There are; look at the heading just above it. It says "Spending Changes", so these are adjustments. I understand that these are actually adjustments that are made to the budget. That is why I am trying to clarify this. The member is asking us to highlight what the adjustments are being spent on.

Mr P. PAPALIA: The member is asking the minister where that expenditure in that line item is being —

**Mr D.T. REDMAN**: The member wants me to tell him what that \$12 million in 2016–17 is being spent on. That is an adjustment to the full spending on GROH compared with the previous budget.

Mr F.M. LOGAN: The minister knows how these budgets are read. That is extra money.

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Mr D.T. REDMAN: I know but —

Mr F.M. LOGAN: Let me finish. There is extra money.

Mr D.T. REDMAN: Member for Cockburn, if I can just make the point that there is expenditure for GROH —

Mr F.M. LOGAN: No, it is extra money that has been allocated.

Mr D.T. REDMAN: Yes, it is.

The CHAIRMAN: Members, if you talk over the top of each other, you will not get to the bottom of it.

Mr F.M. LOGAN: It is extra money, hence the spending changes.

Mr D.T. REDMAN: That is right, to GROH.

Mr F.M. LOGAN: It is extra money that has been allocated to this project; that is what it is.

Mr D.T. REDMAN: To GROH.

Mr F.M. LOGAN: Correct. I am asking: where is it being spent?

**Mr D.T. REDMAN**: An extra \$12 million is allocated in 2016–17. The acting CEO of the Housing Authority has said that that is largely for leases, so by way of supplementary information we will provide to the member what that extra resource going to those leases is and where it is being spent in regional Western Australia.

Mr F.M. LOGAN: Thank you; we got there!

[Supplementary Information No B57.]

[7.40 pm]

**Mr P. PAPALIA**: I refer to the same table on page 783 under "Spending Changes" and the line item "RiskCover Premium Revised Forecast". Can the minister explain why the estimated actual went negative to such an extent and, subsequently, what is driving the future figures this year and in the out years?

Mr D.T. REDMAN: I defer to Mr Whyte.

**Mr P.R. Whyte**: The RiskCover premium is based on previous claims and the adjustment downward was because we had a reduction in claims in 2015–16. An increase in claims is anticipated during 2016–17, 2017–18, 2018–19, and 2019–20, primarily for workers' compensation, motor vehicle insurance and property insurance—we are now insuring properties that are valued over \$10 million—and general liability insurance.

**Mr P. PAPALIA**: I assume that last year's downward adjustment from a reduced number of claims was anticipated. Was that significantly less than we normally get? Did we have a good year or was there some reason for it?

**Mr P.R. Whyte**: At \$563 000, it is a material amount, but I do not know whether it was foreseeable or significant for the agency.

**Mrs G.J. GODFREY**: My question is more generally around the point we have reached with the policy to reduce the density of public housing, particularly in Belmont.

**Mr D.T. REDMAN**: The member for Belmont is making the point about the level of concentration of social housing in Belmont—I think it has been running at 11 per cent, from memory—compared with the target level. I defer to Mr Whyte.

**Mr P.R. Whyte**: The issue in Belmont, as has been raised before, is not the overall percentage of public housing, but the concentration, which the member referred to. The public housing stock redevelopment strategy, or P200 as it is known, plus the social housing investment package enable us to make inroads into de-concentration. We hope that in ensuing years we will be able to conduct a more broad-based urban renewal program through Belmont, and that should pick up areas and pockets of de-concentration.

**Mrs G.J. GODFREY**: What is the time line, because I am getting different opinions on the time line? Is it a short time line or a long time line? I have been told this over the past few years and we are not moving on; everything about the plan seems to be done in a way that is not open and accountable.

Mr P.R. Whyte: I will defer to the general manager of commercial operations.

**Mr N. Hindmarsh**: Thank you. The immediate answer is that it is already underway. The urban renewal to which the CEO referred comprises many parts and it differs across Belmont depending on the particular need. We use several models of urban renewal. For instance, in the case of Rivervale we have rationalisation, which means that in that particular area we need to deal with by simply de-concentrating the numbers to make it a more

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appropriate social mix for that area. That is already underway. It is partly funded by the social housing investment package and properties have already started to be identified. We are looking at the most appropriate properties to use for that.

More of a redevelopment approach is required in Cloverdale, because the lots there in many cases are under-utilised and there are sub-sized properties on them. Through the stock redevelopment program we have already been undertaking a series of redevelopments, which also achieves the aim of improving existing stock; de-concentrating the number of public housing properties where appropriate; and providing a better product to the market, as well as affordable sales so that the private market can access it.

In the case of Redcliffe, obviously a much broader plan is underway with the City of Belmont, which is very much tied into the rezoning and road alignments that have been in the media quite a lot recently. That is a much broader and more strategic approach that will require a longer term approach. It is already underway in a couple of the Belmont precincts. In the case of revitalisation in Redcliffe, as the member is aware, that planning process is underway with the city to try to progress that.

**Ms J.M. FREEMAN**: The minister used to have a percentage target. Does the government still have a percentage target of public housing in suburbs? The government wanted it down to 11 per cent, did it not?

Mr D.T. REDMAN: I defer to Mr Hindmarsh.

**Mr N. Hindmarsh**: We use a guide target used in new developments and urban renewal, which is one in nine, or about 11 per cent. There are subtleties to that because it is not something we can apply across the board. For instance, in the case of Broome, where we are looking at urban renewal at the moment and the Housing Authority has well over 25 per cent of the stock, it is not appropriate for us to employ that target. It is a case-by-case basis, but we use a guideline of one in nine, or about 11 per cent.

**Mr M.P. MURRAY**: Will that be rolled out across the board so that everyone in the state has the same rationalisation and changes?

**Mr D.T. REDMAN**: Member for Collie–Preston, the principle of the policy setting is that as the Housing Authority develops housing, either itself or in joint ventures with the private sector, one in nine houses are social housing so that they are peppered throughout the community, which is much better than having enclaves of social housing developments, which has been the traditional approach to social housing. We cannot simply push the button and everything happens, but as developments occur —

**Mr M.P. MURRAY**: I understand that. My question is: are we going to do the same studies that Belmont has for places such as Bunbury, Busselton and Collie?

Mr D.T. REDMAN: The same principle applies right across the state.

**Mr J.E. McGRATH**: Further to that question, the policy of selling valuable properties has been discussed a lot in Parliament; in a lot of electorates some very valuable properties are owned by the Department of Housing, and some of them have been sold. How is that policy progressing, because a lot of people see it as an opportunity to sell a valuable property and then put that money into creating more social housing? Can the minister give us an update on how that is happening and whether it is intended to continue across the board?

Mr D.T. REDMAN: I will ask someone to respond to that specifically, but I think it is important to recognise that the government's affordable housing policy is not only social housing. We also have shared equity arrangements and Keystart loans supporting people into housing and some rental support through the national rental affordability scheme. There is a range of strategies in the housing continuum. Applying an affordable housing strategy goes right across the community and social housing is a component of that. The member is right; we can sell a valuable property and get two houses for one.

Mr J.E. McGRATH: Sometimes three.

Mr D.T. REDMAN: We can sometimes get three. I defer to Mr Whyte.

Mr P.R. Whyte: The high-value sales program has been ongoing for five years. To date we have generated \$66 million from sales with the sale of 68 properties, so we are pretty much looking at \$1 million a property there. The rule of thumb is that we will consider selling a property once it is vacated if it is twice the median house price. The public housing stock redevelopment strategy has given us the opportunity to redevelop some high-value sites and recover some of the funds through the sale of one property, shared equity and the retention of a public housing unit. It depends; it is on a case-by-case basis. However, the high-value sales program is an ongoing program and it is generally reviewed when a property is made vacant. We do not go and knock on people's door and tell them we want to see their house. We wait until the property is vacant and then make the decision on the best use of that property.

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[7.50 pm]

**Ms J.M. FREEMAN**: Is the Housing Authority still progressing on its project to do with the Satterley Property Group and is that investment still ongoing?

Mr D.T. REDMAN: I defer to Mr Whyte.

Mr P.R. Whyte: Yes, we are, and it is coming to an end. It has been a decade or more in the making but that project is coming to an end.

Ms J.M. FREEMAN: When is it coming to an end?

Mr D.T. REDMAN: I defer to Mr Hindmarsh.

Mr N. Hindmarsh: The agreement is due to end at the end of June this year.

Ms J.M. FREEMAN: This June?

Mr N. Hindmarsh: Yes.

The CHAIRMAN: You have the question now.

Ms J.M. FREEMAN: I have a question, have I not?

The CHAIRMAN: Sorry, member for Mirrabooka, I should have said.

Ms J.M. FREEMAN: That is okay, I am the member for Mirrabooka, and I am very much more pepper than

Mr F.M. LOGAN: Get on with the question!

**Ms J.M. FREEMAN**: It takes ages to look for the page number! I refer to "New Works" on page 791 of the *Budget Statements*. I note the development program in the second dot point on page 785 that states —

... the Authority, through its land development activities, intends to produce 1,901 housing lots including 1,452 lots developed with joint venture partners.

When will the Housing Authority develop its vast bit of acreage—the seven-odd hectares of land—on Milldale Way, Mirrabooka? The minister knew it was coming!

Mr D.T. REDMAN: I defer to Mr Hindmarsh.

**Mr N. Hindmarsh**: I thank the minister. As the member is aware, this has been under contract for about 18 months while we have been undergoing negotiations with the purchaser and the Minister for Finance over the future leasing arrangements on the property that will be there. We are looking for the construction to start in the second half of this year.

Ms J.M. FREEMAN: Is that for the building that the Housing Authority is building?

Mr N. Hindmarsh: Yes, it is for 5 Milldale Way.

**Ms J.M. FREEMAN**: That is the building the authority is building. Get on with building the building; that is fine. However, I am asking about the masses of vacant land that the authority has sitting in Mirrabooka and when it is going to be developed, not the building that it is building.

**Mr D.T. REDMAN**: Is the member for Mirrabooka talking about that Housing Authority–owned land? I defer to Mr Hindmarsh.

Mr N. Hindmarsh: I would have to take that as a supplementary question. I have not got a date for that at hand.

**Mr D.T. REDMAN**: I am undertaking as a supplementary question from the member for Mirrabooka to provide information about the likely time frames, or indeed if there are any decisions at all, in respect to Housing Authority—owned land in Milldale Way, Mirrabooka.

Ms J.M. FREEMAN: Yes, we all know where it is.

[Supplementary Information No B58.]

**Ms J.M. FREEMAN**: While we are talking about land development, the City of Stirling did not approve the rezoning of lot 162 on Fernhurst Crescent from public use to R40, because it is part of a park in Balga. The Department of Housing has tried to take half the park to use it as R40 to sell off land. The City of Stirling did not approve it because it was not a public benefit. Is the Housing Authority going to appeal that to the minister?

Mr D.T. REDMAN: We will take as supplementary information the Balga reserve at lot 162 on Fernhurst —

Ms J.M. FREEMAN: And whether the minister is going to appeal —

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**Mr D.T. REDMAN**: — and basically the approach the Housing Authority is taking to a recent local government position on its rezoning.

[Supplementary Information No B59.]

Mr M.P. MURRAY: To my belated question that started early!

**Mr D.T. REDMAN**: It is good to have the member back.

**Mr M.P. MURRAY**: I refer to the second dot point on page 784 of the *Budget Statements*, which refers to targeted renewal and redevelopment of existing public housing sites. What, if any, of these programs put out before, such as the Carey Park upgrade in Bunbury, will be actioned in the south west?

**Mr D.T. REDMAN**: Is the member specifically asking about the Carey Park upgrade?

**Mr M.P. MURRAY**: No, I am using Carey Park as an example. Will the renewal projects be rolled out in other towns such as Collie?

Mr D.T. REDMAN: I defer to Mr Whyte.
Mr P.R. Whyte: Urban renewal is a very —

**Mr M.P. MURRAY**: Carey Park was done and it works reasonably well. We have other areas in the south west and in Harvey and Collie. Will they be up for the same sort of renewal?

Mr P.R. Whyte: All areas will be reviewed. I can say that our investigation in Withers, Bunbury is quite advanced in that regard. Further south we have Spencer Park in Albany and we have identified priority locations as requiring effort for urban renewal. The public housing stock redevelopment strategy and the social housing investment packagegive us an opportunity to commence that work in those areas, but it will require a much broader program over say five to 10 years to get through the whole of the state.

Mr M.P. MURRAY: The state of many houses in the Collie town site is deplorable. Some are probably 60-year old wooden frame houses with wooden floorboards—the whole lot. In some cases I have been told, and I have also viewed houses where the stumps are missing—those sorts of things. I have been told they are okay for people to move into. In one case, which is quite humorous if we want to look at it that way, the former tenant had painted all around the furniture, which looked good until the furniture went out and the next person moved in to that house in that deplorable state. What funding is available to ensure that houses are up to standard when a new tenant moves in so that they can have some pride when they go in there? At the moment I can tell the minister, that the handrail falls off in your hand when you walk into some places. Those sorts of things are happening and I am asking what funding is being made available in this budget to ensure people have some pride when they move into their pride and joy.

Mr D.T. REDMAN: I will just make some general comments. The member would appreciate that the time to do a refurbishment or an upgrade or paint or whatever it might be is when somebody moves out. I have actually been into some of the houses myself and they have been left in an absolutely deplorable state. That is one of the reasons that we have a number of houses that do not have occupants in them—simply because of the state that they have been left in. That is one of the tragic challenges we have to try to address in the social housing market. If there is a specific house that the member for Collie—Preston has had experience with as a local member, I would encourage him to get in contact with the minister to get a response. There might be some general comments that the CEO could make in respect of maintenance and/or refurbishment. I defer to Greg Cash, general manager of service delivery.

**Mr G. Cash**: I thank the minister. Certainly the age of stock in Collie is a challenge. The age of the properties in the town is getting significantly older. The maintenance required to maintain those properties continues to be a challenge, as the minister mentioned. The extent of maintenance expenditure that we are required to spend when tenants damage the property significantly eats into our opportunity to improve the dwelling as opposed to just turning it around. I am aware of the member's local discussions with the regional manager about the quality of stock in Collie and it is something that we are actively managing. However, there is significant investment and we spend around \$140 million a year on maintenance on properties. The budget is certainly there to do the work. I am happy for us to investigate any particular instances that the member is concerned about, and about particular properties, but my staff are committed to making sure that when the property is turned around it is safe, clean and functional.

Mr D.T. REDMAN: I will just add something to that. As a government, we introduced the three-strikes policy, as it applies to social housing. When I was minister—I have not seen recent numbers—it was certainly a very effective deterrent strategy for people who basically do not pay their rent, are not nice to their neighbours or are

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not looking after their asset. The strategy was employed to deal with exactly the point the member raised: to ensure that, for the most part, people are encouraged to look after their houses.

 $[8.00 \, pm]$ 

**Mr M.P. MURRAY**: Can I make a very short comment on the three-strikes issue? It has certainly worked in one area but it fails miserably when a person moves, with their five children, to another house that has problems as well. I understand the problem and I understand the issue with neighbours. It is very difficult and I certainly understand the problems, but I think I will leave it at that; I will not say any more.

Mr D.T. REDMAN: Does the member have a suggestion about how we should approach it?

Mr M.P. MURRAY: It is very difficult.

Mr D.T. REDMAN: Yes, it is.

**Mr J.E. McGRATH**: I have a further question on the three-strikes policy. I notice that the department had funding to enable it to put on 35 additional specialised staff members. I think that is very important because some families need someone who they can go to and work through some of the issues. I notice in my electorate when people from Homeswest have been along and helped people to get on better with their neighbours and interact in a better way. However, I have also been told that the number of move-on notices or evictions has increased. In my electorate, I notice that I am not getting as many complaints about antisocial behaviour. Maybe the policy is starting to have an impact.

Mr D.T. REDMAN: I will ask Mr Cash to respond.

**Mr G. Cash**: We certainly believe the strategy is working. The significant reduction between the number of first, second and third strikes, and ultimately evictions, is starting to trend in the right direction so we think that the methods and strategies we have in place ensure that tenants understand the consequences of their poor behaviour. The significant reduction is certainly noticeable. There are still problems and we continue to manage them as effectively as we can. We continue to allocate those resources to the problems through internal funding.

**Mr D.T. REDMAN**: I will ask Mr Cash to quote the total figures for strikes, which will give members a signal about the impact of people's concern about going on to the next strike.

**Mr G. Cash**: This financial year, the number of strikes to date is 964, the number of second strikes is down to 365 and third strikes are down to 105. A significant drop-off in the proportion can be seen.

**Mr D.T. REDMAN**: Those figures show that the process has currency.

**Mr J.E. McGRATH**: This question is about outside the metropolitan area. Under spending changes on page 783 of the budget papers, there is a line item for "Municipal and Essential Services for Remote Aboriginal Communities". For 2016–17, \$25.6 million is allocated. I gather that has something to do with the commonwealth government's decision to withdraw from funding this service. However, I notice there is no funding in the forward estimates. Is this just a stopgap measure until a decision is made about what the future will be for some of these communities? Can the minister elaborate on that, please?

Mr D.T. REDMAN: Yes. The commonwealth government withdrew from its committed funding service on 1 July 2015. There was an allocation of resources for one year, as I understand it. The commonwealth government gave us something like \$90 million and said, "Go away." The amount is effectively three years' worth of resources. We made the decision at cabinet to extend it for one year, pending the work that is being done on remote Aboriginal communities because quite a deal of reform is happening in that space. Given the \$25 million put into the municipal and essential services program in remote communities, the bottom line is that will not hit a cliff face; it is something that the government has to deal with. However, the department wants to make its next decisions in the context of policy settings and other investment decisions that we might make in and around remote Aboriginal communities.

**Mr J.E. McGRATH**: Further to that question, will the rest of the money that is sitting there, which was put forward by the commonwealth government, wait for the department's future direction?

**Mr D.T. REDMAN**: It is in the consolidated account. The state government is now responsible for those services. We allocated an extra year until we sort out the government's settings around remote Aboriginal communities. We will make the decisions post that about what it will be; clearly, it will not be zero.

Mr F.M. LOGAN: Is the normal budget for the municipal and essential services program \$25.6 million or around about that?

**Mr D.T. REDMAN**: That is it, because the previous budget had no allocation for 2016–17; that is where it stopped. That is why the spending change is the total amount of MUNS funding for that year.

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**Mr F.M. LOGAN**: To clarify that further, on average—regardless of what the commonwealth is doing—does MUNS cost approximately \$25 million?

Mr D.T. REDMAN: Yes.

Mr F.M. LOGAN: I have a further question that relates directly to the MUNS funding and programs. The minister, Hon Col Holt and the Treasurer put out a press release that directly relates to MUNS funding and programs for the 2016–17 period that we are talking about. The minister said the program would be delivered through eight regional service providers and directly through a number of individual Aboriginal community organisations. I ask the minister to provide that by way of supplementary information if he does not have it?

Mr D.T. REDMAN: Yes, but the point is that nothing is new about the strategy of its delivery.

Mr F.M. LOGAN: No, I am just asking who it is.

**Mr D.T. REDMAN**: What the minister wanted to do, and one of the reasons he raised it with the Treasurer and I, was give certainty to funding going into the new financial year. Do we have that information now or are we happy to provide it as supplementary information?

Mr F.M. LOGAN: We can do it by supplementary information.

Mr D.T. REDMAN: By way of supplementary information, we will provide —

Mr F.M. LOGAN: The eight regional service providers.

[Ms W.M. Duncan took the chair.]

The CHAIRMAN: Allow the minister to describe it.

**Mr D.T. REDMAN**: Yes. We will provide the names of the eight regional service providers that provide the municipal and essential services program services in the communities.

**Mr F.M. LOGAN**: The press release is worded that there are eight regional service providers "and through individual Aboriginal community corporations"—just those names.

Mr D.T. REDMAN: We will endeavour to give clarity around all of that.

Mr F.M. LOGAN: I have a further question —

The CHAIRMAN: I will allocate this a number, thank you, member for Cockburn.

[Supplementary Information No B60.]

**Mr F.M. LOGAN**: I have a further question directly related to this issue. The press release also mentions the government's regional service reform to remote communities. As the minister knows, that was also announced. Can the minister provide information about where this reform is up to?

Mr D.T. REDMAN: The remote services reform?

Mr F.M. LOGAN: Yes.

**Mr D.T. REDMAN**: Yes. The Minister for Child Protection, Hon Andrea Mitchell, and I are in the final throes of getting a roadmap endorsed through the cabinet subcommittee of where government sits on both infrastructure investment and service provision. Understand that whatever statements government members make, they are in the context of a challenge with a very long time frame in order to get substantial change in the remote communities. We hope that will be made public in June—next month—but it will also be subject to a cabinet process.

**Mr F.M. LOGAN**: I take the minister to the first dot point on page 785 of the budget papers. It relates to the royalties for regions money for key worker accommodation. The first dot point claims —

To date, \$244.8 million has been approved for 11 projects in various locations across the Pilbara, Kimberley, Gascoyne, Peel and Wheatbelt.

I ask the minister exactly what has been built under this program in those locations. Again, I ask this probably by way of supplementary information. What has been built, why has it been built, and for who, in each of the 11 project locations mentioned?

[8 10 nm]

**Mr D.T. REDMAN**: I will provide that by way of supplementary information. In relation to the first dot point on page 785 the member is asking about the resources allocated to the housing for workers program. He wants

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more details on the 11 projects in various locations across a number of commission regions. We will provide that information for him.

[Supplementary Information No B61.]

Mr F.M. LOGAN: Further to that same dot point, I refer to the South Hedland Osprey Village. In response to a number of questions I have put to the minister over a period of time about the occupancy, outgoings and rental income of that village, which is obviously one of the projects referred to under that \$244.8 million, I ask by of way of supplementary information, because I am sure the minister will not have the information with him—this relates directly to the answers which the minister has provided to us but which are still not clear—what are the management fees, the payment for items and other operating costs, including asset purchases, and interest from for Osprey Village 1 July 2015, including maintenance costs. Also what has been the rental income for that same period of time to date?

**Mr D.T. REDMAN**: By way of supplementary information, the member is asking about the Osprey Village in South Hedland and for the total management fees and the current rental payments that come from occupants of those housing units.

Mr F.M. LOGAN: Can I clarify that. I am asking for a number of things and according to how these things have been set out in the minister's answers: management fees and operating costs, interest and asset purchases—what that is, I do not know—and any maintenance costs if they are outside the three that I have referred to, and that includes any maintenance as opposed to rental income over that same period of time.

The CHAIRMAN: Are you happy with that, minister?

Mr D.T. REDMAN: Yes, I am.

[Supplementary Information No B62.]

Mr B.J. GRYLLS: I refer to page 198 of the *Economic and Fiscal Outlook* and line item "West Kimberley Transitional Housing Program". Will the minister update the committee on how that program is operating? I understand it is built on a new model that was started in Kununurra and is supporting Aboriginal people into housing. Further to that, is there potential for that program to continue to move south into the Pilbara given its success?

Mr D.T. REDMAN: I thank the member for Pilbara for the question. I think the Wunan group in the East Kimberley first raised the idea of transitional housing. It is a very effective strategy for building houses that are slightly up-spec on social housing. The criteria for getting access to that housing is that people have to have a job and their kids have to go to school with better than 85 per cent attendance. Transitional houses have been built in the East Kimberley and the residents' children have achieved 98 per cent school attendance. The results are absolutely outstanding. The commonwealth government was staggered when we put this to it. We have since invested in more housing in Halls Creek and there is a West Kimberley project in Derby and Broome. There are also some slightly different models that we are talking about with the Yawuru in Broome, where there will be homeownership pathways as part of a project of supporting investment in those sorts of houses.

As the member would appreciate, it is quite a discussion point in the remote community work we do in the Kimberley and Pilbara. There is a lot of discussion around, for example, rather than building a social house, building a transitional house. If we could move someone into a job out of a social house, we make two available—the social house will be made available for the market.

We are trying to get an understanding of how much market sensitivity there is for doing that. For example, if we did not build any more social housing and just built transitional houses, how long would it be before we got to the point where we do not have people going into those houses? Certainly our experience is that with every investment we have made, there is a waiting list. I expect that the discussions in and around the remote community work will extend to the Pilbara. It is smart, and the member for Pilbara knows that better than most. Karratha is an economic epicentre of Australia and communities very close to Karratha face significant challenges in housing, employment and pathways into the economy. I think the short answer is yes. The remote community has done some really good work up until now and transitional housing will have to be a key plank to that response.

**Mr M.P. MURRAY**: I refer to page 795 and the line item "Employee benefits" under "Cashflows from Operating Activities". My town Collie does not have a Homeswest office or many government offices. After witnessing the behaviour of some of the people who use my phone to ring government offices especially in Bunbury, I wonder what program is in place for the people on the other end of the phone, who I do not see from day to day. The behaviour that they have to put up with must impact on their lives. I wonder if any program is available for the frontline officers who take absolute hell.

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Mr D.T. REDMAN: Are they the same people who are impacting on the housing in town as well?

**Mr M.P. MURRAY**: That is exactly right. They come in asking for housing. We give them the phone because they do not have phone credit. They get on the phone. If I am quick enough, the phone is taken off them and they are removed from the office. Given the language that goes over that phone line and their demeanour, I think the people on the other end need support.

Mr D.T. REDMAN: It is absolutely sad that public servants who are doing their damnedest to do a job well are being put in those situations. I can only ask the CEO to comment on general staff support and the challenges of ensuring that they are in a situation to deal with that. Good workplace practice is teams supporting each other. There is a challenging environment in Housing. Even when I held the Housing portfolio, as some members in this chamber will be aware, I took some very challenging phone calls in my office. It is not just the tough stuff; we get some really intractable issues to deal with every day—waiting lists and people in difficult circumstances. However, so long as we are on a pathway to getting a better outcome and we have good policy settings, we will have a chance over time to deal with that. We believe that the housing affordability strategy is the mechanism for achieving that. We have done very well as a whole on that, but Greg Cash might want to comment on managing staff responses to those challenging issues.

Mr G. Cash: The member rightly points out that some of our staff cop a barrage from our clients at times. That is a challenge for them. We have a number of programs in place to help them. There are employee assistance programs, so whenever someone is confronted by a situation and they feel uncomfortable, we make sure that they are aware that support is available, that there is support in the office and guidance about where they can go to get external help or third-party confidential assistance if they feel it is necessary. We have undertaken a frontline officer safety program in recent times to identify and put in place the right operating processes to make sure that staff are safe when they go into the field and when they deal with clients on the telephone so that they are able to work through any issues they come across. As the minister rightly pointed out, it is not just the clients who are frustrated, disappointed or aggressive towards our staff, but also some of the things they experience and see are confronting.

The good thing is that Housing has an organisational culture that is very focussed on helping clients and, so, its staff recognise the need of helping each other cope with some of the challenges they face. They are really loyal and supportive of each other, but we make sure that we have employee assistance programs and supports and that managers are supporting staff to ensure that they can cope with their daily challenges.

[8.20 pm]

**Mr P. PAPALIA**: I refer to the third dot point under "Significant Issues Impacting the Agency" on page 784. On reading this explanation, am I correct in understanding that tenants will be hit with an \$18 increase in this calendar year, setting aside financial years, because there are effectively two increases in one calendar year. Is that the result of what will happen?

Mr D.T. REDMAN: I will ask Mr Cash to respond.

**Mr G. Cash**: Tenants experienced the first increase of up to a maximum of \$12 in the first half of this year. Towards the end of this year, we will start applying an additional amount up to \$6 for tenants, but that will be applied based on the annual review process we undertake with reviewing each tenant's household income. We do that on the anniversary of their date. We will commence that in probably September/October, so we will start rolling through on a monthly cycle and reviewing the tenant rents, based on their changes to household income, and applying the appropriate increase. Not all of them will get a \$6 increase. Many will get a less than \$6 increase. Some may experience a \$15 or \$16-a-week increase across the 12-month period, but the rest will fall into the next calendar year.

Mr D.T. REDMAN: The additional point is that the principle here is that over time we are pathwaying the rents charged in social housing to be 25 per cent of eligible income. That is the principle. A good proportion—probably half or something like that—are paying the full 25 per cent and some are paying as low at 18 per cent. As a principle, 25 per cent is considered to be a reasonable benchmark as a policy setting. It seems to be reasonably accepted. Housing affordability is said to be 30 per cent of income. Less than 30 per cent of income is considered to be affordable, so 25 per cent is the target. I do not know what it will free up over the forward estimates, but it will allow us to invest in more social housing.

Mr P. PAPALIA: When this additional round of assessments was first announced whereby a significant number of additional federal and international allowances were gathered up and incorporated into the 25 per cent calculation, veterans and disability war service pensions were included. The government subsequently backed

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away from that and backflipped completely. How is it that the rest of the additional allowances that are included remain justifiable but the government backed away from that one because it was so politically sensitive?

Mr D.T. REDMAN: That is not entirely accurate as I understand it. A number of veterans —

Mr P. PAPALIA: Is there some other justification?

**The CHAIRMAN**: Order, member! Allow the minister to answer, please.

Mr D.T. REDMAN: I am sure people are here who will correct me if I have it wrong, but a number of veterans' allowances, once they were reassessed, were considered to be eligible income and some were not. A proper assessment went over that but the principle is that if the income is regular and can effectively be used as disposable income, it is considered to be eligible. Others were not. I have a page and a half of potential incomes. Some are assessed in and some are assessed out. The principle is that it should be regular and ongoing and contribute to the cost of living.

**Mr P. PAPALIA**: By what process was the conclusion arrived at that veterans' pensions and the like—the ones that were excluded—could be excluded but the authority did not necessarily have to exclude the others that were included in the grab-bag clutching at revenue opportunities from people who need these allowances?

**Mr G. Cash**: The principle we have applied here is that 25 per cent is reasonable. It is a long-held position that 25 per cent of income is appropriate for public housing rents. The income types, as the minister rightly pointed out, is what was regular and ongoing and could be used and applied for general cost-of-living charges. In relation to the vets' payments, historically, the agency has always treated their payments separately in the sense that they have been deemed to be receiving what they would normally be receiving if they were not eligible for a vets' pension. As part of the changes, our minister agreed that we would continue to treat them as we have always treated them. They will be deemed to be receiving the standard pension for someone in a similar situation not eligible for a vets' pension.

Mr P. PAPALIA: The authority announced that it was going to include them in the income to be assessed and then there was a furore and an outrage in the public domain, particularly among ex-service organisations representing people who garnered a lot of sympathy in the public and it was removed, not as a consequence of historical assessments. It was purely political.

Mr D.T. REDMAN: No, it was not.

**Mr P. PAPALIA**: I want to know why the authority has not done the same for the other allowances included in the 25 per cent.

**Mr D.T. REDMAN**: It is not. The integrity of the principle is that it is anything considered to be regular and ongoing and contributes to the cost of living.

Mr P. PAPALIA: What about the allowance to cover medication? How is that available to be used?

**Mr G. Cash**: Is the member referring to the pharmaceutical benefits payment?

Mr P. PAPALIA: Yes.

**Mr G. Cash**: That is non-specific in that tenants do not have to demonstrate eligibility for an additional expectation that they are using medications over and above anyone else. It is a general application. Tenants do not need to prove and demonstrate ongoing eligibility and they do not need to demonstrate that they have a greater use of medications than anyone else. It is a general payment.

Mr P. PAPALIA: Do you think they are just giving them the money?

**Mr G. Cash**: It is a general payment that can be applied to anything; it is not for reimbursement; they do not have to prove any additional eligibility.

The CHAIRMAN: Order! Member for Cockburn, further question.

Mr D.T. REDMAN: There is an effort here to maintain some policy integrity about what is in and what is out. That is a genuine effort that housing is trying to make to ensure that 25 per cent of income is the threshold for what is considered to be fair and reasonable for the price of social housing. The people most in need are not those who have a social house; it is those who do not have social housing who are in the market. All the commentary is about them rather than about those who are just outside paying commercial rents, in some cases well above 25 per cent of their income. Whatever we can do as a government to direct resources into social housing must be a good investment, but maintaining some principle integrity around having the 25 per cent of eligible income as a setting for rental payments is fair and reasonable.

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**Mr F.M. LOGAN**: Obviously, a review was done by the department of the introduction of those changes to rental income. Has the review excluded more than the ones that have already been announced; that is, the veterans affairs payments? Can that be tabled or provided by way of supplementary information?

Mr G. Cash: Our minister at the time tabled documentation in Parliament fully disclosing all the changes.

Mr F.M. LOGAN: Is that it?

Mr G. Cash: That is it; there have been no further changes.

[8.30 pm]

**The CHAIRMAN**: What is the dot point number, member for Belmont?

Mrs G.J. GODFREY: Pardon?

**The CHAIRMAN**: Which dot point on page 784?

**Mrs G.J. GODFREY**: I do not really have one. It was a question that was taken before from the member for South Perth on properties that have been sold and the process of how they were sold. The answer was that once the high-value ones become empty, they are assessed and valued.

Public housing tenants in Rivervale are receiving letters stating that their house is on the market. This is causing a lot of anxiety. In the whole time I have been there, I have tried to get houses once they become vacant. The Housing Authority has done that on Campbell Street and on Gladstone Road; once they become vacant, they are determined to have been sold. I ask the minister to have a look at the letters that have gone out. I have written to the minister on this issue.

Mr D.T. REDMAN: I will just ask Mr Cash to respond.

**Mr G. Cash**: Certainly I am aware of the member's concerns about the letter. As she is aware, we are putting substantial effort into trying to respond to some issues that she and the local community have raised about the presence of social housing in the Rivervale area and other social housing in the electorate of Belmont. We have identified properties that we would like to rationalise over time. The earlier question identified that we often use the opportunity, when those houses become vacant, to make decisions. There are also opportunities in locations where we are actively seeking to reposition the portfolio to proactively move towards seeing whether any tenants are interested in moving and to see whether there is an opportunity to create vacancies and therefore allow us to rationalise the stock. I accept that the wording in the letter to which the member refers could have been better and more appropriate, and I will deal with that with the local office.

Mrs G.J. GODFREY: I have a further question.

**The CHAIRMAN**: Is this further to the one you have just asked, or an additional question?

Mrs G.J. GODFREY: It is an additional question.

The CHAIRMAN: If you can just wait, we will go to the member for Cockburn.

Mr F.M. LOGAN: I refer the minister to page 784 of budget paper No 2, the fourth dot point under "significant issues impacting the agency", and the government's propaganda about its affordable housing strategy. It is claimed under that dot point that the government had delivered 22 000 homes as of January 2016. The government's wording in reference to the affordable housing strategy varies between "homes" and "opportunities"; in the case of the budget papers, it uses "homes". Could the minister provide by way of supplementary information a breakdown of the claimed 22 000 homes delivered, what the homes were and where.

Mr D.T. REDMAN: I can probably have a red-hot crack at giving the member an answer here, if he can tell me whether this is satisfactory as a response. Between 1 January 2010 and 31 March 2016, 22 775 affordable homes were created for people on low to moderate incomes, including 4 922 additional social houses for those on the lowest incomes; 2 939 new discounted rental properties through the national rental affordability scheme; and 13 933 new Keystart home loans for working households that cannot meet the requirements of mainstream lenders, including 2 218 for shared equity home ownership with the Housing Authority. The minimum target set under the strategy of 20 000 additional affordable dwellings by 2020 for households on low to moderate incomes was reached by June 2015. The government set a new target of 30 000 affordable homes by 2020 and that is, of course, the aim of the new strategy. Does that answer the member's question?

**Mr F.M. LOGAN**: I thank the minister. Further to that question, the budget papers refer to 22 000 "homes" as opposed to "loans", but that is okay.

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**Mr D.T. REDMAN**: The point is, member, that low-deposit loans for those who cannot access market loans means they are able to get into a home.

Mr F.M. LOGAN: There is a big difference between a loan and a home.

Mr D.T. REDMAN: In fact, better still, they can get into their own home.

Mr F.M. LOGAN: There is a big difference between a loan and a home; anyway, I will move on.

The 22 000 homes that have been delivered are mentioned further in the budget papers.

**Mr D.T. REDMAN**: It says "affordable homes", so we are talking about the affordable —

Mr F.M. LOGAN: Can I finish, minister? The minister will get the question.

The fourth dot point states that the 22 000 homes delivered include transport-aligned apartments for key workers. Does this also include Pelago Apartments, Osprey Village and other accommodation options? With particular regard to transport-aligned apartments, does this also include the apartments that were provided to Chevron–CKJV joint venture workers at Cockburn Central?

Mr D.T. REDMAN: I refer the question to Nigel Hindmarsh—sorry, to Tania Loosley-Smith.

Mr F.M. LOGAN: They had to make sure that those poor people on \$170 000 a year got an affordable home.

The CHAIRMAN: Order, member for Cockburn! We are waiting for Ms Loosley-Smith to answer, thank you.

Ms T. Loosley-Smith: I am not sure exactly what the member is referring to, but I can tell him that under the strategy we have delivered more than 560 apartments aligned with key transport areas, including in the member's own electorate at the Stella Village. What we are counting in those includes social housing, NRAS housing, shared equity housing and some sales to the market. The member will be aware that recently the Housing Authority also announced a connected living initiative under which it has made seven sites available to the market that are also really well located for apartment-style development near key transport hubs, and some more will be delivered subsequent to those first 560.

Mr F.M. LOGAN: Further to that question, I am just reading the wording in the budget papers, and that is the reason I asked the question. The dot point refers to "transport aligned apartments for purchase by key workers, to discounted private rentals". All I am asking is: Does that include Pelago Apartments, Osprey Village and other accommodation options—yes or no? Particularly with regard to discounted private rentals, does it also include the apartments that were let out to high-paying workers from the Chevron–CKJV who, as the minister's department agreed, were occupying apartments in Cockburn Central? The minister put that in writing to me.

Mr D.T. REDMAN: Mr Whyte?

Mr P.R. Whyte: It does not include those that the member referred to. It does not include the Osprey Key Worker Village and does not include Pelago.

**Mr F.M. LOGAN**: What about the Chevron–CKJV people who had apartments rented out to them by the Housing Authority?

Mr P.R. Whyte: It does not include those.

Mrs G.J. GODFREY: I struggle to find a place to fit this question; it is quite general. The other day there was an Auditor General's report on maintenance, and it was pointed out that people are going out to do maintenance and nobody is at the house, and the contractor is being paid. I would like to know what is being done about that. My other question is about a very old Aboriginal lady in Sydenham Street in Belmont. The house is totally trashed. The carer is an Aboriginal young girl, the granddaughter, who looks after her. My question is: how often are houses inspected, because this one will fall over?

Mr D.T. REDMAN: I thank the member for Belmont. I ask Mr Cash to respond, please.

**Mr G. Cash**: The Auditor General's finding that the member referred to related to works orders under which the contractor has attended the property to undertake maintenance and the works order has been paid for travel only. The contractors are required to make two visits to the property and to seek to access the property on two occasions. Those items are for emergency works orders, and the contractor gets paid a travel fee only; they do not get paid for completion of the works.

With regard to our inspection process, every property is inspected once a year at least. In situations in which tenants are subject to concerns that we may have about the property condition, their behaviour, the level of rent arrears or other tenancy issues, those inspections or property visits will often happen more regularly. I am more

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than happy to follow up on the individual property that the member may have concerns about to make sure that it is in an appropriate condition and that the tenant has appropriate support in place.

[8.40 pm]

Mrs G.J. GODFREY: I will do that tomorrow.

**Mr F.M. LOGAN**: I refer the minister to the last dot point on page 784, which outlines delivery of 3 200 dwellings under the national rental affordability scheme. Does that include NRAS expenditure for apartments at WA universities?

Mr P.R. Whyte: Yes, it does.

Mr F.M. LOGAN: The former Minister for Housing, the member for Nedlands, supposedly put on hold the state funding of NRAS apartments at the University of Western Australia, the majority of which had been leased to overseas students in breach of the NRAS guidelines. The former minister gave a commitment to get back to Parliament over what was happening with that state funding. Did it get paid? A certain amount was paid for each unit by the Housing Authority out of its own funding, as well as the NRAS money. What has the Housing Authority or the government done about UWA breaching the NRAS guidelines?

Mr D.T. REDMAN: I ask Tania Loosely-Smith to respond.

**Ms T. Loosley-Smith**: As the member may be aware, the NRAS guidelines are set by the federal government, and the federal government is responsible for ensuring compliance with the guidelines. The state government provides only its component of the incentive payment once it has been assured by the commonwealth that the proponents are compliant. The incentive is not paid for any noncompliant dwellings.

Mr F.M. LOGAN: I am not asking about the interpretation of the guidelines. I am asking about a commitment that a minister of the Barnett Liberal–National government gave in Parliament over this very issue when he promised to get back to Parliament about an investigation of breaches, which he acknowledged, of the NRAS guidelines in which those apartments were being leased out to overseas students rather than the students they were built for and for which state money was provided. The former minister indicated to Parliament that he would put a hold on that state funding until such time as the investigation of those breaches occurred. We have not heard anything since.

**Mr D.T. REDMAN**: I will ask Tania Loosely-Smith to respond. If the member is not happy with the response, he will have to put the question on notice directly to the minister.

**Ms T. Loosley-Smith**: In general terms again, no state money was paid until we were assured of the compliance of the dwellings. If the member wanted any further data, I would have to take that on notice.

**Mr F.M. LOGAN**: I will require further detail about all of it, obviously because the agency believes that the NRAS guidelines were not breached, so the money was paid.

**The CHAIRMAN**: Minister, can you define what you are willing to provide, please?

Mr D.T. REDMAN: I need to get clarity from the member for Cockburn on exactly what he is after.

Mr F.M. LOGAN: The former Minister for Housing gave a commitment —

**Mr D.T. REDMAN**: This is in respect of university dwelling?

**Mr F.M. LOGAN**: It is breaches by UWA of the NRAS guidelines over who those apartments were supposed to be built and who ended up living in them, and in terms of the funding that the former minister stopped until such time as the outcome of that investigation was to have occurred. I would like to know what occurred.

**Mr D.T. REDMAN**: I will provide supplementary information for the member for Cockburn as it applies to NRAS funding from the federal government to the University of Western Australia that was co-funded by the state government, and decisions by the former Minister for Housing on commitments around meeting eligibility criteria for compliance with NRAS funding arrangements for occupancy.

[Supplementary Information No B63.]

The appropriation was recommended.