



PUBLIC

**Hon. Terry Redman MLA
Minister Agriculture and Food; Forestry; Housing**

LC ADDITIONAL QUESTIONS

**DEPARTMENT/AGENCY:
DEPARTMENT OF HOUSING**

DATE: 19/07/2012



**TERRY REDMAN MLA
MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; HOUSING**

25 JUL 2012

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

ADDITIONAL QUESTIONS FOR 2012/13 BUDGET ESTIMATES HEARING

Friday, 8 June 2012

Department of Housing

Hon Ljiljana Ravlich asked -

- I refer to the \$25.78m Efficiency Dividend for the Department of Environment and Conservation over the forward estimates and I ask of the \$3.75m to be delivered in 2012-13 will the Minister provide a schedule of all savings measures in the following terms.*

<i>Area of saving</i>	<i>Amount of saving</i>	<i>Form of saving i.e. cuts or deferral of programs, capital works; sale of assets; FTE reductions, reduction to vehicle fleet etc</i>	<i>Name of suburbs affected</i>

Answer: The above question relates to the Department of Environment and Conservation however the Housing Authority offers the following information –

The Housing Authority’s appropriations were reduced from 2009-10 to allow for the 3% efficiency dividend and savings in media and marketing, procurement, and fleet. These are ongoing reductions to appropriations. Appropriations were further reduced in 2010-11 by an amount equal to the Keystart dividend for that year (\$53.47m). In 2011-12, the Housing Authority was required to find over \$12 million for that year and per year for the forward estimates in additional savings. The ongoing savings amount to close to \$20 million per year with reduced appropriations of nearly \$7 million per year and a requirement to reduce debt by the residual amount.

Apart from the previously identified and reported savings, no additional savings have been requested of the Housing Authority in 2012-13.

- Can the Minister please provide the amount of people on the waitlist for the following times and in the following format –*

Answer:

Weeks	Priority Client	Non Priority Client
0-52 weeks	1,824	9,196
52-104 weeks	1,728	7,940
105-156 weeks	1,369	6,724
157-208 weeks	1,016	6,381
209-260 weeks	658	5,069
261 weeks and up	837	7,927
Total	7,432	43,237

3. *I refer to Service Summary on p.675, under Expense: line 1. Rental Housing and I ask:
By region, how many clients are currently in rental arrears?*

Answer:

Region	Number of Tenancies with Rent Arrears
North Metro	2,084
South Metro	1,210
South East Metro	1,745
Great Southern	259
Southwest	348
Goldfields	430
Midwest	476
Pilbara	621
Kimberley	764
Wheatbelt	343
Total	8,280

4. *I refer to Service Summary on p.675, under Expense: line 1. Rental Housing and I ask:
How many clients, by region, are currently in arrears due to rent subsidies being removed?*

Answer:

Region	Market Rent Tenancies in Rent Arrears
North Metro	216
South Metro	132
South East Metro	197
Great Southern	49
South West	43
Goldfields	45
Midwest	42
Pilbara	52
Kimberley	27
Wheatbelt	70
Total	873

The above table shows the number of tenants paying market rents with rental accounts in arrears. The Department does not hold information for market rent rental accounts in arrears related to rent subsidies being removed.

5. *I refer to Service Summary on p.675, under Expense: line 1.Rental Housing and I ask: How many clients, by region, has had proceedings initiated to recoup rental arrears?*

Answer:

Region	Tenants Vacated Post Termination Notice	Tenants Vacated Post Court Order	Bailiff Evictions
North Metro	1	11	14
South Metro	9	5	15
South East Metro	11	6	30
Great Southern	0	0	0
Southwest	0	0	1
Goldfields	4	7	1
Midwest	18	4	18
Pilbara	2	0	1
Kimberley	1	8	1
Wheatbelt	7	9	1
Total	53	50	82

The Department records information on tenancy vacations and evictions which result from proceedings initiated to recoup rental arrears. Rental arrears actions are recorded under the broad category of 'arrears', which includes but is not limited to arrears for rent, water charges and tenant liability damages. The information above relates to all tenancy vacations and evictions for arrears.

6. *How many Homeswest tenants are being charged 'market rents' rather than subsidised rents because their income exceeds the income limit?*

Answer: 2387. The Department maintains records of the number of tenants paying market rents. However the reason by which a tenant is charged market rent is not held.

7. *How many Homeswest tenants, by region, are currently charged 'market rents' of:*

- a) \$300-\$399
- b) \$400-\$499
- c) \$500-\$599
- d) \$600-\$699
- e) \$700-\$799

Answer:

Region	\$300-\$399	\$400-\$499	\$500-\$599	\$600-\$699	\$700 and over	Total
North Metro	36	2	1			39
South Metro	10					10

South East Metro	21	1				22
Great Southern						0
South West						0
Goldfields	18	2				20
Midwest	7					7
Pilbara	12	6	1	9	11	39
Kimberley	25	7	7			39
Wheatbelt						0
Total	129	18	9	9	11	176

8. *All following questions relate to page 675 – Significant Issues Impacting the agency I refer to dot point 1. Which states;*

Despite the softening of the general housing market from 2006-07 peaks, rental vacancy rates have decreased to 2008 levels, and Perth's average weekly rent has increased by 8.0% from last year to \$400 per week. As a result, securing affordable housing is challenging for many Western Australians.

- 8.1 *How many people were on the waiting list for public housing in the following years?*

a) 2008-09

Answer: 49,989

b) 2009-10

Answer: 54,079

c) 2010-11

Answer : 52,375

d) 2011-12

Answer : 50,669

e) YTD :

Answer: figures not available

- 8.2 *Of the people on the waiting list for public housing for the years in question (1) what is the length of time they have been waiting for housing?*

a) 6 months

b) 6-12 months

c) 1-2 years

d) 2-3 years

e) Over 3 years

f) Over 5 years

Answer:

Waitlist	2008/09	2009/10	2010/11	2011/12	YTD
< 6 months	8,596	6,694	6,725	5,512	-
6-12 months	6,950	6,605	5,497	5,508	-
1-2 years	12,752	12,996	10,721	9,668	-
2-3 years	9,256	10,250	9,259	8,121	-
3-5 years	9,814	12,654	13,478	13,096	-
5+ years	2,621	4,880	6,695	8,764	-
Total	49,989	54,079	52,375	50,669	-

8.3 Can the Minister provide the average waiting times for priority housing in the following years?

- a) 2008-09
- b) 2009-10
- c) 2010-11
- d) 2011-12
- e) YTD

Answer:

- a) 2008-09 – 34 weeks
- b) 2009-10 – 51 weeks
- c) 2010-11 – 58 weeks
- d) 2011-12 – 62 weeks
- e) YTD – figures not available

8.4 Of the people on the waiting list for public housing for the years in question (3) what is the length of time they have been waiting for housing?

- a) < 6 months
- b) 6-12 months
- c) 1-2 years
- d) Over three years
- e) Over 5 years

Answer:

Waitlist	2008/09	2009/10	2010/11	2011/12	YTD
< 6 months	1,587	915	992	796	-
6-12 months	1,521	1,220	965	1,028	-
1-2 years	2,131	2,789	1,957	1,728	-
2-3 years	1,382	1,460	1,571	1,397	-
3-5 years	1,267	1,592	1,518	1,646	-
5+ years	279	584	665	837	-
Total	8,167	8,560	7,668	7,432	-

8.5 What is the stock of public housing in each electorate by number, i.e. number of houses, flats/units, other?

Answer:

Region	Dwelling Type	Total
North Metro	APARTMENT	1,761
	BEDROOM LODGE HSE	81
	CLUSTER HOUSE	57
	DUPLEX	1,168
	FLAT	486
	ONE STOREY T/HOUSE	4,278
	SHARED GROUP HOME 1 STOREY T/H	6
	SHARED GROUP HOME SINGLE DET.	4
	SINGLE DETACHED	2,917
	TWO STOREY T/HOUSE	897
	Total	11,655
South Metro	3 STOREY T/HOUSE	6
	APARTMENT	1,184
	BEDROOM LODGE HSE	37
	CLUSTER HOUSE	31
	DUPLEX	716
	FLAT	101
	ONE STOREY T/HOUSE	2,601
	SHARED GROUP HOME DUPLEX	4
	SHARED GROUP HOME SINGLE DET.	6
	SINGLE DETACHED	1,891
	TWO STOREY T/HOUSE	309
Total	6,886	
South East Metro	APARTMENT	952
	CLUSTER HOUSE	41
	DUPLEX	777
	FLAT	230
	ONE STOREY T/HOUSE	2,670
	SHARED GROUP HOME 1 STOREY T/H	15
	SHARED GROUP HOME DUPLEX	8
	SHARED GROUP HOME SINGLE DET.	4
	SINGLE DETACHED	2,146
	TWO STOREY T/HOUSE	325
	Total	7,168
Great Southern	APARTMENT	84
	CLUSTER HOUSE	27
	DUPLEX	171
	ONE STOREY T/HOUSE	405
	SINGLE DETACHED	454
	Total	1,141
SouthWest	APARTMENT	70
	CLUSTER HOUSE	3

Region	Dwelling Type	Total
	DUPLEX	352
	ONE STOREY T/HOUSE	1,039
	SINGLE DETACHED	1,002
	TWO STOREY T/HOUSE	38
	Total	2,504
Goldfields	3 STOREY T/HOUSE	3
	APARTMENT	65
	CLUSTER HOUSE	5
	DUPLEX	195
	ONE STOREY T/HOUSE	343
	SINGLE DETACHED	449
	TWO STOREY T/HOUSE	49
	Total	1,109
Midwest	APARTMENT	143
	CLUSTER HOUSE	19
	DUPLEX	259
	FLAT	1
	ONE STOREY T/HOUSE	470
	SINGLE DETACHED	852
	TWO STOREY T/HOUSE	16
	Total	1,760
Pilbara	APARTMENT	3
	CLUSTER HOUSE	38
	DUPLEX	387
	ONE STOREY T/HOUSE	346
	SINGLE DETACHED	722
	TWO STOREY T/HOUSE	14
	Total	1,510
Kimberley	APARTMENT	61
	CLUSTER HOUSE	23
	DUPLEX	344
	ONE STOREY T/HOUSE	396
	SINGLE DETACHED	846
	TWO STOREY T/HOUSE	4
	Total	1,674
Wheatbelt	APARTMENT	34
	CLUSTER HOUSE	1
	DUPLEX	260
	ONE STOREY T/HOUSE	212
	SINGLE DETACHED	625
	Total	1,132
Grand		36,539

This information is not recorded by electorate. The figures for public housing stock are by Department of Housing region.

8.6 *Can the Minister advise the average waiting time for non-priority public housing in each state electorate?*

Answer:

Region	Weeks
North Metro	162.9
South Metro	171.7
South East Metro	185.3
Great Southern	101.3
South West	159.5
Goldfields	101.0
Midwest	101.8
Pilbara	143.7
Kimberley	194.4
Wheatbelt	80.2

This information is not recorded by electorate. Average waiting time for non-priority public housing is shown by Department of Housing regions.

8.7 *Can the Minister advise the average waiting time for priority public housing in each state electorate?*

Answer:

Region	Weeks
North Metro	79
South Metro	53
South East Metro	57
Great Southern	54
Southwest	27
Goldfields	41
Midwest	52
Pilbara	71
Kimberley	88
Wheatbelt	33

This information is not recorded by electorate. Average waiting time for priority public housing is shown by Department of Housing region.

8.8 *Can the Minister provide a progress report on the following initiative:*

The Authority will receive additional funding of \$8.7 million over three years from 2012-13 to 2014-15 to provide an additional 16 homes for Mental Health Commission clients who are unable to secure appropriate housing in the private Market. This is in addition to the \$150.7 million over three years provided in last year's budget, which will see the commencement or delivery of 284 homes

provided to Disability Services Commission (169 homes), Mental Health 100 homes) and Drug and Alcohol Office clients (15 homes).

Answer: The Memorandum of Understanding governing the details of the agreement for the additional \$8.7 million funding has been prepared and is currently being executed by the Housing Authority and the Mental Health Commission. The \$150.7 million initiative that will see the commencement or delivery of 284 homes over 3 years remains on track to deliver the program within budget and on time.

The Housing Authority has acquired all 15 homes for the Drug and Alcohol Office clients and has acquired 67 homes with a further 33 settling within 3 months for the Mental Health clients. Of the 169 homes for Disability Services, 92 have commenced construction with the remainder of the program committed through the EOI process.

8.9. *I refer to the Disruptive Behaviour Management Policy, targeting unacceptable behavior by public housing tenants and ask - ?*

a) *How many tenants have been evicted in total since the introduction of this policy on an annual basis?*

Answer: In the period from 3-May-11 to 3-May-12 a total of 57 tenancies have been ended as a result of action in response to disruptive behaviour.

(b) *Can the Minister advise the number of evictions from each state electorate on an annual basis?*

Answer: This information is not recorded by electorate. A response by Department of Housing region is provided below.

Region	Illegal use of Property	Dangerous	Serious/Minor	Total
North Metro	0	2	6	8
South Metro	0	6	12	18
South East Metro	1	10	8	19
Great Southern	0	1	0	1
South West	0	0	0	0
Goldfields	0	0	4	4
Midwest	1	1	3	5
Pilbara	0	0	0	0
Kimberley	0	0	1	1
Wheatbelt	0	1	0	1
Halls Creek	0	0	0	0
TOTAL	2	21	34	57

8.10 *Of the evictions, can the Minister provide information on the number of evictions by offence on an annual basis since the introduction of the policy?*

Answer:

Offence	Illegal use of Property	Dangerous	Serious/Minor
Total	2	21	34

Appropriations, Expenses and Cash Assets

9. *I notice the 2011-12 Budget for total cost of services (p.675 'Services Summary') was \$1.3 billion but the estimated actual for 2011-12 is \$1.54 billion. What accounts for the \$240.5 million increase in total cost of services in 2011-12 over the 2011-12 budgeted amount?*

Answer: The 2011-12 Cost of Services estimated actual has increased over the 2011-12 budget primarily due to the inclusion of the costs for the transfer of assets to the community sector. Other increases include the costs of supplies and services, accommodation, depreciation and loss on disposal of non-current assets. This is offset by decreases in finance expense and cost of land sold.

10. *Turning to p.677 'Services and Key Efficiency Indicators' I note the Net Cost of Service was budgeted in the 2011-12 budget at \$122.3 million but in fact the estimated actual is over 3 times that at 513,953 (\$274.4 million more). What accounts for this significant cost difference?*

Answer: The 2011-12 Rental Housing Net Cost of Services budget was \$234.0 million and the estimated actual is over two times over the budget. This is primarily due to the inclusion of the costs for the transfer of assets to the community sector as well as increases in the costs of supplies and services, accommodation and depreciation.

(a) *Turning to the 2012-13 budget, the Net Cost of Services is estimated at \$255,018 million, \$141.7million less than estimated actual Net Cost of Services in 2011-12. What assumptions are made in anticipating this reduction in the net cost of services?*

Answer: The 2012-13 budget net cost of services is lower than the net cost of services in 2011-12 as a result of a number of variations including increased sales revenue, increased interest revenue and a reduced value of assets transferred to the community housing sector. This is offset by increases in the cost of finance and the cost of land sold.

11. *There is considerable growth in cash assets (p.674 'Cash Assets') over the forward estimates, growing from a low of \$36.2 mill in 2011-12 to \$226.97 million in the 2015-16 forward estimates.*

(a) *What accounts for this growth and why is it coming off a low of only \$36.2 million?*

Answer: The increase in closing cash for the 2012-13 budget estimate is due to the Authority drawing down \$40 million of borrowings for strategic land acquisitions. As the specific acquisitions have not yet been made or committed to, the full amount is deemed to reside in

the accounts as cash. The increase in closing cash over the forward estimates is due in the main to the State's Corrective Measures where \$80.547 million of capital expenditure has been delayed.

(b) Is there a cap on the maximum amount - or ideal amount- of cash assets held by the Department?

Answer: There is no cap on the maximum amount of cash assets held.

(c) Is there a broader investment strategy for managing the Department's cash assets? If yes, what is it?

Answer: The Department of Treasury manages and invests cash deposits on behalf of the Department.

Service Summary Rental Housing

12. *I notice on p.675 that Rental Housing expenses was \$337.5 million more than allocated in the 2011-12 budget.*

(a) Do you consider this to be a significant cost blowout?

Answer: No

(b) What accounts for this increase?

Answer: The increase in Rental Housing Expenses is due to the inclusion of the costs for the transfer of assets to the community sector as well as increases in the costs of supplies and services, accommodation and depreciation.

13. *[note explanation of significant movements on p.677 attributes significant difference between 2011-12 budget and estimated actual to transfer of properties to community housing organisations].*

If this is the answer provided to above question, I ask:

(a) How many properties were transferred to the community housing sector in 2011-12?

Answer: 826 Properties were transferred to the community housings sector in 2011-12.

(b) What was the total value of the properties transferred?

Answer: The total value of properties transferred to the community housing sector in 2011-12 was \$246.7m.

(c) How does this transfer result in a \$300 million expense increase for rental housing service from the 2011-12 budget figure?

Answer: The accounting treatment for the transfer of assets is to expense the value of the assets through the income statement.

(d) How many properties are due to be transferred to the community housing sector in 2012-13?

Answer: 355 properties are due to be transferred to the community housing sector in 2012-13.

(e) Has this transfer been accounted for in calculations in the 2012-13 budget?

Answer: The value of properties to be transferred to the community housing sector in 2012-13 has been accounted for in the calculations for the 2012-13 budget.

14. *The 2012-13 budget estimate for Rental Housing Expense is \$825,625 million against the estimated actual of \$965,724 million in 2011-12:*

(a) What assumptions are made in concluding a \$140 million reduction in Rental Housing expense in 2012-13 from the previous financial year?

Answer: The reduction in expenses is due to the reduced sale of assets transferred to the Community Sector. This is offset by minor increases in employee costs and depreciation.

(b) How will these 'savings' be delivered?

Answer: N/A

(c) Will this require a cut in front line services?

Answer: N/A

15. *What costs are considered in calculating the Rental Housing expense calculation?*

Answer: Costs included in the Rental Housing expense include employee expenses, accommodation, rates, maintenance, interest expense, depreciation, net assets transferred, administration costs, lease expense and other rental costs.

Efficiency Dividends

16. *I refer to the 2% efficiency dividend in 2012-13 and ask –*

a) What existing programmes and services will be cut?

Answer: The 2% efficiency dividend announced by the Treasurer for the 2012-13 budget does not apply to the Housing Authority.

The Housing Authority's appropriations were reduced from 2009-10 to allow for the 3% efficiency dividend and savings in media and marketing, procurement, and fleet. These are ongoing reductions to appropriations. Appropriations were further reduced in 2010-11 by an amount equal to the Keystart dividend for that year (\$53.47m). In 2011-12, the Housing Authority was required to find over \$12 million for that year and per year for the forward

estimates in additional savings. The ongoing savings amount to close to \$20 million per year with reduced appropriations of nearly \$7 million per year and a requirement to reduce debt by the residual amount.

b) What programmes and services will be delayed or wound back and by how long?

Answer: N/A

c) Will there be any cuts to staff numbers and if so in which areas?

Answer: N/A

d) Will there be delays in filling vacant FTE?

Answer: N/A

e) Will there be an FTE vacancy rate that is maintained on an ongoing basis?

Answer: N/A

f) What new revenue measures have being introduced?

Answer: N/A

g) Which existing fees and charges have been increased?

Answer: N/A

h) What Capital works will be delayed?

Answer: As part of the EERC corrective measures for 2012-13 the Housing Authority's capital works program deferred spending of \$30.4 million in 2013-14, \$31.3 million in 2014-15 and \$18.8 million in 2015-16.

¹ *The Treasurer said the 2012-13 State Budget contained major re-prioritisation of service delivery, with a range of new State Government initiatives being introduced and funded through savings measures.*

Mr Porter said the savings initiatives totaled \$4.9 billion over four years and included:

- an efficiency dividend to be applied to public sector agencies from 2012-13, starting at two per cent for all departments (one per cent for Education), with additional one per cent dividends to be achieved in each of the three financial years to 2015-16*
- a further efficiency dividend for Government Trading Enterprises to be measured as a percentage of the discretionary spending, starting at 2.5 per cent in 2012-13 with an additional 1.5 percent in 2013-14, 1.5 percent in 2014-15 and 0.5 percent in 2015-16*
- a two-year cap on the growth in the number of public sector workers to further control public sector salaries expenses. This measure will require all departments to operate for the next two financial years inside their FTE cap as it was set in 2011-12*

- a formal policy of limiting general government sector FTE growth to 1.5 per cent per year in 2014-15 and 2015-16
- deferral of spending on a range of capital works projects across a number of agencies.

***Accommodation
Maintenance***

17. I refer to item p683 to line item 4 “Accommodation” under Cost of Services – can I confirm that this is the section under which housing maintenance is funded?

Answer: That is correct.

18. I notice that there was a \$24.9 million increase in estimated actual spending under ‘Accommodation’ in 2011-12 from the 2011-12 budget. Has the increase been in maintenance or is it in the other categories that fall under ‘accommodation’?

a) Can you provide by way of supplementary information a breakdown of the 2011-12 budget amounts for the categories that fall under ‘accommodation’ against the 2011-12 estimated actual?

Answer: The increase has been in maintenance.

Accommodation (From the Cashflow Statement)	2011-12 Orig Bud \$'000	2011-12 Est Act \$'000
Building Maintenance Expense (n.b does not including Improvements or Insurance)	84,112	107,870
Electricity and Water Expense	24,027	25,566
Accommodation (Excluding operating lease)	8,262	7,949
Total Accommodation	116,401	141,385

19. How much money has been paid (or committed) to each of the head contractors – Transfield, Programmed Facility Maintenance, and Lake Maintenance for housing maintenance in 2011-12?

Answer: \$109,643,214

20. How much of the maintenance budget in 2011-12 was spent on major refurbishments or work on vacant (can provide by way of supplementary)?

Answer: Refurbishments \$2,486,726; Vacants \$22,229,896

21. I note from a QWON (Hon Ed Dermer to the Minister representing the Minister for Housing, 3 May 2012) that no money has been recovered from any of the head contractors for the payment of fraudulent job orders. Why has no money been recovered.

Answer: The Department has recouped monies from Head Contractors for works deemed as not being compliant.

22. I also note that only \$627,185 has been recovered from one of the head contractors (Transfield) for the payment of jobs that were non-compliant.

a) What financial year was this money recovered?

Answer: 2011/2012

b) Is there an expectation that more money will be recovered in 2012-13? If yes, how much and where does this money show in the 2012-13 budget (is it under income?)

Answer: Yes, \$2,203,578.36. Income statement under the cost of services, accommodation line.

c) How much money is currently calculated as outstanding as far as the return of payments to the Department by the head contractors for fraudulent or for non-compliant job orders? I understand that if the auditing and compliance checks are still ongoing, could the Minister provide the figure as it currently stands?

Answer: \$1,737,810.20.

23. How many job orders are on the deferred maintenance register and what is the estimated value of this register. What % of the 2012-13 maintenance budget is already committed with jobs on the deferred maintenance budget?

Answer: There are 13,734 job orders on the deferred register as at 8 June 2012. Approximate value of jobs on the register is \$5.5m, which represents about 5% of the 2012-13 maintenance budget.

24. I refer to Service Summary on p.675, under Expense: line 1. Rental Housing and I ask:

- a) By region, how many clients are currently in rental arrears?
- b) How many clients, by region, are currently in arrears due to rent subsidies being removed?
- c) How many clients, by region, has had proceedings initiated to recoup rental arrears?
- d) How many Homeswest tenants are being charged 'market rents' rather than subsidised rents because their income exceeds the income limit?
- e) How many Homeswest tenants, by region, are currently charged 'market rents' of:
 - i. \$300-\$399
 - ii. \$400-\$499

- iii. \$500-\$599
- iv. \$600-\$699
- v. \$700-\$799

Answer: This question replicates questions 3, 4, 5, 6 and 7.

Hon Adele Farina asked –

25. *I refer to page 674 under the heading 'Total Appropriations' and ask -*

- (a) *Why is there such a significant decrease from 2011/12 estimated actual \$269.9m to 2012/13 budget estimate of \$163.9m?*

Answer: State appropriations have reduced by \$37.40m largely due to the finalisation of the SCHIP program (\$39m) and discontinued funding for Oombulgarri (\$2.4m) as well as no additional funding for Town Reserves Regularisation Program (\$6m). Moreover, there has been reduced funding for interest repayments on Firststart borrowings (\$0.36m). These are partially offset by increased funding for RAESP of \$4.72m, additional funding of \$1.17m for Swimming Pool and new funding approved for Disruptive Behaviour and Bindi Bindi Decontamination Pond of \$3.0m and \$1.0m respectively. Also contributing to the offset are the increased indexation funding under the NGHSS of \$0.21m and increased component 1 funding for the Not for Profit agencies of 0.06m.

Capital appropriations have reduce by \$68.58m due to the new funding initiatives for Disability Services being reduced from \$43.5m in 2011-12 to 37.78m in 2012-13 and Mental Health being reduced from \$46.5m in 2011-12 to \$1.53m in 2012-13. Also contributing to the decrease is the fact that the new funding initiatives for Mental Health Care Units (\$12.8m); Drug and Alcohol office (\$8.5m) ; the Derby accommodation for Dept of Corrective Services (\$33.20m) and the Demolition of Oombulgarri and Construction of new properties in Wyndham (\$4.00m) has been received in the 2011-12 Budget estimate. Moreover, the Commonwealth Stimulus funding (\$20.02m) ceased in 2011-12 and the East Kimberley Development Program (\$4.36m) was finalised in 2011-12 creating a funding reduction. Partially offsetting this decrease is new funding received in 2012-13 for Social Housing Boost (\$65.00m)

- (b) *How does the government account for this significant decreasing in funding allocation?*

Answer: Response as for 25 (a).

26. *I refer to page 675 under the heading 'Significant Issues impacting the agency', dot point 2 detailing the that an additional 433 social housing properties will be built over the next two years and ask; will the Minister detail where and when these additional properties will be constructed?*

- a) *If no, why not?*
- b) *Of the 433 new social homes, how many will be located in the South west region and where in the region will they be located?*

Answer: The Department is currently finalising the planning for the delivery of the 433 additional dwellings. The properties constructed will be delivered in areas of highest need across the State.

27. *I refer to page 675 under the heading 'Significant Issues impacting the agency', dot point 4 detailing the affordable housing expression of interest program, building up to 2,000 properties for low to moderate income earners, and ask –*

(a) How is this program being administered, who allocates the funding and selects locations for homes to be built?

Answer: Administration is by the Housing Authority and all submissions under go a rigorous due diligence and assessment process including reports on the built form product, design, land component, supply and demand (location); value for money (including independent valuations) and the financial capacity of the proponent/ builder to deliver.

Funding is allocated by the Housing Authority. Proposals may include building on the proponents land (and locations); and/ or on Housing Authority land (and locations).

(b) Of the new properties being built, how many will be located in the South West region and where will they be located?

Answer:

Australind	7
Busselton	3
Cowaramup	3
Eaton	8
Manjimup	3

(c) Will the Minister detail where and when these homes will be built?

Answer: Contracts are currently in place for all dwellings and construction has commenced on four of the five sites (Australind yet to start).

(d) If no (to c), why not?

Answer: N/A

28. *I refer to page 676 under the heading "Significant issues impacting the agency", dot point 5 detailing the Disruptive Behaviour Management Policy, and ask –*

a) Will this policy replace the three strikes and you're out policy?

Answer: No. The 'three strikes policy' refers to the Disruptive Behaviour Management Policy.

b) In 2011/12, how many tenants in the SW have been evicted under the 3 strikes you're out policy?

Answer. In the SouthWest region for the 2011/12 financial year to May-12 under the Disruptive Behaviour Strategy, 4 tenants vacated tenancies post issue of a Termination Notice and 3 tenants vacated tenancies post issue of a Court Order.

29. I refer to page 677 under the heading "Outcome: Housing eligible Western Australians, and note that the budget target for 2012/13 is 134 weeks for waiting time for accommodation, applicants housed. This is a 13 week increase from the 2011/12 estimated actual and 26 week increase from the original budget target for 2011/12 and ask –

(a) Surely this indicates that the Department is going backwards fast?

Answer: The Budget Papers note:

The increase in the 2011-12 Estimated Actual and 2012-13 Budget Target compared to the 2011-12 Budget is due to prioritisation of longer-term applicants being housed and continuing high demand for social housing.

Additionally, demand for social housing continues to grow in line with the accelerating growth in the State's population, the increasingly tight private rental vacancy rates (vacancy rates tightened from 3.5 per cent at June 2011 to 1.9 per cent in March 2012) and housing affordability. Average waiting times for social housing between January 2011 to May 2012 fluctuated between 117 weeks to 122 weeks.

Social housing is a limited public resource provided to people in greatest need. The emphasis is on housing priority clients ahead of other people on the standard wait turn list.

(b) What is the Minister doing to address this?

Answer: The Minister is leading the implementation of the *Affordable Housing Strategy 2010-2020: Opening Doors to Affordable Housing*, which aims to increase affordable housing opportunities for low-to-moderate income households in Western Australia.

Between January 2010 to March 2012 action under the Strategy has delivered over 5,000 affordable housing opportunities, including:

- 3,038 new social houses for people with very low incomes and no other viable housing choices (against a target of 3,500 by 2013)
- another \$130 million committed in the 2012-13 budget for a further 433 homes
- 448 houses contracted to be delivered from 'Stage 1' head leases and ownership transfers to community housing 'growth providers'
- a new 'Housing Pathways Unit' established to help tenants secure affordable home ownership or private rental options
- almost 1200 over income households helped to move out of public housing
- over 100 shared equity loans to low to moderate income households through SharedStart. All sales were below the Perth lowest quartile price of \$370,000
- completed 385 dwellings under the National Rental Affordability Scheme, with a further 1,000 under construction and on track to deliver 6,000 by June 2016.
- additional funding of \$150.7m for housing and \$45.4m for support services for 455 people with high support needs to live in the community, and increased funding in the

2012-13 budget by \$8.7 million to provide a further 16 dwellings for mental health patients.

- Increased partnerships across government and industry to deliver a range of initiatives to increase the supply of affordable housing including 'Project 450', 'One on Aberdeen' and establishing the Office of Land and Housing Supply and the Metropolitan Redevelopment Authority.

(c) *What is the average waiting time[s] for accommodation in [each of] the South West region?*

Answer: The average wait times in the South West region were:

Ave Wait times	July 2009 - June 2010	July 2011 - June 2011	July 2011 - June 2012
Priority	35 weeks (71 applications)	34 weeks (105 applications)	22 weeks (96 applications)
Wait Turn	109 weeks (258 applications)	138 weeks (250 applications)	128 weeks (290 applications)

30. *I refer to page 679 under the heading 'Asset Investment Program' and ask-*

- a) *Of the 62 dwellings to be constructed this year for clients of the Disability Services Commission, how many will be located in the South West region and where in the region will they be located?*

Answer: 9. Australind, Bunbury, Busselton, Manjimup and Margaret River.

- b) *Of the 100 dwellings to be provided for the high needs clients of the Mental Health Commission, how many will be located in the South West region and where in the region will they be located?*

Answer: 6. Bunbury and Busselton.

- c) *Of the 15 dwellings to be provide for the high needs clients of the Drug and Alcohol Office, how many will be located in the South West region and where in the region will they be located?*

Answer: 0.

- d) *Of the 3,130 affordable housing lots to be provided, how many will be located in the South West region and where in the region will they be located?*

Answer: 59. Dalyellup.

31. *The latest report released by the Housing Industry Association details Bunbury is suffering the biggest housing shortage in regional WA and I ask what is being done to address this?*

Answer: The Department is currently finalising a new demand modelling methodology based on ABS and other data that will help identify and prioritise areas of most need in terms of where resources should be directed.

32 *I refer to page 680 under new works, 'A place to call home' Commonwealth Election Commitment, \$5.8m, and I ask where will this money be spent and on what?*

Answer: All 2011/12 and 2012/13 expenditure in this category relates to the Foyer Project in Leederville which will provide transitional accommodation for 98 young people including 35 young people who are at risk of or experiencing homelessness. In accordance with the National Partnership Agreement on Homelessness and the "Implementation of the A Place to Call Home Initiative", the target allocation group for the Foyer will include young singles, young families and youth exiting the care of child protection services. 11% of the people assisted will be Indigenous.

