

State Budget lets down homeless in Homelessness Week

Today's (8th Aug 2013) State Budget does not effectively address the growing crisis in housing affordability facing many West Australians, Centrecare Director Tony Pietropiccolo said.

"Western Australia's housing and rental crisis is likely to worsen in coming years and the Government has missed the opportunity to use the budget to increase the stock of affordable housing. All signs indicate that people's ability to afford a home will deteriorate further in coming years, so it is disappointing that more resources were not included in this budget to address the crisis."

The key Budget measures for housing were:

- First home owners' grant – increased to \$10,000 for new homes
- National Rental Affordability Scheme – no new money for two years
- Vulnerable households fund – no new money
- Affordable housing lots – 670 fewer than last year

The increase to the First Home Owners' grant to \$10,000 for new houses is welcome, as it will add to housing stock.

However, funding in the key programs for social housing has not kept pace with inflation or population growth. Western Australians are told on a weekly basis that the State is experiencing a housing crisis.

The failure to deliver on the National Rental Affordability Scheme target of 5,000 new rental houses by 2014 means affordable rentals will be even harder to find in future.

"With rents still rising, 24,000 households on the public housing waiting list and nearly 90,000 households in housing stress, much more needs to be done to address WA's housing crisis" Mr Pietropiccolo said.

"It is estimated by the National Housing Supply Council that there is currently a shortage of 38,000 dwellings in WA. Addressing housing affordability is a key plank to bringing down the rates of homelessness. There are simply not enough affordable rental properties available, and this is leading to over-crowding, hardship, insecure housing and homelessness."

Mr Pietropiccolo said one of the few remaining areas where State Government budgets can have a direct impact on the quality of life for those on low and fixed incomes is in the area of housing affordability.

According to research by *Auspoll* in July, 84 per cent of Australians believe housing affordability is more important to them and their family than education (82%), border security (78%) and a 'fast, affordable broadband' (68%).

"The lack of affordable housing impacts on people experiencing family violence and mental health problems. It exacerbates health problems, reduces children's ability to learn and is felt across all age brackets".

Mr Pietropiccolo said "the first round of negative impacts in this financial year's budget for people struggling to afford housing occurred when the Government increased cost of living expenses such as electricity prices by 4 per cent, gas prices by 6.4 per cent and water by 6 per cent in July. These increases were collectively more than double the inflation rate of 2.75 per cent. While middle and upper income earners can afford these increases without too much trouble, it's the low income families, people on fixed incomes such as the elderly or those on minimum wages that need to have greater access to concessions or offsets, otherwise they are going to continue to see housing affordability slip from their grasp."

"The State Government could have had some real impact on housing affordability by decreasing stamp duty on homes and/or by increasing the \$7000 grant in the First Home Owners Scheme. Not only would this have assisted those seeking housing but would have assisted the employment market as the mining boom starts to falter," Mr Pietropiccolo said.

Mr Pietropiccolo said "the Western Australian Government continues to take a holistic approach to the problem of housing affordability, but this Budget, like previous ones, just addresses a small portion of a much larger problem."

Tony Pietropiccolo AM
Director