

Private support sought for public housing

■ Dan Wilkie

HOUSING Minister Troy Buswell's commitment to build 20,000 new affordable dwellings by 2020 is providing a lift for the sector, but the growing waiting list for public housing needs to be tackled by the private sector, according to social housing providers.

In response to questions from the state opposition in parliament last week, Mr Buswell said the number of people on the public housing waiting list had spiked by more than 2,000 in three months, up to 52,915 on February 1 from 50,843 in September last year.

The average waiting time for public housing in Western Australia is now 80 weeks, an increase from 46 weeks in financial year 2005-06 and 53 weeks in 2007-08.

In response to the lengthening list, the state government has made three separate commitments since late last year to build a total of 500 new affordable dwellings across the state.

In December, Mr Buswell announced a \$24.6 million 78-home initiative for low-income earners in the Mid West-Gascoyne region.

This was followed by a January announcement that the government would partner with Belmont-based Diploma Properties to build a \$50 million, 130-unit social housing project in Pier Street in central Perth.

And early last month, Mr Buswell announced a \$57 million, 285-dwelling affordable housing package for the South West.

This is in addition to the federal government's National Rental Affordability Scheme (NRAS), which is an incentive to provide 50,000 new affordable dwellings nationwide by 2012.

PUBLIC-PRIVATE

Public housing waiting list up 2,000 since September.

State committed to nearly 500 new dwellings since December.

Housing providers calling for more private sector investment.

Under the NRAS, eligible property owners receive a national rental incentive for each approved dwelling rented to low- or moderate-income households at 20 per cent below market rates.

Not-for-profit affordable housing provider Foundation Housing's chief executive, Kathleen Gregory, said initiatives from state and federal governments over the next 18 months would provide a window of opportunity for strong growth.

Foundation Housing is one of six registered affordable housing growth providers in WA, and currently operates about 1,200 affordable dwellings.

"We've got a number of organisations now that have significantly built their capacity to enter into a range of partnerships with the government and the private sector," Ms Gregory said.

"It's absolutely vital, from our point of view, to try to meet that shortfall in social and affordable housing, because we're already arguably 20,000 houses short in that area, and that's going to continue to grow.

"We're expecting to see significant rent increases again this year, up to 8 to 9 per cent, and with that pressure we'll see more people seeking subsidised housing that prior would be quite successful



INVOLVEMENT: Kathleen Gregory says there needs to be more incentive for private sector involvement in public housing. **Photo: Grant Currell**

and able to sustain tenancies in the private market."

Community Housing's chief executive, Steve Bevington, said Mr Buswell's target of 20,000 dwellings was a good base to work off, but added that there needed to be more private sector involvement to alleviate affordable housing issues.

"There is a hell of a lot of need out there, and I think that's a very good target given where WA's stock currently is," Mr Bevington said.

"I think its probably not sufficient to meet the growing needs of WA as a whole, as the powerhouse economy of Australia, and WA generally needs to get into supply in a very big way, but certainly it's a very good start and a tremendous goal for any gov-

ernment to have in Australia.

"I think if those numbers are going to be achieved it will have to be delivered by the private sector.

"It could be delivered by the public housing vehicle, but essentially there aren't large swaths over the next 10 years of federal dollars going in; the amount for WA for example is \$40 million.

"That doesn't deal with the 20,000 houses, therefore there needs to be an engagement with the community housing sector."

Ms Gregory said more incentive was required for institutional investors from the private sector to enter into affordable housing investment schemes.

"In Australia, the investment in

the private residential market has really been by mum and dad investors buying their one or two properties," Ms Gregory said.

"When you look at the potential returns it actually doesn't make sense for institutional investors to get involved in a big way.

"Mum and dad investors, it's something they can understand, it's tangible, they can drive past the house, they control it and they understand housing.

"People are happy to get involved in that, so schemes like what the Commonwealth is attempting with the NRAS scheme are really important initiatives to try and provide some level of incentive to the private sector to get involved in that supply."