



COMMUNITY EMPLOYERS WA

19 March 2014

Senator Mark Bishop
Chair
Senate Economics References Committee
PO Box 6100
Parliament House
CANBERRA, ACT 2600

Transmitted via email: economics.sen@aph.gov.au

Dear Senator Bishop,

RE: Affordable Housing

The purpose of this submission is to provide Community Employers WA's (CEWA) comments on relevant aspects of the Senate Economics References Committee's Inquiry into Affordable Housing in Australia.

CEWA is a registered Employer Organisation with the Industrial Relations Commission of Western Australia, and represents non-government, not-for-profit employers in the community services sector of Western Australia. CEWA now has 120 members comprising many of the largest and smaller Community Services Sector employers in WA, and continues to grow in numbers and influence. Our members employ in excess of 10,000 staff and are supported by over 10,000 volunteers.

For the purpose of this submission, CEWA would like to focus on four key areas:

Section f) of the Terms of Reference *"the need to develop improved overview and accountability mechanisms in relation to Commonwealth grants and funding to the states and territories in order to ensure that public funding delivers outcomes consistent with Commonwealth objectives"*

It is well acknowledged and appreciated that both Commonwealth and State governments need to be prudent in the monitoring of the allocation and use of government funds. However it is equally important that this be undertaken in an efficient and effective manner so that unnecessary time and cost is not incurred by either the States and Territories, or by the end recipients of the allocated monies. In the NFP Community Services Sector, we continue to see many examples of excessive red tape from Commonwealth Agencies seeking to micro manage the reporting against grants.

Considerable time is spent responding to excessive questioning of line item by line items on minor Grants comparing budgets to actual in instances where the overall spending is in line with the authorised amounts.

As part of the Committee's Inquiry, we would support a **recommendation** to continue focusing on how the overview and accountability mechanisms can be designed to minimise the extent and level of compliance. We would recommend that States and Territories, and recipients of funding grants, be empowered and encouraged to deliver Affordable Housing more efficiently without excessive reporting and red tape.

Section h) of the Terms of Reference *“planning and policies that will ensure emergency and essential service workers have access to affordable housing close to where they work”*

A number of our Employer members in the Community Services Sector have expressed their long held concern about the high cost and shortage of housing for their employees, particularly in regional areas of Western Australia. For example, one of our members employs 46 staff in the Goldfields region, and only 3 have been able to purchase their own home in the last 5 years. Similar examples are provided for the Kimberley and Pilbara regions. Unlike the Community Sector, Government workers in these areas are often provided with significant housing subsidies which further reduces the availability of rental properties. As a result, many essential services workers are forced to live in backpackers shelters or caravan parks.

Clearly such arrangements are unsustainable and often lead to staff leaving, or difficulties in recruiting staff. The attraction and retention of highly skilled staff has a major impact on the success or otherwise of a program. In a competitive employment market, overlaid by the regional challenges of attracting staff, housing is often a critical consideration in the decision as to whether a prospective employee will accept a job offer. Furthermore, even if they do accept a role, their housing circumstances and assimilation into the community, are often key factors in their decision to stay or move on. When staff do leave, particularly in regional areas, it creates another level of complexity in trying to deliver a program. The availability of much needed services to regional communities is significantly, negatively impacted by the inability of staff to find adequate and sustainable accommodation.

Another service provider operating in the Kimberley, has gone to the extent of investing their own capital in the construction of housing for staff at a cost of over \$4 Million. Their reluctant and costly decision to do so stems from their inability to find suitable housing and their concern that if they don't provide housing, they won't attract nor retain staff and will thus be unable to fulfil contractual commitments. The capital they have used, has effectively meant they are unable to expand services elsewhere.

We would thus support a **recommendation** from the Committee to undertake a review of the availability and cost of suitable housing in regional areas to support emergency and essential service workers. If this means that land releases need to be considered and incentives for the development of new housing being provided, then we would be supportive of this being explored. Additionally, the provision of government subsidized housing could be extended to not for profit workers based in

remote, regional communities. Furthermore we would suggest that a meaningful consultation with the sector (perhaps through peak Community Sector housing bodies), form part of this review.

Section i) of the Terms of Reference *“planning and policies that will ensure the availability of an appropriately skilled workforce”*

This links closely to the previous point – if there is suitable and affordable housing available, it is more likely that an appropriately skilled workforce will be attracted to, and retained in, the Community Services sector. The planning and policies are the foundation of ensuring there is affordable housing which in turn should be available for rent by the community, including Community Services workers. As mentioned earlier, this is particularly relevant for Regional service providers who often struggle to find suitable accommodation for their workforce.

We would thus again support a **recommendation** from the Committee that in order to attract and retain an appropriately skilled workforce, there needs to be suitable housing available to accommodate their requirements.

Section m) of the Terms of Reference *the role and contribution of the community housing sector in delivering social and affordable renting housing”*

In many ways, the State Government of Western Australia has been leading the country in pro-actively engaging with the Community Sector to deliver social and affordable rental housing. One of the key benefits of the Community housing sector being involved in the delivery of housing is they are then often able to provide many other social services in an integrated and holistic way. So if a person for example needs family support, or counselling or mentoring, there is a much greater probability of success if there are ‘wrap around services’ and strong links within the social services community.

The NFP Community Sector has a strong track record in delivering outstanding projects and programs to people in need, including social affordable housing. One recent example is the collaborative approach with a \$35 Million, 98 bed transitional housing project in Leederville in Perth between Anglicare WA, Challenger Institute and Foundation Housing. The project was funded by State and Commonwealth governments and ongoing funding will be provided by both the State Government and the private sector. The government’s support of more of these types of projects will, we believe, deliver better outcomes for all parties, and in particular for the people the Community Sector is seeking to support.

However there is always more that can and needs to be done. In previous years the State Government in WA has facilitated the transfer of the management of public housing, to the Community Sector. Whilst positive in its intent, it had limited success in NFP’s being able to access development capital from banks and other lending institutions through the use of these properties as collateral. This in turn limited the construction of additional housing. A more considered and consultative approach to such initiatives would, we believe, have led to better outcomes.

Our **recommendation** would be for the Committee to support the working of Federal and State governments with Community Sector providers, to facilitate the growth in housing stock to assist those in our community who are in need of an affordable home.

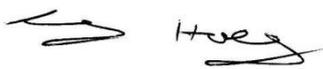
Conclusion

Community Employers WA welcomes the Committee's review into Affordable Housing. The need for additional affordable housing in all areas of Western Australia remains high and we are supportive of the government doing what it can, to alleviate the shortfalls in housing. These longstanding shortages provide significant stress and hardship to many people and families across WA which can in turn lead to many other societal issues.

As a representative body of Employers in the Community Services Sector, CEWA is keen to ensure that the sustainability of services provided to the Community is maintained, and that unnecessary compliance and reporting is eliminated. Regional service providers in particular need ongoing support to house their employees so that they in turn can deliver services.

We note that a similar review of Housing Affordability was undertaken by the Federal Government in June 2008, and would encourage the Committee to review the findings from that review and perhaps consider reporting on the progress made over the past 5 ½ years in implementing the 31 recommendations contained within that report.

Yours sincerely,



Chris Hall
Co-Chair



Tony Pietropiccolo AM
Co-Chair

Cc: Senator Chris Back
Senator Dean Smith
Senator Rachel Siewert
Senator Sue Lines