



## Budget 2006-2007

### **FACT SHEET #F12: SOCIAL HOUSING SERVICES**

#### **What's in the Budget for Housing?**

Recurrent expenditure on social housing in the ACT in 2006-07 totals \$104.7 million. As part of the annual budgeting process Housing ACT looks at areas where the organisation can be more effective and reduce expenditure. Savings from this exercise can then be applied to the Government's highest social housing priorities.

The Stanhope Government is providing a capital injection of an additional \$4 million per annum over the next three years. This will be combined with a reduction in expenditure to provide a total of \$10 million each year over the next three years to expand the stock of public housing.

Over the past four years the Government has provided additional capital funding of some \$50 million, which has allowed the acquisition of about 140 properties, with some property acquisition yet to be completed. Additional funding has also been provided to the community-housing sector for the acquisition of properties.

Housing ACT has driven significant organisational change over the past three years, to become more effective in a number of areas including:

- improved asset management of public housing stock;
- client service visits to every public housing tenant each year;
- increased targeting of housing to those applicants most in need;
- support for families to maintain their tenancies when faced with complex needs and personal crisis;
- improved provision of the most affordable housing in the ACT; and
- a closer working relationship with tenants.

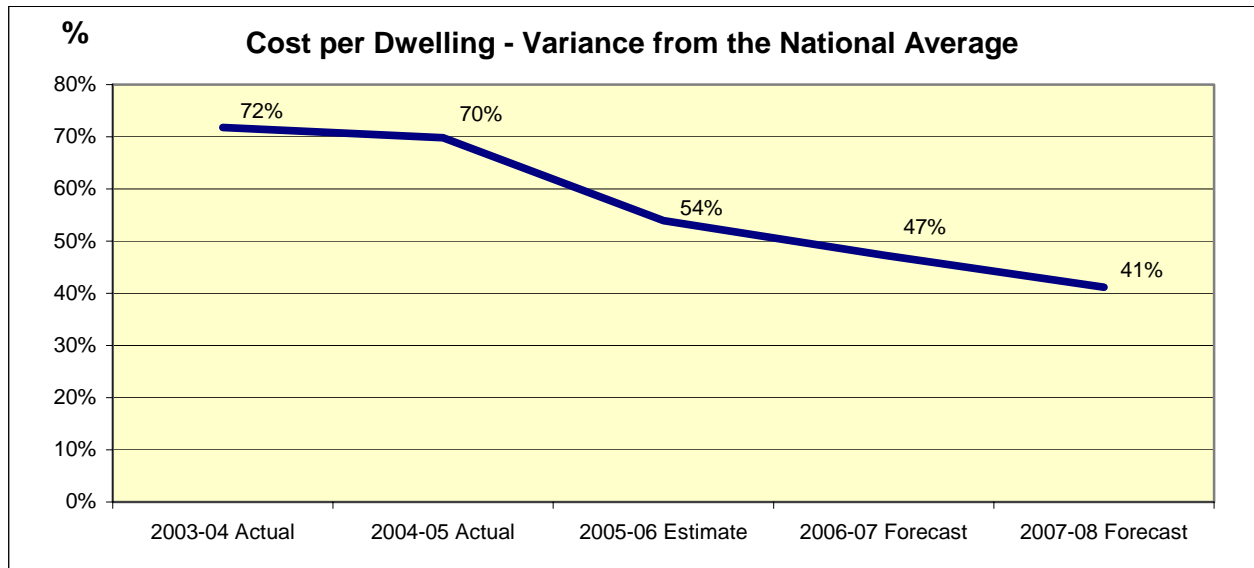
These are tangible benefits delivered to some of the most disadvantaged members of the ACT community.

#### **How does the ACT compare to other States and Territories?**

The efficiencies achieved in this budget will assist the ACT to move towards the national average cost per dwelling for the provision of public housing. The ACT has and continues to compare unfavourably with most other jurisdictions and the national average for public housing cost per dwelling. For example, in 2001 overhead expenditure in the ACT was 66% above the average of all jurisdictions and New Zealand. In 2004-05 the cost per dwelling in the ACT was some 70% above the national average, with only the Northern Territory having higher costs per property.



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With the reduced expenditures the cost per dwelling for the ACT compared to the national average cost for the provision of public housing continues to improve.

### **Why is the ACT Government making this change?**

Significantly increased funding for social housing services has been provided by this Government to enable public housing in the Territory to be maintained at current levels.

However, the continued injection of additional capital funding into public housing to maintain property numbers was not sustainable without addressing the underlying increasing costs of operations.

By improving efficiency, the ACT will move towards the benchmark cost for the provision of public housing in Australia. The longer-term benefit of improving the operating position will be more significant as it provides the release of ongoing funds that can be used to address government priorities in social housing when compared with one-off capital injections.

### **What effect will this have on the ACT's bottom line?**

The net impact of the changes in Housing ACT will improve the Territory's bottom line by approximately \$4 million each year.

The efficiencies achieved by Housing ACT are considerably higher, and are being invested in public housing.