

STATE BUDGET

2018-19

MINISTER FOR HUMAN SERVICES MICHELLE LENSINK MLC MEDIA RELEASE

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State Government allocates \$118 million for housing and homelessness per year

Housing and homelessness services in South Australia will receive \$118 million per year thanks to the recently signed National Housing and Homelessness Agreement between the State and Federal governments.

Under the agreement, the 2018-19 State Budget reveals the Federal Government will contribute about \$108 million per year and the Marshall Liberal Government will provide \$9.6 million per year towards homelessness funding, providing help to some of the state's most vulnerable people.

The National Housing and Homelessness Agreement improves access to affordable, safe and sustainable housing across the housing spectrum by supporting those in need including vulnerable families, low income households and people facing homelessness.

Homelessness services are distributed across metropolitan, rural and remote locations and include homeless prevention programs, 24/7 crisis response programs and services which support homeless people back into mainstream housing, training and employment.

"In June 2018, South Australia signed the National Housing and Homelessness Agreement and through this agreement, the Liberal Government has committed to developing a new Housing and Homelessness Strategy for South Australia," said Minister for Human Services Michelle Lensink.

"To implement this, the State Government will partner with sector and community stakeholders to co-design a future housing and homelessness strategy."

In order to deliver the new State Government's priorities and create a sustainable budget position, the 2018-19 State Budget includes savings measures in the housing portfolio.

The South Australian Housing Trust will provide savings of \$11.5 million per year (indexed).

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From November 2018, rents paid by tenants from about 3000 bedsit cottage flat and one-bedroom cottage flat households, will be gradually increased from their current rates (19 per cent and 21 per cent of assessable household income) until it reaches the standard 25 per cent of accessible household income.

The rent increase will be incremental over several years and will be capped at no more than \$10 per week for each proposed rate change.

The affected households will be advised of the changes immediately to allow them to plan ahead.

Once fully implemented, these changes will bring the rent assessment rate for these households in line with the standard assessment rate for public housing, providing a fairer system.

From July 1, 2021, households with moderate incomes will pay up to 30 per cent (currently 25 per cent) of their assessable household income in rent.

Between 500 and 1000 households could be impacted by this change, depending on household incomes at the time of implementation. The efficiencies ensure that households with the capacity to consider other housing options make a greater contribution for benefits that they receive in public housing.

The South Australian Housing Trust employee expenditure will reduce by 15 per cent, resulting in a reduction of about 125 FTEs once fully implemented in 2021-22.

“The Liberal Government has inherited 34,000 homes, many of which are run-down and in chronic condition, with backlog maintenance into the hundreds of millions of dollars, and now we must clean up Labor’s mess after 16 years of mismanagement in this portfolio,” said Minister Lensink.

“The public housing system is not going to be fixed overnight.

“This is why I announced the establishment of the SA Housing Authority – to hit the reset button on a broken system.

“Reducing homelessness through preventing people from falling into homelessness and increasing access to appropriate housing is a key focus of the Liberal Government and the SA Housing Authority.

“The SA Housing Authority will establish a new vision and goals for social housing in South Australia. The Authority will be a responsive, integrated agency and what this means for the public is a better co-ordinated service.”