

7. HOUSING AND COMMUNITY AMENITIES

NATURE OF OUTLAYS

The Housing and Community Amenities function covers outlays, under Housing, to improve the access to appropriate housing for those whose needs are inadequately met through the private rental market or who have difficulty achieving home ownership.

Housing assistance is provided through the Commonwealth-State Housing Agreement (CSHA). This, in conjunction with contributions from the States, assists in funding the expansion and maintenance of the public rental housing stock by State governments.

Eligible former and serving members of the Defence Force who enlisted prior to May 1985 are provided with home purchase assistance in the form of a home loan interest subsidy.

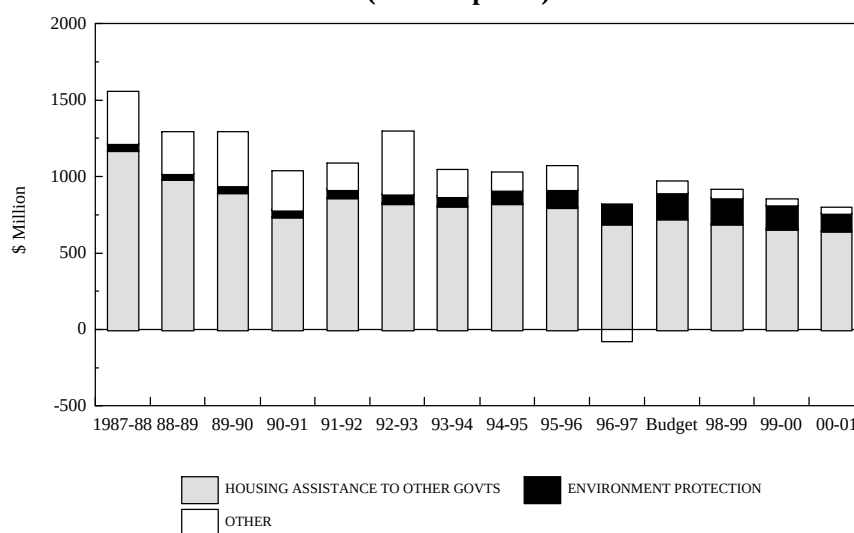
Excluded from this function is housing assistance for income support recipients who rent privately which is paid through Rent Assistance and transitional support which is provided to those who are homeless as a result of crisis (see 6. *Social Security and Welfare*).

Community Amenities includes outlays on general promotion and assistance for urban and regional planning and development and on promotion of national environmental objectives.

Additional funding for the conservation, sustainable use and repair of Australia's natural environment will be provided through the Natural Heritage Trust. Funding for this purpose is also provided through 8.4 *National Estate and Parks* and 10.7 *Natural Resources Development and Management*.

This function includes outlays of the Social Security, Environment, Sport and Territories, Transport and Regional Development, Veterans' Affairs, Industry, Science and Tourism, and Treasury portfolios.

**Chart 1. Overview of Commonwealth Outlays on
Housing and Community Amenities
(1989-90 prices)**



TRENDS IN HOUSING AND COMMUNITY AMENITIES OUTLAYS

There has been a real decrease in outlays on Housing and Community Amenities over the last decade, mainly reflecting:

- lower real outlays under the CSHA, especially in 1996-97, when some States chose to reduce their funding for public housing as part of their State Fiscal Contributions;
- changes in the level of assistance for home ownership (provided through the First Home Owners Scheme and included in Other & Administration), with outlays peaking in the mid-1980s and phasing out by 1995-96; and
- increasing outlays for environmental protection.

Outlays were high in 1992-93 due to funding for a short-term programme to improve the social and economic infrastructure of local government areas with above-average unemployment.

Outlays on environmental protection will increase as a result of new programmes to be introduced under the Natural Heritage Trust.

1997-98 AND FORWARD ESTIMATES

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
7.1	Housing Assistance to Other Governments	\$m 804.1	850.4	836.1	821.7	818.1
	%		5.8	-1.7	-1.7	-0.4
7.2	Defence Service Homes	\$m 31.2	24.9	25.1	24.5	24.6
	%		-20.2	0.8	-2.4	0.4
7.3	Urban and Regional Development	\$m -19.4	35.1	5.2	-1.9	-4.7
	%		na	-85.2	-136.5	147.4
7.4	Environment Protection	\$m 145.3	205.8	210.7	187.5	154.9
	%		41.6	2.4	-11.0	-17.4
7.5	Other Housing and Community Amenities	\$m -115.1	21.8	28.3	26.4	20.4
	%		-118.9	29.8	-6.7	-22.7
7.6	General Administration	\$m 17.2	9.3	5.4	4.3	4.3
	%		-45.9	-41.9	-20.4	-
	TOTAL	\$m 863.3	1147.3	1111.0	1062.5	1017.5
	%		32.9	-3.2	-4.4	-4.2

7.1 HOUSING ASSISTANCE TO OTHER GOVERNMENTS

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
	Nominated Loan Funds - Repayment of Principal	\$m -20.9	-21.8	-22.7	-23.6	-24.5
	%		4.3	4.1	4.0	3.8
	CSHA Loans - Repayment of Principal	\$m -68.2	-70.9	-73.6	-76.3	-79.0
	%		4.0	3.8	3.7	3.5
	CSHA Grants to States	\$m 885.5	935.4	924.7	914.0	914.0
	%		5.6	-1.1	-1.2	-
	Social Housing Subsidy Programme	\$m 2.1	2.1	2.1	2.1	2.1
	%		-	-	-	-
	Other Grants for Housing	\$m 5.5	5.5	5.5	5.5	5.5
	%		-	-	-	-
	TOTAL	\$m 804.1	850.4	836.1	821.7	818.1
	%		5.8	-1.7	-1.7	-0.4

Nominated Loan Funds and CSHA Loans - Repayment of Principal

All Commonwealth loan funds that were provided for public housing purposes, either in the form of CSHA loans before 1984-85 or as Nominated Loan Council advances before 1989-90, are repayable in equal annual instalments over 53 years. Interest is payable at a concessional rate of 4.5 per cent a year (for further details, see Interest Revenue in *Statement 5*).

Commonwealth-State Housing Agreement Grants to States

Grants under the Commonwealth-State Housing Agreement (CSHA) cover the acquisition, maintenance and upgrade of public housing, rental subsidies for low income tenants in public housing, support for home ownership assistance, and repayments of principal and interest on Commonwealth loans for public housing purposes as well as specific programmes, such as the Aboriginal Rental Housing Programme and the Crisis Accommodation Programme (the latter is excluded from the above table and is reported under 6.6 *Other Welfare Programmes*). The Agreement also provides for Commonwealth grants to be supplemented by State contributions.

An interim CSHA runs from 1 July 1996 to the end of the 1998-99 financial year, with the States and Territories being offered Commonwealth funding for the entire period, on the basis of a commitment to continue negotiating on reforms. Funding for years beyond 1998-99 will be negotiated in terms of a new agreement which is expected to reflect the likely direction of longer term reforms.

Major improvements in accountability and efficiency are being implemented in the interim agreement, through an increased focus on consumer outcomes and improved performance measurement and reporting.

7.2 DEFENCE SERVICE HOMES

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
Home Acquisition Assistance	\$m	35.3	26.9	26.0	25.4	25.5
	%		-23.8	-3.3	-2.3	0.4
Defence Service Homes Insurance	\$m	-4.1	-2.0	-0.8	-0.8	-0.8
	%		-51.2	-60.0	-	-
TOTAL	\$m	31.2	24.9	25.1	24.5	24.6
	%		-20.2	0.8	-2.4	0.4

The Defence Service Homes scheme (DSH) provides home ownership assistance in the form of subsidised low interest loans to eligible former and serving members of the Defence Forces who enlisted prior to May 1985, or who have certain qualifying service. Housing assistance for service personnel who enlisted after May 1985 is classified in 2. *Defence*.

Home Acquisition Assistance

Since 1988-89, the mortgage portfolio and the authority to make new loans under the scheme has been owned by the Westpac Banking Corporation. Under the programme, Westpac receives a subsidy to bridge the difference between the concessional interest rate paid by DSH borrowers and an agreed benchmark mortgage rate based on the standard bank interest rate for new owner-occupied housing.

7.3 URBAN AND REGIONAL DEVELOPMENT

In 1996-97 the Commonwealth terminated regional development programmes to eliminate duplication of State and local government activities in this area. Residual administrative costs and other payments made under the programmes, including repayments of loans from State and local governments and receipts from the Albury-Wodonga Development Corporation, are also included in this item.

7.4 ENVIRONMENT PROTECTION

The Commonwealth has a number of programmes, primarily administered by the Department of the Environment, Sport and Territories, for protection of the environment, including specific measures to monitor and control the impact of pollution. Financial assistance is provided to various international and national bodies concerned with environmental and conservation issues.

Additional funding for the conservation, sustainable use and repair of Australia's natural environment will be provided through the Natural Heritage Trust. Additional funding for this purpose is also provided through *8.4 National Estate and Parks* and *10.7 Natural Resources Development and Management*.

7.5 OTHER HOUSING AND COMMUNITY AMENITIES

The main items in this subfunction are the Housing Loans Insurance Corporation and the Christmas Island Rebuilding Programme.

The Housing Loans Insurance Corporation is currently being restructured, and a new Commonwealth company, Housing Loans Insurance Corporation Limited, will commence operations in late 1996-97. The Christmas Island Rebuilding Programme was implemented in 1992-93 to improve the standard of public housing and to upgrade the Island's infrastructure to the level of comparable communities in the rest of Australia.

7.6 GENERAL ADMINISTRATION

Outlays provide for the administration costs for this function across portfolios, mainly Environment, Sports and Territories, and Industry, Science and Tourism.