

7. HOUSING AND COMMUNITY AMENITIES

NATURE OF OUTLAYS

Outlays for Housing and Community Amenities are to improve the access to appropriate housing for those whose needs are inadequately met through the private rental market.

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.

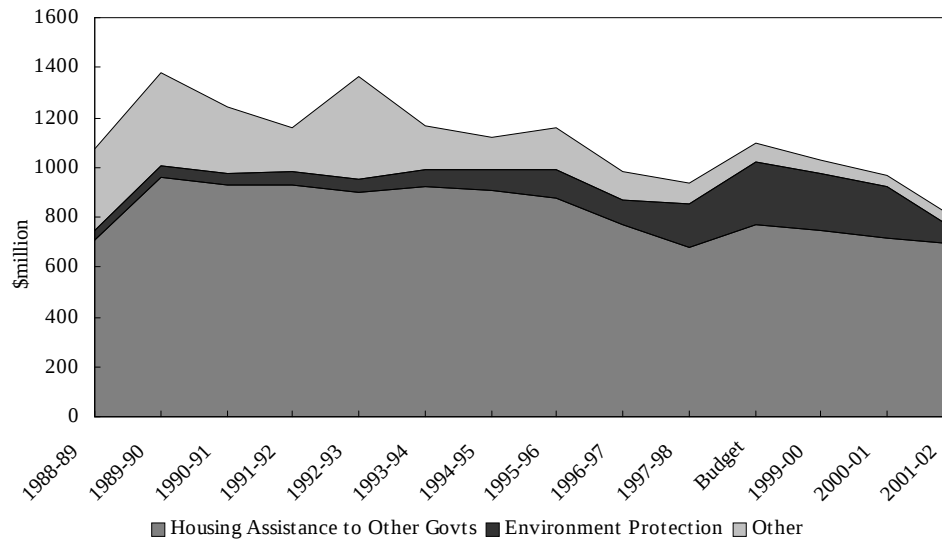
Excluded from this function is housing assistance for income support recipients who rent privately. This is paid through Rent Assistance and transitional support, which is provided to those who are homeless as a result of crisis (see 6. *Social Security and Welfare*).

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

This function includes outlays for the following portfolios:

- Social Security;
- Environment;
- Transport and Regional Development;
- Veterans' Affairs;
- Industry, Science and Tourism;
- Primary Industries and Energy;
- Treasury; and
- Finance and Administration.

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, as well as decisions by some States to use the CSHA to meet their State Fiscal Contributions in 1996-97 and 1997-98; and
- changes in the level of assistance for home ownership (provided through the First Home Owners Scheme and included in Other), with outlays phasing out by 1995-96.

These declines have been partly offset by increasing outlays for environmental protection as a result of new programmes introduced under the Natural Heritage Trust of Australia. The increase in outlays in the Budget year largely reflects additional funding for environmental protection programmes under the Natural Heritage Trust of Australia. The decline in outlays from 2000-01 largely reflects the expected completion of the rehabilitation of the Maralinga Atomic Test Site and completion of the \$1.25 billion Natural Heritage Trust expenditure package.

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.

1998-99 AND FORWARD ESTIMATES

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
7.1	Housing Assistance to Other Governments	\$m 793.1	932.3	921.7	912.1	902.7
		%	17.6	-1.1	-1.0	-1.0
7.2	Defence Service Homes	\$m 17.9	21.7	21.3	21.4	21.5
		%	21.2	-1.8	0.5	0.5
7.3	Urban and Regional Development	\$m 67.2	42.1	28.6	26.3	24.5
		%	-37.4	-32.1	-8.0	-6.8
7.4	Environment Protection	\$m 208.5	305.4	288.4	257.1	80.9
		%	46.5	-5.6	-10.9	-68.5
7.5	Other Housing and Community Amenities	\$m -2.1	20.2	5.3	1.8	2.8
		%	na	-73.8	-66.0	55.6
7.6	General Administration	\$m 16.2	8.5	7.3	7.3	7.4
		%	-47.5	-14.1	na	1.4
	TOTAL	\$m 1100.7	1330.1	1272.5	1226.0	1039.8
		%	20.8	-4.3	-3.7	-15.2

7.1 HOUSING ASSISTANCE TO OTHER GOVERNMENTS

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
	CSHA Grants to States	\$m 785.4	924.7	914.0	904.5	895.1
		%	17.7	-1.2	-1.0	-1.0
	Social Housing Subsidy Programme	\$m 2.1	2.1	2.1	2.1	2.1
		%	na	na	na	na
	Other Grants for Housing	\$m 5.5	5.5	5.5	5.5	5.5
		%	na	na	na	na
	TOTAL	\$m 793.1	932.3	921.7	912.1	902.7
		%	17.6	-1.1	-1.0	-1.0

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 6.7 *Other Welfare Programmes*). The Agreement also specifies that Commonwealth grants are to be supplemented by State contributions. Grants to States under the CSHA are lower in 1997-98 as some States have used grants to cover their State Fiscal Contributions.

The 1996 CSHA runs to the end of the 1998-99 financial year. Funding for years beyond 1998-99 will be negotiated during the remainder of this agreement.

7.2 DEFENCE SERVICE HOMES

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
Home Acquisition Assistance	\$m	20.4	22.3	21.9	22.0	22.1
	%		9.3	-1.8	0.5	0.5
Defence Service Homes Insurance	\$m	-2.6	-0.7	-0.7	-0.7	-0.7
	%		-73.1	na	na	na
TOTAL	\$m	17.9	21.7	21.3	21.4	21.5
	%		21.2	-1.8	0.5	0.5

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 Veterans' Affairs' 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 Commonwealth, 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 included in this item.

7.4 ENVIRONMENT PROTECTION

The Commonwealth has a number of programmes, primarily administered by the Department of the Environment, for protection of the environment, including specific measures to monitor and control the impact of pollution, and for the rehabilitation of former atomic test sites. 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 is being 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 was restructured, and a new Commonwealth company, Housing Loans Insurance Corporation Limited, commenced operations at the end of 1997. The company was subsequently sold. Outlays in this function relate to payments arising out of mortgage insurance policies held by the Housing Loans Insurance Corporation prior to the restructure and sale. 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 and Industry, Science and Tourism.