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**NEW LIVING IN THE TOWN OF KWINANA
– SUBURBAN RENEWAL IN PUBLIC HOUSING**

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Introduction

Post-War Public Housing in Western Australia was concentrated as a matter of policy in subdivisions created for the purpose, until the early 1990's when there was a paradigmatic shift. The decision was made to carry out major renewal projects in areas of high public housing density, and sell a significant proportion of the revitalised properties to private owner occupiers – the so-called “New Living Initiatives”. The public housing estate in the Town of Kwinana was one of the first two projects.

The aims of the Kwinana New Living Project included improving the quality of the housing, changing the balance of public and private clientele, and creating a greater sense of "community spirit".

This paper looks at the New Living Initiatives in the Town of Kwinana in Western Australia as a case study in suburban renewal, identifying the nature of the problem and the costs and benefits that need to be understood and quantified in order to assess the effectiveness of the New Living Initiatives.

History

Historically, the intention of public housing in Western Australia was to assist people of 'good character' (the 'deserving poor') with the provision of houses at rents they could afford (Sharp 1993). "The 1950s-1970s were the decades of the State Housing Commission's housing estate developments. They were shaped by three circumstances: the social demands of low to moderate income earners for housing; the economic demand of industries for a stable and accessible workforce; and the level of funding available to the Commission to erect such housing” (Sharp 1993, p.73). Most housing was supplied for people in employment, but whose wages were too low to enable them to purchase or rent housing privately.

The Town of Kwinana was established following the proclamation of the Oil Refinery Industry (Anglo-Iranian Oil Company Limited) Act on the 27th March 1952. Under the terms of this Act, the State Government resumed about 7,560 acres of land, for the development of a new Kwinana townsite, to enable the creation of housing for the workforce to construct and operate a new oil refinery (Russell 1979). The Act specified the construction by the State Housing Commission of 333 houses in each of the next three years. The oil refinery was the first development in a projected industrial area along the coastal strip north of Rockingham. Provision of the housing for workers was part of the agreement between the Western Australian Government and the Anglo-Iranian Oil Company (now BP) which built the refinery.

The original plan envisaged a town of 25,000 residents. As at March 1994 it was 20,000. The Town of Kwinana was established on largely rural or undeveloped land, approximately 20 kilometres south of the City of Fremantle, and 30 kilometres from the City of Perth. The original plan contained four suburbs within Kwinana known as Medina, Calista, Orelia and Parmelia. The total of these suburbs measures approximately 3 km from East to West and 3 km from North to South. There is a government primary school located in each of the four suburbs, and a high school located in Orelia. These four suburbs form the subject of the revitalisation.

The Town of Kwinana was designed by Western Australian planner Margaret Feilman, whose plan was to create a new town, where the aim was "... as a three dimensional exercise to achieve the best use of the land as part of a total environment - to be good for the people who used it, to give safety and convenience and the maximum amenity. This meant

responding to the land as I found it, using contours as a basis for design as well as the best of the natural features, including trees, view etc. which we now take for granted.”

The plan was designed to “...separate the residential neighbourhoods from the industrial areas with the major western ridge and landscape buffer, to integrate an essentially Australian town in an attractive landscape ...” and to design roads in a definite hierarchy so that it was easy to walk to shops from anywhere, with bus routes permitting easy access, and quiet loop roads located off central spines. (Feilman 1993) The resulting town had an attractive appearance, with extensive facilities including a large recreation centre, olympic sized swimming pool, and public open space in excess of the norm - with some 16% of land set aside for parks and recreation.

When the original Kwinana townsite was established, it was heralded as a triumph for the State, both in concept and design. Why was it subsequently judged a failure in need of change – what went wrong?

From the earliest stages, the demand for houses did not match the supply. One of the problems for the planners in attempting to predict the growth rate of the new suburbs was their nature as residential areas almost solely utilised by employees in the industrial area. A survey of the proposed Development Plan for the Kwinana-Naval Base industrial area from 1965-70 suggested that within that period, housing demand could vary from approximately 1500 to about 2000 units of accommodation. (MacKenzie 1966) In 1965 this apparently ineffectual prediction, with its high degree of variance was explained as being “because of the problems caused by fluctuations in the world economic and political situations as well as those which occur on the Australian scene, which could lead to an increase or reduction in the tempo of development” but also because of the “...unknown degree of supporting tertiary employment” that would be required to service the industrial community(MacKenzie 1966)p.9.

This inability to accurately predict the number of employees who would be required at any one time in the industrial area has been a pivotal problem for the suburb of Kwinana, and was at its worst in the early days when there was no other employment in the area and transport to and from the area was both lengthy and inconvenient. For example, Kwinana's population increased dramatically from 5,777 in 1966 to 12,224 in 1971 with the development of the coastal industrial strip and the influx of 3,586 UK migrants to the region during this period (1990) p.7. The Government of the day was encouraging immigration to boost the fledgling industrial work force, but the number of jobs available did not live up to expectations in the long run. Workers were required in spurts of activity to construct industrial plant, but the running of the plant required far fewer employees, and the construction workers found themselves unemployed.

The construction of large numbers of State Housing Commission houses pre-supposed two conditions would prevail. Firstly, that the industrial strip would continue to support a large and growing workforce, and secondly that they would live in State Housing Commission accommodation in the area. In the event neither proved to be the case.

The number of persons employed at the industrial strip fluctuated markedly, but only ever approached the numbers anticipated when construction of the facilities was taking place (1949-98).

The State Housing Commission made use of the accommodation which was surplus to needs for workers in the industrial area for housing applicants in receipt of welfare payments of one sort or another. This was not a problem initially, and in fact, some of the first complaints to the State Housing Commission regarding their management of placements in the area related to the relocating of tenants out of the area, who **did not want to go!** The State Housing

Commission policy, as confirmed in November 1961, was that no Social Service cases should be allocated houses at Medina, and that preference was to be given to applicants who were employed or who were to be employed at Medina. (1952)

However, it appeared that this policy was overlooked, at least in part, as in June 1962, the Medina Districts Residents Association were seeking assurances from the State Housing Commission regarding the future of social security tenants then living in Medina. The Residents were objecting to State Housing Commission intentions to move out Social Security tenants when the need arose for a new influx of industrial employees. (1953-63)

Pensioner and Social Service Cases were allowed as tenants at Medina because there was a surplus of houses, and on the understanding that these tenancies would only continue until such time as the houses were required for new and expanding industries in that area (1953-63) In the event, this never happened, and the Town of Kwinana became increasingly populated with social security recipients. Employees working in the Kwinana industrial strip chose to live not in the Kwinana township but in nearby Rockingham, or inland at Byford. Living in either of these centres required a car to get to work, but this was increasingly the norm for those in employment. The spiral therefore continued – empty State Housing Commission accommodation, move in more welfare recipients, further social disruption and stigma.

At a special meeting of the Town of Kwinana Council on 21st December 1976, held with representatives from RDC Homes, a major builder, regarding the development of Leda, a new neighbouring suburb, representatives from RDC stated that they were very interested in being involved as the overall development controller of the project, but noted that:

“The Kwinana area had a lot going for it but there were marketing problems which related to the old “Medina” stigma.”

The State Housing Commission has continued to be the sole developer in the Town. Blocks are sold to the private market, but all development before the New Living Initiatives was done by the State Housing Commission. This has been a contributing factor in the stigma - “you never know if you will have a State Housing Commission tenant next door or not”. (Edwards 1999)

A “Homeswest Management Team” characterised the suburb in the following terms in 1993:

"There is an endless cycle of applicants being allocated apartments, applying for transfers to houses; getting a transfer to an old and clapped out house in Medina, then immediately applying for a further transfer to a more acceptable suburb such as Orelia or Parmelia or Leda. Of the 600 odd applicants at Kwinana, almost 450 have applied for the Rockingham area. Of the remainder about a third are from singles (most of them young, unemployed and socially unstable), with the remainder a mixture of seniors waiting for "newer" construction units and local families. There is also a very high proportion of Aboriginal tenancies in the town. Essentially we have made the town what it is."

The team summarised the problems as:

- Old stock - generally of 1950's construction in asbestos and timber
- Mostly 2 bedroomed single detached houses
- High turnover in tenants, with low demand
- Resultant high re-let costs
- Lack of neighbourhood stability with high turnover
- 86% of tenancies on statutory incomes

- Highest unemployment rate in Australia
- Currently 20 properties vacant with the lowest re-let costs estimated in excess of \$9000 (Homeswest Management Team 1993)

In a letter from LH Chipperton (Freeman and former Councillor) on 5 November 1990, to the Mayor of the Town of Kwinana, about the state of Medina, he makes the comment that “Despite assurances to the contrary I and the majority of Medina Ratepayers feel we have become the “Homeswest dumping ground” for their “problem” families that no one else wants or will accept!!” Comments made at public meetings around the same time reflect a similar sense of frustration, with ratepayers claiming that they have been told that their homes are “unsellable” (1961-). There were approximately 22% of houses in Kwinana owned by the State Housing Commission at this time.

Pollution

The other major issue for the Town of Kwinana relates to its proximity to the industrial strip, and issues of pollution.

The history of the industrial suburb is peppered with references both in the local press and the Town of Kwinana Council records to various incidents of pollution, chiefly in the form of water pollution in nearby Cockburn Sound and air pollution. There have been a number of detailed studies done and reports issued on the problems relating to the pollution, particularly in the last 10 years. However, in spite of tests showing results within accepted World Health Organisation levels, the stigma may well be attached to the reporting and considering of the problems alone.

The original design and positioning of the town was done with a view to the creation of a buffer zone which was intended to prevent the pollution from the industrial area, both visual and gaseous, from reaching the residential area. However, it is safe to say the results were not always perfect!

“Strong Naphtha-like odours permeated through the district one day during this period. The odour emanated from a spillage of natural gas odouriser by Western Mining Corp. The spillage occurred from a 44 gallon drum deposited on the Rockingham rubbish disposal site and there were no physical defects noted; however, the odour was overpowering in some sections of the district.”(Kwinana 1978)

“Numerous complaints received of strong sulphurous odours from industries that were permeating through houses in the townsite.”(Kwinana)

“...pollution of the air and subsequent crop damage to a Naval Base market gardener’s property still continues...” (Kwinana)

The upshot of all the testing and reporting appears to be that there are no significant health risks associated with the pollution emanating from the Kwinana Industrial Strip, but there are unpleasant odours and side effects from time to time, and, as with most contamination, the level to which this creates a stigma and thereby an effect on the values in the area, is, at least in part, a function of the amount of publicity it receives (Bond 1999).

New Living Initiatives

In November 1993, the State Housing Commission proposed to the Town of Kwinana a major redevelopment initiative which became known as the New Living Initiatives. It was an adaptation of an idea trialled in Elizabeth, South Australia(Joyce 1993).

Over the years, a variety of attempts have been made by the State Housing Commission and the Town of Kwinana to improve the social situation in Kwinana. However, with the New

Living Initiatives a more unified and larger scale program has been adopted, with the appointment of a private sector project manager, Satterley-McCusker to carry out the proposal.

Specifically, the State Housing Commission objectives are:

- “reducing public housing presence to around 12% of the estate
- through a sales program, achieve revenue that can be used to provide replacement housing in other suburbs
- generating a whole of suburb/Town concept and marketing strategy, with the residents of each area, developing a theme for promoting the suburbs in the wider community
- improving the appearance of street scapes and parks
- enhancing the community infrastructure
- providing a more effective and efficient use of apartment complexes
- providing a marketing strategy to encourage home ownership and attracting new people to the community
- providing a strategy to upgrade the housing stock
- providing and instigating a strategy for the future use of public open space in the areas
- encouraging the support and participation of local land owners." (Homeswest 1993)

Costs of the New Living Initiatives

The Kwinana Project is being undertaken in stages, over a period of about 5 years. This paper looks at the costs and benefits of the first stage, the area of Medina.

The New Living Initiatives costs consist of:

Direct Costs:

- Directly, under the project management agreement between the State Housing Commission and the private sector project manager, Satterley-McCusker. These costs were born largely by the State Housing Commission, with some contribution from the Town of Kwinana Local Authority

Indirect Costs:

- To the State Housing Commission in addition to those incurred under the project management agreement
- The CEO of the Town of Kwinana described the NLI as “not the only thing that has happened...” (Edwards 1999) The State Housing Commission presence has meant that many initiatives have not been worthwhile, which became worthwhile once the public housing density was reduced. This catalyst effect is difficult to measure, as the Town of Kwinana was involved in ongoing efforts to revitalise the Town both before the NLI and since, with mixed results.

Direct Costs

The project management agreement between the State Housing Commission and Satterley-McCusker calls for a number of direct expenses as follows:

Management Fees to the team of Satterley-McCusker

The Management Fee stipulated in the Agreement (*Parker 1994, p. 7*) is for the Project Manager to receive 7% of the gross sale price for all refurbished residential dwellings, 5% of the gross sale price received for all residential lots developed in the project, and 4.75% of all infrastructure costs (as they are defined in the agreement).

In addition, a fee is payable to the project manager for property owned and retained by the State Housing Commission of \$2,500 for each refurbished residential dwelling and \$1,750 for each residential lot.

Selling fees to Satterley-McCusker

The Project Manager, Satterley & Co Pty Ltd was given exclusive selling rights under the agreement.

In relation to the refurbished residential dwellings, the State Housing Commission agreed to pay Satterley a selling commission at the rate of 70% of the approved scale fee set down by the Real Estate and Business Agents Act. This fee was subject to review on the date within two years of commencement of the contract, if not less than 400 refurbished houses and 1,200 new residential lots had been sold. If this was the case, the selling commission could be reviewed and reduced by agreement, but by not more than 20%. When a further 400 refurbished houses, and further 1,200 lots the selling commission could again be reduced, by not more than 20% of the existing selling commission, for the remainder of the term of the agreement.

In some instances, the State Housing Commission sells houses to existing tenants. The Agreement provides that in these instances, where the existing tenant buys a refurbished residential dwelling, the selling commission payable to Satterley will be \$ 975 during the first term, increased by \$48.75 annually.

Costs to refurbish the houses

Data was obtained from Satterley & Co Pty Ltd (1998) with detailed break down of costs for the refurbishment of each individual property refurbished in the project and finished to December 1998. A total of 225 properties had been refurbished and sold at this time. A total of \$3,553,991 was spent, at an average cost per property of \$15,795. A further 59 properties have been refurbished and held by the State Housing Commission as rental stock.

Gross receipts from the sales (before selling costs) was \$11,964,650, with an average sale price of \$53,176.

Where the property has been used as a display home prior to sale, the cost of refurbishment has been significantly higher than the standard. The two display homes having refurbishment expenses spent on them of \$60,590 and \$42,747 respectively, compared with the average for all other homes to date of \$15,474.

Infrastructure

The following Table shows infrastructure costs incurred up to December 1998 (*Satterley 1998*). For the purpose of this paper, the cost of infrastructure improvements which affect the whole project have been apportioned on the basis of the ratio of housing units in Medina to the total in Kwinana (excluding new lots to be developed), that is, approximately 15%. Where the beautification is within Medina itself, then the total amount has been included.

Beautification	Total	Medina proportion
Challenger Avenue Entry Statement	\$ 47,928	\$ 7,189
Challenger Avenue Entry Beautification	\$ 126,048	\$ 18,907
Gilmore Avenue Beautification	\$ 1,163,579	\$ 174,537
Challenger Avenue Beautification	\$ 200,088	\$ 30,013
Thomas Road Beautification	\$ 1,642,608	\$ 246,391
Medina General Beautification	\$ 573,534	\$ 573,534
Ridley Green & Mainwaring Park Beautification	\$ 278,340	\$ 278,340
Thomas Oval & Derbal Field	\$ 53,348	\$ 8,002
Thomas Road Intersections	\$ 213,921	\$ 32,088
Total Beautification	\$ 4,299,397	\$ 1,369,001

Security patrols, seen by both the State Housing Commission and the Town of Kwinana as essential to the continued renewal of Kwinana, were funded initially by the State Housing Commission paying for the personnel, and the Town of Kwinana supplying the vehicle. The Town of Kwinana is now responsible for the total cost.

The security firm works closely with the local Police and the community Neighbourhood Watch programme. The firm's brief was to provide security patrols to the residential areas and Council's properties in Kwinana. In addition a continuing policy of education in local schools and consultation of the local social groups, such as Nursing Homes and Senior Citizens has been undertaken (Lynch 1995).

The Town of Kwinana is also responsible for increased maintenance costs associated with improved landscaping and reticulation. These additional costs are not reflected in the budgets, and it appears they may have been largely offset by reduced costs resulting from the lower incidence of vandalism and graffiti(1990-1998).

Consultants

All consultants' fees, associated costs, charges and expenses were paid by the State Housing Commission. Initial consulting reports confirming the viability of the project cost the State Housing Commission \$75,000

Finance costs

The projected intention of the redevelopment project was that there would be no long term debt incurred by the State Housing Commission for the cost of the redevelopment. The expectation being that costs would be entirely defrayed by the income from sales of property. The project management agreement provides for a loan facility from McCusker-Satterley to the State Housing Commission for the refurbishment costs of housing. This Loan facility gave an interest free sum of up to \$2.5 million towards the costs, to be repaid as funds from sales became available.

Indirect Costs

Relocation of Existing Tenants

The State Housing Commission has the responsibility of relocating the tenants whose accommodation is to be sold. No one is compelled to move. The empty houses are then handed over to the private management group – Satterley-McCusker – for refurbishment and sale. The State Housing Commission pays for the removal expenses of all the tenants that relocate. These consisted of removal costs of \$200-\$400 and reconnection of services ranging from \$90 to \$290. This can be offset by the reduction in costs resulting from high turnover of public properties including required levels of maintenance, repairs and upgrade and the cost of extra staff time spent on allocations, following up on properties turned down and administration. (Sharp ref p. 32):

Benefits from the New Living Initiatives

The benefits of the New Living Initiatives fall into three categories:

- the direct benefits to the State Housing Commission derived through the increased value of refurbished property both sold and retained;
- the benefit to the wider community living in privately owned houses in Kwinana;
- benefits to other government departments who are saving money through reduced calls upon a variety of services, including the police, truant officers and health workers.

Direct Benefits to the State Housing Commission

The Valuer General's Data provides sales evidence which can be used to assess changing sales prices of both the State Housing Commission homes and the private properties. The New Living Initiatives project began in Medina - the oldest and most rundown of the areas. The analysis of sales evidence for the purpose of this paper has been limited to Medina, as it was substantially completed by November 1998, the date at which the data was obtained.

Table One calculates the net return to the State Housing Commission for each house in Medina that was refurbished and sold as part of the New Living Initiatives. It shows a positive return of almost \$1,000 per dwelling. Indirect costs of relocating tenants, where the property was not already vacant, were only an average of \$350 per house, the net return was significant.

Table One: Total Direct Costs/Income of Medina Refurbishment

Gross income from sales		\$ 11,964,650
Infrastructure	\$ 1,369,001	
Property refurbishment	\$ 3,553,991	
Management fees	\$ 902,553	
Selling fees	\$ 418,763	
Consultant fees	\$ 11,250	
Total costs		\$ 6,255,558
Net proceeds from Medina sales		\$ 5,709,092
average per house sold (225 properties)		\$ 25,374
average sale price of Medina SHC properties Initiatives (1988-1993) (VGO data)	pre New Living	\$ 24,406
Net return to SHC on each Medina property		\$ 968

In addition, Table Two calculates the net increase in capital value of the 59 properties retained by the State Housing Commission as rental stock. A net benefit to the State Housing Commission in excess of \$1.15 million is calculated.

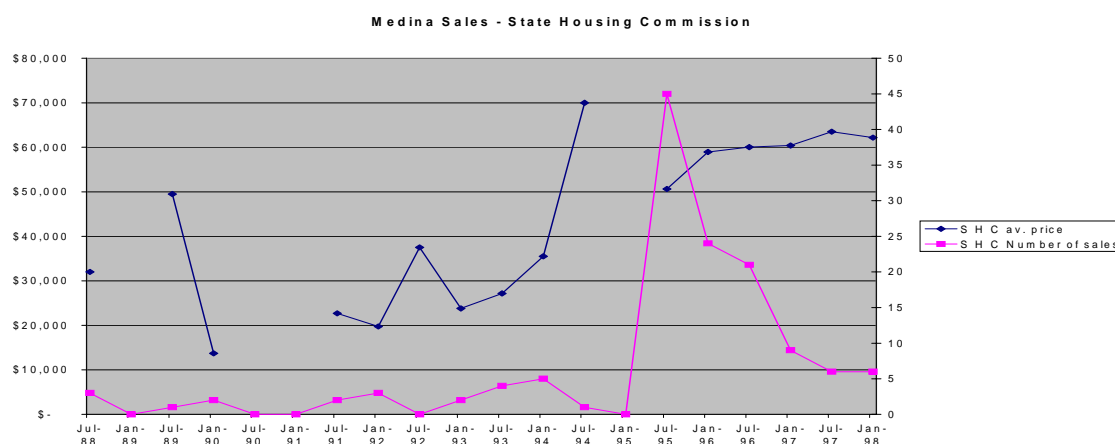
Table Two: Medina Properties retained for Rentals

Estimated present value		\$ 3,658,000
Estimated total value pre New Living Initiatives		\$ 1,439,954
Increased value in State Housing Commission stock		\$ 2,218,046
Cost to refurbish	\$ 912,966	
Associated management fees	\$ 147,500	
Total costs		\$ 1,060,466
Net benefit in held stock in Medina		\$ 1,157,580

The above tables use the precise figures for costs and sale prices where these are appropriate. When the current sale price is required, the average of the last 6 months sales in the data have been used.

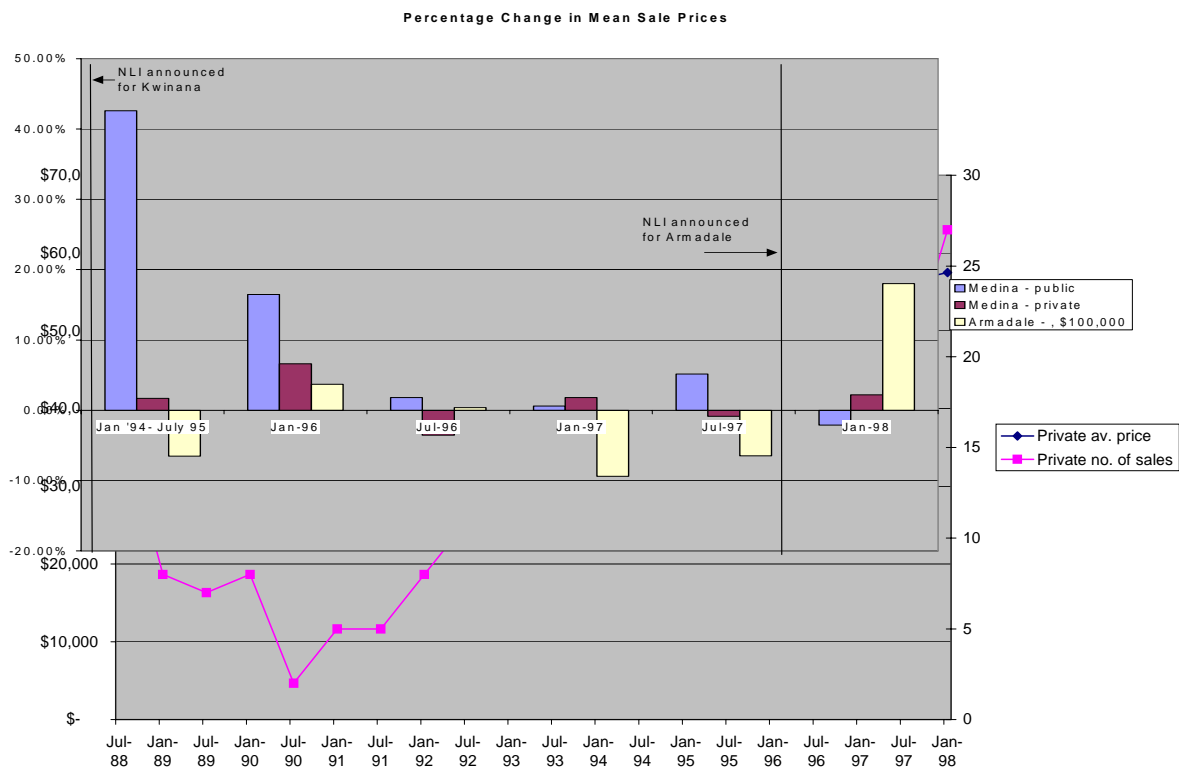
It is also instructive to look at the changes in values of the refurbished properties sold since the announcement of the New Living Initiatives.

The following graph is of the average selling prices of State Housing Commission properties in Medina since 1988, and the number of sales which took place. It demonstrates the difficulty that the State Housing Commission was having in selling property, when it is considered that at one point in early 1993, 24 houses were put out to tender, with only one sale taking place as a result (Homeswest Management Team 1993).



A six monthly average has been used, as even in a six monthly period the number of sales falls to a low of only 2, in July-December 1990. This made the job of the Valuer General's Office in assessing the value of housing in Medina prior to the New Living Initiatives a difficult, and unreliable one. With sales evidence reduced to such an extent, and the State Housing Commission more or less unable to "give" property away, the establishment of market value for the first refurbished properties – a requirement for establishing selling prices under the NLI agreement - was a difficult one.

The mean house prices in houses in the lower price brackets in the Perth Metropolitan area generally were demonstrating little or no movement at this time. The price of housing in the suburb of Armadale (see the following graph), has been used as an indicator of price trends without the redevelopment. Armadale was selected as the 'indicator' because Armadale also has a high State Housing Commission presence, is located a similar distance from Perth and similar New Living Initiative plans for Armadale were announced by the State Housing Commission at the end of 1997. Armadale has higher house values than Kwinana, and only the properties in Armadale where prices are under \$100,000 have been used for the comparison with Medina. The mean of the selling prices has been obtained and a percentage change in price for each half year is calculated for both Medina and Armadale.



Benefits to the Wider Community – reflected in private house sales

In the above chart, the Medina houses have been divided into two samples - those which were privately held, excluding the State Housing Commission homes, and the State Housing Commission homes, all of which had been refurbished. The State Housing Commission homes have had varying amounts of money spent on them. Historically, the State Housing Commission homes have always had a lower selling price within the suburb than the privately held ones, but it will be noted that this changed with the advent of the New Living Initiatives.

The following chart shows the change in values and the number of sales of private homes in Medina. It will be noted that in the period immediately following the release of the first refurbished State Housing Commission homes there was a slight fall in the prices of the private homes. This may be attributed to a short term supply and demand effect – a significant number of newly refurbished homes released onto the market at a lower cost than by the agency arm of Satterley McCusker, which is responsible for the sales in the area.

(Marwick 1993) observes that "...redevelopments can make good commercial sense even when sold at less than cost when the impact on adjacent property values is taken into account."

Values of properties adjacent to a redevelopment are likely to increase because tenants and owners take more of an interest in making tangible improvements to their own homes when the neighbourhood is revitalised, the properties look more attractive to prospective purchasers, and the long run investment appears more secure. In the New Living Initiatives, purchasers are asked to sign a declaration that they are buying for owner occupation. Although this is difficult to enforce, it does improve the likelihood of fewer rental properties, which in turn results in higher standards of property maintenance.

Indirect Benefits

The hardest aspect on which to put a value is the reduction in costs associated with government departments other than the State Housing Commission. The two key questions are:

1. What are the social problems that are increased in suburbs such as the old Medina, with high proportion of social welfare recipients?
2. How much money will it save if these social problems are reduced?

While the quantitative assessment of this is beyond the scope of this course, some observations are pertinent as to what elements should be considered.

Stubbs (1996), reporting on the planned NSW Neighbourhood Improvement Program sought to answer the question "Can the cost of the Neighbourhood Improvement Program be justified in social and economic terms?"

Her report is a case study of the suburb of Airds, one of five large public housing estates in Campbelltown where the NSW Department of Housing has embarked on a Neighbourhood Improvement Program.

The report seeks to identify the problems in public housing estates, and what they cost the community as a whole, and makes an assessment as to whether or not the cost of the Neighbourhood Improvement Program can be justified in economic terms.

Unemployment

Stubbs observes (p.14) that "Unemployment has an enormous impact on the individual, family and the community as a whole socially, psychologically and economically. "

"There are streets where no one has a job. Kids grow up with no experience of anyone around them working - Areas like Airds develop their own cultural norms. Risk taking, stealing your first car, getting stoned or drunk, vandalising public property or your first stay in detention. These become the symbols of independence." (p.16)

Crime

According to Stubbs, (p. 29) crime rates are affected by:

- demographic mix - young males from poor backgrounds are most likely to commit most crimes
- length of tenure of the residents - areas of lower turnover experience lower crime rate (greater knowledge of the area, resident contact and visibility); greater commitment to the area; aging of the population
- presence and concentration of problem individuals
- lack of entry level jobs, particularly for young people
- lack of community participation, weak neighbourhood associations

- multi-factor variables of disadvantage - poverty, unemployment, intergenerational dependence on welfare, deprived background generally.

Although Medina has a profile which fits these characteristics, it is beyond the scope of this paper to quantify the possible savings through a reduction in unemployment levels and the crime rate as a result of the New Living Initiatives.

Conclusion

The costs and the benefits of redeveloping public housing estates will vary according to the specific case and circumstance.

In the case of the Medina New Living Initiatives, there is a demonstrable financial benefit to the State Housing Commission, fully justifying the process in its own right. Presumably this will not always be the case with redevelopments.

It is, some would argue, unfortunate that in these days of economic rationalism we are required to justify the changes in economic terms as well as observing the clear social benefits (McCotter 1998).

This paper has looked at the range of costs and benefits that need taking into consideration, and has looked at the direct costs and benefits to the State Housing Commission. Further research is required along the lines followed by Stubbs to assess the balance of indirect costs and benefits to the wider community.

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