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Homeswest Under-Occupancy Final Report

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Homeswest Operational
Standing Committee
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1: Introduction

When considering housing occupancy, over crowding is normally considered to be one of our most pressing housing issues but ironically, the Western Australian housing system also suffers from high rates of under occupancy.

The Department of Housing and Works is concerned about under occupancy within its housing stock, not because they are doing badly in comparison to the private sector, in fact Homeswest are efficient managers, but because Homeswest's waiting list for large family housing could be substantially reduced if all one, two and three person households occupying four plus bedroom properties were to relocate into more appropriately sized dwellings.

The Homeswest Operational Standing Committee established a working party to undertake research into under occupancy, consult with the community and develop the HOSC's recommended response to DHW, contained in this report.

Two consultations were conducted, one in Perth at the invitation of Shelter WA and one in Bunbury, with the Regional Tenancy Advocates Network. The Homeswest Regional Managers for Bunbury and Mirrabooka were also interviewed as part of this process.

Membership of the Working Party included:

- The Department of Housing and Works, Sean Daffin;
- Tenants Advice Service, Rob Spinks;
- Department of Employment and Consumer Protection, Tim Banfield; and
- Shelter WA, Paul Pendergast.

Section two of the report presents the Terms of Reference developed by the HOSC to guide the work of the Under Occupancy Working Party. The Terms of Reference focused on investigating the extent of under occupancy both in the broader community and within Homeswest and to identify its impacts and to recommend actions to address the level of under occupancy.

Section three looks at under occupancy in a broad community context and uses the Canadian Occupancy National Standard (CONS) to measure the extent of under occupancy for all dwellings in Western Australia and its distribution by Region.

Section four identifies the extent of under occupancy within Homeswest's housing stock. It also quantifies the proportion and location of stock being under occupied along with the level of demand (wait list) for larger dwellings and incorporates responses from the consultations.

Section five presents the results of interviews with key policy personal located in other State Housing Authorities (SHA) and explores their use of operational policy to manage under occupancy within their housing stock.

Section six investigates the legality of DHW utilising the Residential Tenancies Act to require under occupying tenants to relocate to more appropriately sized dwellings.

Section seven details the conclusions and recommendations developed as part of the consultation process.

2: Terms of Reference

Homeswest is concerned that a significant proportion of their four, five and six bedroom dwellings are being under occupied. This has occurred as a result of the changing bedroom requirement of some Homeswest tenants and the lack of terms within the Homeswest Tenancy Agreement and Rental Policy Manual, to allow Homeswest to require under occupying tenants to relocate to more appropriately sized dwellings.

At the same time Homeswest has a significant waiting list of large families, whom in some zones are waiting in excess of 4 years for an allocation.

Homeswest wishes to develop operational policies that will allow them to relocate tenants that are under occupying large dwellings to more appropriately sized dwellings. While the HOSC supports the efficient use of Homeswest stock, it is concerned about the impact of the proposed policy changes on security of tenure and whether in fact it is legal for Homeswest to require existing tenants to relocate to another dwelling or face termination proceedings.

Terms of Reference Under Occupancy Working Party

The Under Occupancy Working Party will develop draft under occupancy policy and guidelines for inclusion in the Homeswest Policy Manual (Tenancy Management Policy) that will allow Homeswest to better match under occupying tenants with appropriately sized dwellings. The Working Party will report against the following Terms of Reference:

- 1) Investigate the broader community context in which Homeswest is operating and in particular, the extent of under occupancy.
- 2) Establish the impact of under occupancy on Homeswest, those on the waiting list and Homeswest tenants likely to be effected by any proposed policy changes.
- 3) Investigate the legality of Homeswest utilising the Residential Tenancies Act to require existing tenants to relocate and/or to terminate tenancy agreements for under occupying their dwellings.
- 4) Identify the location and extent of under occupancy within Homeswest and quantify:
 - the proportion and location of stock effected;
 - identify the level of demand (wait list) for larger dwellings; and
 - identify Homeswest's ability to address the problem through stock acquisition and transfers.
- 5) Propose incentives and policies to facilitate the continued match of households and dwellings, these proposals should allow consistent application across Homeswest Offices.
- 6) Conduct consultations on the Working Parties findings and make recommendations to address the above to HOSC and DHW Executive.

3: Overview of Housing Occupancy in Western Australia

This section gives an overview of housing occupancy across all tenures in Western Australia, as measured against the Canadian National Occupancy Standard. Using this Standard as the measure, the extent of over and under occupancy is identified by dwelling type and by Region. Finally, under occupancy within Homeswest housing stock is assessed and the rate is compared by Region.

The Canadian National Occupancy Standard can be used to measure the extent of over and under occupancy of dwellings, based on the number of people in the household and comparing this to the appropriate number of bedrooms required to adequately house this household type.

Generally, under occupancy effects dwellings with three or more bedrooms and in Western Australia, is highest in Perth, then declining with remoteness, the lowest rate being in Kununurra.

Canadian National Occupancy Standard

In order to measure under occupancy it is necessary to agree on how to measure adequate, under and over occupancy. While there is no universally accepted occupancy measure, this section of the report refers to the Canadian National Occupancy Standard (Standard), which is also used by the Australian Bureau of Statistics. This Standard specifies that there should be no more than two persons per bedroom, with the provisos that:

- children between 5 and 18 years of age cannot reasonably be expected to share a bedroom if they are of different sexes, and
- single household members 18 years or over should have a separate bedroom, as should parents or couples.

Application of the standard results in the following bedroom requirements:

Household type	Dwelling type
single adult	0-2 bedrooms
single adult (group)	1 bedroom per adult
couple with no children	2 bedrooms
sole parent or couple with 1 child	2 bedrooms
sole parent or couple with 2 or 3 children	3 bedrooms
sole parent or couple with 4+ children	4 bedrooms

The extent of under and over occupancy in WA

Applying the Standard to Western Australian housing reveals that only about half of the States occupied dwellings contain the appropriate number of people for the number of bedrooms. Table 1 (over the page) presents Census 2001 data for dwellings where both the number of people usually resident and the number of bedrooms was known, it reveals that nearly half (46%) of WA's dwellings are under occupied, increasing to 55% of four bedroom and 61% of five plus bedroom dwellings. While at the opposite end of the spectrum, 4% of dwellings are over crowded, the worst effected being one bedroom dwellings (18%).¹

¹ The data presented in Table 1 is for all households and the results would be quite different for Indigenous households, see Shelter WA, Indigenous Housing in Regional Areas Forum.

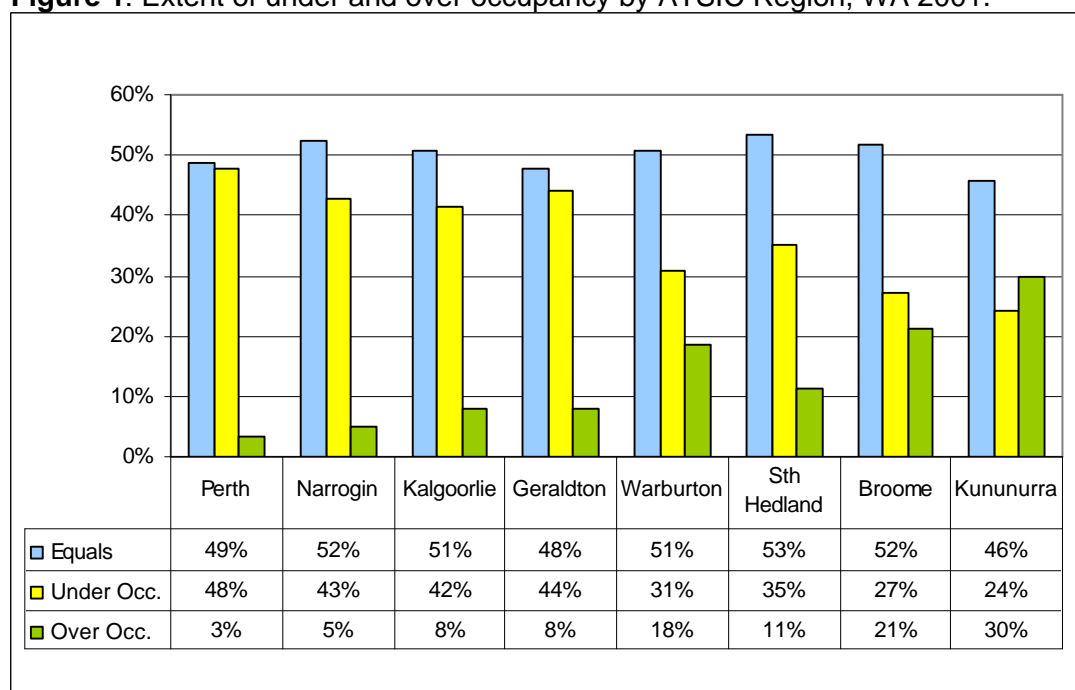
Table 1: The extent of under and over occupancy by bedroom number, WA 2001

No. Bedrooms	Occupancy Standard			Total	Occupancy Standard			Total
	Equals	Under	Over		Equals	Under	Over	
Western Australia								
None	9,969	0	868	10,837	92%	0%	8%	100%
One Bedroom	22,614	0	5,042	27,656	82%	0%	18%	100%
Two Bedroom	89,285	0	3,820	93,105	96%	0%	4%	100%
Three Bedroom	95,243	169,079	15,491	279,813	34%	60%	6%	100%
Four Bedroom	89,155	109,339	2,073	200,567	44%	55%	1%	100%
Five Plus	13,046	20,532	0	33,578	39%	61%	0%	100%
Total Households	319,312	298,950	27,294	645,556	49%	46%	4%	100%

Data Source: ABS, Census of Population and Housing 2001: Indigenous Community Profile.

The level of under occupancy is not evenly distributed across the State, generally there are higher levels of under occupancy in Perth and declining levels corresponding with remoteness from Perth. Figure 1 provides details on regional WA by ATSI Region (each region contains a number of local government areas) and reveals that under occupancy ranges from a low of 24% of dwellings in Kununurra to a high of 48% in Perth. Kununurra, Broome and Warburton all have extremely high rates of overcrowding, 30%, 21% and 18% respectively.

Figure 1: Extent of under and over occupancy by ATSI Region, WA 2001.



Data Source: ABS, Census of Population and Housing 2001: Indigenous Community Profile.

1. The data presented in Figure 1 is for all dwellings where both the number of occupants and the number of bedrooms was known.
2. Total number of dwellings: Perth (499,843); Narrogin (95,414); Kalgoorlie (15,113); Geraldton (18,403); Warburton (1,725); South Hedland (9,500); Broome (3,442); and, Kununurra (2,116).

Location and extent of under occupancy within Homeswest

Consulting with Homeswest Regional managers proved extremely valuable and led to the discovery that the results of the original Homeswest data query had been skewed by an over-count of under occupied dwellings. This over-count was caused by the inclusion of Homeswest dwellings being head-leased to non-government agencies, the details of which appeared as though they were single occupants. The data in this report has been adjusted to exclude those head-lease properties. The adjusted result demonstrates that the proportion of Homeswest large family dwellings being under-occupied reduced from 34% (as reported in the Under Occupancy Discussion Paper) to 26%, a rate of less than half that for large family homes across all tenures.

Homeswest data presented in Table 2 demonstrates that the rate of under occupancy of large family homes in Mirrabooka is 26%² equal to the Homeswest State average (26%). While Cannington is below the average (25%) and Fremantle had a rate above (29%). The non-Metro Regions follow a similar pattern to all tenures (see Figure 1), that is, the rate of under-occupancy declines with remoteness from Perth, although at a much lower level. The rate is highest in Albany (35%) and lowest in South Hedland (19%), however, Broome is the exception with a rate of 30% above the Homeswest average but still well below the rate for all tenures.

Table 2: Under occupation of Homeswest four plus bedroom dwellings by Region, May 2005.

Homeswest Region	Under Occupied				Stock 4+ Beds	
	4 bed	5 bed	6 bed	Total	Total	% U/O
Mirrabooka	205	25	1	231	894	26%
Fremantle	157	9	0	166	567	29%
Cannington	166	9	0	175	688	25%
Albany	41	0	1	42	120	35%
Bunbury	42	2	0	44	179	25%
Kalgoorlie	28	1	0	29	117	25%
Northam	46	2	0	48	198	24%
Geraldton	23	0	0	23	102	23%
Sth Hedland	24	0	0	24	125	19%
Broome	33	0	0	33	111	30%
All Regions	765	48	2	815	3101	26%

Data Source: Homeswest internal data May 2005.

Length of tenure & under occupying of Homeswest large family dwellings

The Regional Managers identified that under occupancy is primarily an issue affecting long term Homeswest tenants, for example, one of the under occupancies listed in Bunbury has been a Homeswest tenant for 40 years.

A large group of long term tenants come under the category of empty nesters, that is, when they moved in they had children living with them and were eligible for a large family home but since then the children have grown up and moved out of home.

Some under occupying households have experienced changes in family circumstance because of family breakdown. Both Regional Managers in Bunbury

² In the Discussion Paper, Mirrabooka's rate of under occupancy was significantly inflated by the presence of 115 properties being head-leased to community housing groups.

and Mirrabooka identified the importance of involving Stronger Families support services to help families stay together.

The data supplied by the Department supports the point of view that under occupancy is an issue primarily effecting long term tenants that have undergone a change in housing structure. The data shows a link between the time that households in large family homes have been Homeswest tenants and the extent of under-occupation. Table 3 reveals the median length of tenancy for under-occupying households is 8 years. Only 6% have tenancies of less than 1 year, while two thirds have been tenants for more than five years, indicating that households are allocated the correct sized dwelling when they move in but over time household members leave, most likely children and partners.

Table 3: Under occupancy of Homeswest family dwellings by length of tenure, Western Australia.

Length of Tenure	No.	Prop.
< 1 year	48	6%
1 - 5 yrs	246	30%
6 - 10 yrs	239	29%
11 - 15 yrs	139	17%
16 - 20 yrs	68	8%
21 - 25 yrs	37	5%
26 - 30 yrs	18	2%
31 - 35 yrs	13	2%
36 - 40 yrs	3	0%
> 40 yrs	4	0%
Total	815	100%

Data Source: Homeswest internal data April 2005.

Some other issues to take into consideration

Sensitivity is required when applying any measures to address the problem of under occupancy, particularly for Aboriginal families. One example was given during the consultations, where a family is officially under occupying but the same families cultural obligations mean that on a regular basis the house is fully occupied.

Most participants in the consultations believed that it was a concern if the households had 2 or more bedrooms unoccupied in an ongoing basis. However, it was stressed that cultural considerations must be taken into account, eg space for visiting relatives.

This approach was also supported by the Regional Managers, on the basis that a household with two spare rooms could be accommodated in a small family dwelling rather than a large family dwelling.

Custody arrangements can give the appearance of under occupancy but in fact the single parent has responsibility for visiting children.

Conclusion

Under occupancy is an issue that affects the entire Western Australian Housing System, nearly half of all dwellings are being under occupied and this increases to over half of all four bedroom dwellings and two thirds of five plus bedroom dwellings. The Perth Housing System has the highest rate of under occupancy, while, Kununurra has the lowest and at the same time, is the only Region with a higher rate of overcrowding than under occupancy.

While Homeswest performs considerably better than the Western Australian Housing System as a whole, about one quarter of its large family houses are under occupied. Under occupancy is not evenly spread throughout the State, the highest rate is in the Albany Region, followed by Broome and Fremantle.

The main group of households under occupying Homeswest large family homes are long term tenants whose bedroom requirements have changed over time. These are essentially good tenants that should be treated with sensitivity when negotiating for them to relocate to smaller dwellings.

In addition, many of these tenants have cultural obligations that will see them from time to time requiring space for visiting relatives and as such have an ongoing need to live in large family housing.

Finally, households with two or more bedrooms un-occupied could be accommodated in smaller dwellings and it is these households that should be approached to negotiate moving to a smaller dwelling.

4: Impact of under occupancy on Homeswest and its Applicants

This section identifies the level of demand for Homeswest's stock of housing for large families. It also quantifies demand for this type of housing by location and explores some of the impacts of under occupancy.

Demand for Homeswest Housing

The primary tool utilised by Homeswest to assess demand for its rental housing is the wait turn list. This list provides information on the number and types of households with current applications for Homeswest rental along with the locations these applicants are waiting for.

Homeswest wait list all dwelling types

In September 2004 Homeswest had 13,198 applicants registered on its wait list. About two thirds of these were waiting for housing in the Perth metro and about half of the Perth Metro demand was for housing within the Mirrabooka Region, the remainder are divided between Fremantle and Cannington. About a third of applicants are waiting for housing in non-Metro areas, the highest demand being for Bunbury and Broome. In addition, Homeswest's strongest demand is from small households who are waiting for one and two bedroom dwellings.

Table 4 demonstrates that demand for four plus bedroom housing accounts for 5.7% of the Homeswest wait list and the bulk of this demand is for four bedroom dwellings. Demand for large family housing ranges from a low of 3.8% of the wait list in Fremantle to a high of 7.3% in Cannington and Geraldton.

Table 4: Applicants for Homeswest housing by dwelling required and Region

Homeswest Region	Family					Pensioner		Singles		Total	
	2 BD	3 BD	4 BD	5/6 BD	4+ BD	1 BD	2 BD	1 BD	2 BD	%	No.
Mirrabooka	29.6%	19.8%	5.2%	1.0%	6.2%	10.2%	3.9%	29.5%	0.9%	100%	4,501
Fremantle	28.5%	17.6%	3.6%	0.2%	3.8%	16.0%	6.4%	26.4%	1.2%	100%	2,512
Cannington	30.9%	20.6%	6.4%	1.0%	7.3%	9.0%	3.4%	28.4%	0.5%	100%	2,408
Albany	30.8%	22.3%	5.5%	0.3%	5.8%	14.0%	6.3%	20.5%	0.5%	100%	400
Bunbury	30.9%	25.0%	4.6%	0.4%	5.0%	12.5%	5.5%	20.5%	0.5%	100%	937
Kalgoorlie	28.0%	22.8%	5.5%	0.3%	5.8%	12.7%	3.8%	25.1%	1.7%	100%	346
Northam	19.1%	15.4%	5.0%	0.4%	5.4%	22.0%	10.0%	26.1%	2.1%	100%	241
Geraldton	31.4%	20.6%	6.2%	1.1%	7.3%	11.4%	7.5%	21.8%	0.0%	100%	545
Sth Hedland	27.2%	22.1%	6.3%	1.0%	7.2%	1.0%	0.0%	42.5%	0.0%	100%	416
Broome	30.7%	32.6%	3.8%	0.3%	4.1%	4.0%	2.8%	24.9%	0.8%	100%	892
State Total	29.6%	20.9%	5.0%	0.7%	5.7%	11.0%	4.5%	27.4%	0.8%	100%	13,198

Data Source: Homeswest Waiting Times, Allocation and Housing Stock as at 30 September 2004.

Homeswest Wait List 4+ bedroom dwellings

Table 5 demonstrates that in September 2004 about two thirds of the 762 applicants for large family dwellings were located within the Perth Metro. The Mirrabooka Region accounted for 37%, followed by Cannington (23%) and Fremantle (12.5%). The larger Regions outside the Metropolitan area are Bunbury (6%), Geraldton (5%) and Broome (5%). In addition, most of the demand in this category is for 4 bedroom dwellings (87%).

Table 5: Homeswest wait list for four plus bedroom dwellings by Region.

Homeswest Region	Dwelling type required			Total	%
	4 BD	5 BD	6 BD		
Mirrabooka	233	43	4	280	37%
Fremantle	90	5	1	96	13%
Cannington	153	22	1	176	23%
Albany	22	1	-	23	3%
Bunbury	43	4	-	47	6%
Kalgoorlie	19	1	-	20	3%
Northam	12	1	-	13	2%
Geraldton	34	6	-	40	5%
South Hedland	26	4	-	30	4%
Broome	34	3	-	37	5%
Total	666	90	6	762	100%

Data Source: Homeswest Waiting Times, Allocation and Housing Stock as at 30 September 2004.

Ratio of Homeswest applicants to appropriately sized stock

Ratios provide a method for comparing need between different sized Regions and between different dwelling types. The applicant to stock ratio is generated by dividing the number of applicants in a particular category by the number of appropriately sized dwellings.

Table 6 clearly demonstrates that singles are Homeswest's most pressing demand problem, with an average of 1.73 applicants for every appropriately sized dwelling. In other words, there are almost two singles households on the wait list for every singles dwelling.

With regard to large families, there is a State wide ratio of .24 applicants for every large family dwelling or one large family applicant to every four large family dwellings. The ratio varies from a low of .12 in Geraldton to a high of .31 in Mirrabooka and Broome.

Table 6: Homeswest applicant to stock ratio: September 2004.

Region	Applicants to stock ratio			
	Seniors	Singles	Fam 2/3	Fam 4+
Mirrabooka	0.14	1.90	0.43	0.31
Fremantle	0.23	2.38	0.36	0.16
Cannington	0.14	1.20	0.39	0.25
Albany	0.33	1.94	0.99	0.16
Bunbury	0.27	1.72	0.38	0.29
Kalgoorlie	0.38	1.09	0.23	0.17
Northam	0.56	1.84	0.14	0.12
Geraldton	0.33	2.33	0.24	0.21
Sth Hedland	0.16	1.50	0.15	0.28
Broome	0.35	2.01	0.46	0.31
Western Australia	0.19	1.73	0.36	0.24

Data Source: Homeswest Waiting Times, Allocation and Housing Stock as at 30 September 2004.

Ratio of Homeswest applicants to occupations

Occupations refer to applicants who have moved off the waiting list, signed a tenancy agreement and moved into Homeswest housing during the quarter. Occupations have become one of the most reliable measures of Homeswest's ability to respond to demand.

Again, singles present a major problem for Homeswest, with a ratio of 14.7 applicants to every occupation, increasing to 53.25 in Broome.

Table 7 demonstrates that the State ratio is 5.49 large family applicants to every occupation. The strongest demand from large families is in Mirrabooka with a ratio of 10.88 applicants to every occupation, followed by South Hedland (9.67) and Broome (9).

Table 7: Homeswest applicants to occupations ratio: September 2004.

Region	Applicants to occupations ratio			
	Seniors	Singles	Fam 2/3	Fam 4+
Mirrabooka	5.45	10.11	10.11	10.88
Fremantle	5.02	19.34	12.15	3.87
Cannington	5.19	15.37	6.33	3.73
Albany	7.80	46.50	8.48	4.75
Bunbury	6.11	44.75	18.63	5.56
Kalgoorlie	10.80	11.00	3.73	3.80
Northam	5.75 *		1.33	2.60
Geraldton	8.50	40.33	4.32	3.73
Sth Hedland	3.00	11.00	2.81	9.67
Broome	6.67	53.25	14.08	9.00
Western Australia	5.62	14.72	8.47	5.49

Data Source: Homeswest Waiting Times, Allocation and Housing Stock as at 30 September 2004.

Homeswest Wait Times

To assist applicants with estimating how long they can expect to wait before being allocated housing, Homeswest publishes the date when the last household allocated a tenancy for the period first applied. This information is available by zone and household type. Taking the application date and calculating how many months the applicant spent on the waiting list before being allocated housing begins to reveal some very significant differences between zones and household types.

The median waiting period for all zones only varies by five months across each of the household types: 31 months for large families to 36 months for singles. However, Table 8 (below) demonstrates that large families are waiting as long as 90 months (7.5 years) in Mirrabooka's North Central Zone, this period is nearly three times the median for this household type. All Metro zones exceed the median wait time except for Peel (28 months). The non-Metro Zones of Southern, Bunbury, Geraldton, Broome and Kununurra, all equal or exceed the median.

Table 8: Homeswest wait times by household type and zone, September 2004.

Region	Zone	Wait time (months)				Rank			
		Sen's	Sing's	Fam 2/3	Fam 4+	Sen's	Sing's	Fam 2/3	Fam 4+
Mirrabooka	Nth Central	48	58	84	90	5	4	1	1
	Nth Coastal	59	59	62	59	1	2	3	2
	Nth East Metro	20	59	56	33	17	2	6	11
Fremantle	Kwinana	35	38	59	57	11	13	4	3
	Fremantle	44	51	69	41	6	7	2	8
	Peel	36	63	36	28	10	1	13	15
Cannington	Sth City	34	46	54	55	13	9	9	4
	Sth Central	40	40	43	43	9	10	11	6
	Sth East Metro	58	40	40	50	2	10	12	5
	Sth Districts	35	40	51	39	11	10	10	9
Albany	Southern	42	34	56	31	8	14	6	13
Bunbury	Bunbury	43	57	59	43	7	5	4	6
	Busselton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Kalgoorlie	Esperance	24	25	32	25	15	20	16	16
	Kalgoorlie	19	23	22	14	18	22	19	20
Northam	Merredin	17	9	15	10	19	26	25	24
	Narrogin	9	15	20	12	23	25	21	22
	Northam	11	34	10	18	21	14	26	19
Geraldton	Carnarvon	52	29	22	19	4	16	19	18
	Geraldton	23	24	32	33	16	21	16	11
	Meekatharra	n/a	n/a	6	n/a	n/a	n/a	27	
Port Hedland	Karratha	12	23	16	10	20	22	23	24
	Port Hedland	7	18	16	11	25	24	23	23
	Roebourne	n/a	29	20	14		16	21	20
Broome	Broome	53	57	55	31	3	5	8	13
	Derby	9	49	35	25	23	8	14	16
	Halls Creek	11	28	26	9	21	18	18	26
	Kununurra	28	26	33	35	14	19	15	10
All Zones	Median	34	36	35	31	More than twice median			
	Max	59	63	84	90	Equals/exceeds median			
	Min	7	9	6	9	Less than median			

Data Source: Homeswest Waiting Times, Allocation and Housing Stock as at 30 September 2004.

1. The rankings are assigned in order of length of wait for the particular dwelling type, with 1 being the longest and 26 the shortest.

Conclusion

Families requiring 4 bedrooms plus dwellings account for 5.7% of applicants on the Homeswest waiting list and concentrations vary between 3.8% in Fremantle to 7.3% in Cannington and Geraldton. Two thirds of the State's demand is located in the Perth Metro and about half of this is in the Mirrabooka Region. Outside the Perth metro, Bunbury, Geraldton and Broome all have significant waiting lists for large families.

In the Perth Metro, Mirrabooka has the highest need for large family housing in terms of its applicants to stock ratio, applicants to occupations ratio and wait times, including the North Central Zone, with a 7.5 year wait. Fremantle has the second highest applicant to occupation ratio and has the zone with the third longest wait time. Cannington has the second highest applicant to stock ratio and four zones in the top ten for long wait times.

In the non-Metropolitan Regions, South Hedland, Broome, Bunbury and Albany have high applicant to occupation ratios. In terms of applicants to stock, the Bunbury, Broome, South Hedland and Geraldton Regions all have high ratios. While, the Kununurra Zone in the Kimberley has a wait time at the top end of long waiting times.

6: Over view of Policy Approach Utilised by Interstate Housing Authorities

This section presents the results of interviews with key policy personal located in other State Housing Authorities (SHA). It explores the use of operational policy utilised by these SHAs to manage under occupancy within their housing stock.

Table 9: Overview of operational policy utilised by interstate SHAs to manage under occupancy.

South Australia	<p>In SA about 60% of our stock is 3 bedroom but about 60% of tenants and applicants are single. We have very limited stock of 4 or more bedrooms and competition for these can be difficult for the larger families. We try to encourage transfers from the larger stock and have made under occupation a feature of our Housing Needs Assessment to enable those prepared to transfer to be given priority. In regular Home Visits to households we would discuss the issue if the household was significantly under occupying (eg single, couple beyond child-rearing years in a 4 bedroom home).</p> <p>Our Conditions of Tenancy provide some scope for us to insist that under occupying households move on if we desired. But in the absence of definitive household occupation standards enforcement is not considered viable given the Residential Tenancies Tribunal would be the arbitrator. Generally though we haven't seen the problem significant enough to pursue more formal policy intervention.</p>
ACT	<p>ACT does not have a policy of requiring tenants to move to smaller accommodation if they no longer qualify for the size of housing that they currently occupy. If tenants prefer to stay in oversized housing, then they are able to do so. We pursue a policy of security of tenure.</p> <p>At the same time, we might encourage tenants to move to smaller if we believe that they may have difficulty maintaining a property adequately, or if the particular size and location are in high demand. However, the final decision is theirs. For tenants moving to smaller properties, we can waive all usual eligibility requirements (transferees must normally meet all standard eligibility conditions in the same way as housing applicants), and we can also grant a higher than usual level of priority for the transfer.</p>
Victoria	<p>Victoria does not actively relocate tenants who are 'under occupying'. However, where a tenant in a larger property agrees to relocate to something smaller, then they are placed on the waiting list ahead of wait turn applicants (but after other early housing applicants). Because we have an oversupply of larger family homes and less 1 & 2 bed general stock (apart from elderly persons accommodation) this would generally only be offered to older tenants who are eligible for the EP accommodation.</p>
New South Wales	<p>The NSW Department of Housing has an under occupancy policy, which I have attached. At this stage, our policy is primarily based upon the tenant requesting a transfer, more so than the Dept requesting that the tenant move due to under occupancy, though it is covered in the policy.</p> <p>In our more recent tenancy agreements, we have inserted a clause regarding under occupancy, which basically provides for the Dept to be able to offer alternative accommodation and, upon the client's refusal, issue a Notice of Termination on grounds of breach of the agreement.</p> <p>Any subsequent tribunal hearing for possession of the premises is, however, still subject to the Swain precedent established in the NSW Supreme Court, whereby the tenant's circumstances will be considered.</p>

Queensland	"See Newspaper article."
Northern Territory	
Tasmania	<p>It would be correct to say that Housing Tasmania recognises that a number of larger properties are under occupied at a time when there are a number of families requiring larger accommodation. However in many cases, the tenant/s are on a non-fixed term lease, have resided long-term, raised their family at the property and now view it as 'their home' ... and are reluctant to move.</p> <p>Although we haven't a 'formal policy' we now put tenants at certain types of properties (i.e. larger homes/multi purpose units) on fixed term leases. As their lease expires, should they continue to have the same level of need it will be renewed however if they no longer need such a large property we would talk to them about transferring to a smaller property. If they refused to consider this then we have the option of not renewing their Lease.</p> <p>One of the advantages of this is that it also reinforces to the tenant that the home is theirs as long as they need it (providing there are no breaches of the lease) but not necessarily 'forever' as has perhaps been the expectation. As this is a relatively new procedure I can't really comment on the success of it but at least it gives us some room to negotiate. Just for your information, we haven't any hard and fast rules about the length of the lease. I have known one to be 5 years (for a multi-purpose unit). Possibly the length could be decided taking into account the number and ages of the children etc. (Generally new tenants are just signed up for 6 months).</p>

Data Source: Telephone interviews with interstate SHA Policy Officers conducted by Sean Daffin (DHW).

Conclusion

Most of the State Housing Authorities recognise that they have households under occupying large family homes but only South Australia actively encourage under occupying households to relocate to more appropriately sized dwellings. The South Australian's are motivated by similar circumstances to Western Australia, that is, they have difficulty moving large families from the waiting list and into large family dwellings.

They believe their tenancy agreement provides some scope to require tenants to move if under occupying, they are not confident this would be upheld by the Residential Tenancies Tribunal, particularly in the absence of clear occupancy standards.

7: Legality of Homeswest utilising the Residential Tenancies Act

This section investigates the legality of DHW utilising the Residential Tenancies Act to require under occupying tenants to relocate to more appropriately sized dwellings.

Department of Consumer and Employment Protection's Legal Position on Under-Occupation

At the request of the Chairperson HOSC, the Department of Consumer and Employment Protection (DOCEP) reviewed the legal issue of Homeswest restricting the maximum and minimum number of people through its various tenancy agreements.

The first element examined is whether the first paragraph in the agreement is legally binding or whether it is redundant. In our view there is nothing which would prohibit Homeswest from including this clause in the Tenancy Agreement.

The second element examined is whether a Tenancy Agreement can legally stipulate a maximum/minimum number of people that reside at the premises. The Residential Tenancies Act 1987 is silent as to whether a maximum or minimum number of residents can be set. However our enquiries have indicated that the Local Government does set a maximum level of residents per premises to two residents per room.

In our view, **if** there is nothing in any statute which prohibits the lessor from stipulating the maximum or minimum number of residents for a particular premises (which as far as we are aware, there is not), then the issue is determined by contract law. Unless the stipulation for the maximum or minimum number of people that reside at the premises is precluded by contract law then the lessor is entitled to impose such a covenant.

Homeswest will need to obtain its own legal opinion in relation to whether this issue offends any provision of contract law.

8: Conclusions and Recommendations for Addressing Under-Occupancy

The main group of households under occupying Homeswest large family homes are long term tenants whose bedroom requirements have changed over time. These are essentially good tenants that should be treated with sensitivity when negotiating for them to relocate to smaller dwellings.

Households with two or more bedrooms un-occupied could be accommodated in smaller dwellings and it is these households that should be approached to negotiate moving to a smaller dwelling.

Recommendation 1

The Department's negotiations with under occupying tenants are to be directed toward tenants with two or more spare bedrooms.

DOCEP has reviewed the legal issue of Homeswest restricting the maximum and minimum number of people through its various tenancy agreements. In their view, if there is nothing in any statute which prohibits the lessor from stipulating the maximum or minimum number of residents for a particular premises (which as far as we are aware, there is not), then the issue is determined by contract law. Unless the stipulation for the maximum or minimum number of people that reside at the premises is precluded by contract law then the lessor is entitled to impose such a covenant.

While the tenancy agreement seems to provide Homeswest with the grounds to end tenancies for under-occupying, it is the working party's belief that rather than punitive measure, incentives should be used to encourage these tenants to relocate to more appropriately sized dwellings.

Any action utilising the Homeswest Tenancy Agreement must go through high level review by the Regional Manager and the decision must take into account if the tenant has realistic housing options available to them.

As part of any review the Regional Managers are requested to take into consideration the household's ability to access alternative housing, for example, if the tenant is also paying full market rent. This group may be able to be encouraged in the direction of home purchase.

The Department needs to be aware of unintended consequences of efforts to reduce the level of under-occupancy and in particular households becoming homeless because they have lost their secure tenure with Homeswest.

Recommendation 2

That Homeswest utilise the full range of New Living incentives to encourage under-occupying tenants to relocate.

Recommendation 3

Any decision to utilise the tenancy agreement to end the tenancy for under-occupation must have first gone through a high level review by the Regional Manager, including a face to face meeting with the affected tenant.

Recommendation 4

At all times a property that meets the needs of the affected tenant is to be kept available up to the execution of the Warrant of Possession.

Recommendation 5

Within the Regional Manager’s review the following factors will be considered; the tenants length of tenancy, the timeframe of under occupancy, connection with the property, medical circumstances and the family history whilst in occupation.

The Priority Assistance Policy (Table 10a) provides the Department with the ability to negotiate transfers with its tenants and for it to pay all reasonable transfer costs. However, this scenario relies primarily on good will on the part of the tenant but under the New Living Tenant Relocation Policy (Table 10b) tenants are also offered incentives as a way of compensating them for the upheaval caused by moving from their long term home. This approach is likely to increase the chances of the Department achieving a favourable outcome and is considerably cheaper than constructing additional large family homes.

The Priority Transfer at Homeswest’s Request policy requires adjustment to include a reference to the request to transfer being on the grounds of the tenant moving to a more appropriately sized dwelling. In addition, the policy should also refer to the incentives available under the New Living Relocation Policy being available as an incentive for under occupying households to relocate.

Table10a: Priority Assistance Policy

<p>Priority Transfer at Homeswest’s Request.</p> <p>28. Homeswest will facilitate the transfer of any tenant requested to move in the interests of the department and will pay all reasonable transfer costs.</p>	<p>28.1 Example where tenants may be requested to transfer by Homeswest:</p> <ul style="list-style-type: none"> • To make way for redevelopment.
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Table 10b: New Living-Tenant Relocation Policy

<p>Removal Costs and Property Improvements</p> <p>10. Homeswest will pay all reasonable relocation costs associated with a relocation transfer.</p>	<p>10.1 The following items are included and will be indexed. Rates below are at May 2003.</p> <p>Telephone reconnection</p> <ul style="list-style-type: none"> • \$27.50 for an existing line (pensioner concession) • \$33.00 for an existing line (low income/healthcare card) • \$59 00for an existing line • \$135.30 for a non-existing line (pensioner concession rate) • \$209.00 for a non-existing line. <p>Electricity (Western Power) Reconnection The current rate is \$27.50</p> <p>Gas (Alinta Gas) Reconnection The current cost is \$27.50.</p> <p>Furniture Removal Relocated tenants should be reimbursed for the cost of furniture removal, including packing and supply of packing boxes. The current cost is approximately \$145 per hour. Any contracts for furniture removal must comply with the State Supply Commission guidelines (that is, contract must go to tender</p>
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	<p>if greater than \$50,000).</p> <p>Waiving of Rent</p> <p>As an incentive to relocate, Homeswest may offer tenants up to a maximum of 4 weeks free rent on an alternate Homeswest property.</p> <p>As an incentive to relocate, Homeswest may offer tenants up to a maximum of 4 weeks free rent on an alternate Homeswest property.</p> <p>Extra Incentives to Relocate</p> <p>Homeswest may offer any, or a combination of the following non-cash inducements up to a maximum value of \$3,000.</p> <ul style="list-style-type: none"> – Floor coverings and/ or Window treatments – Security installation – Landscaping – Ceiling fans – Brick paving – Water allowance – Extra incentives, to be approved by Regional Manager <p>Re-establishment of fixtures</p> <p>Tenants on a relocation transfer will be reimbursed for the reestablishment of fixtures, including dismantling, transportation and installation, up to a maximum of \$1,000. Fixtures are generally items which have been added to the previous tenancy and can be removed.</p> <p>Examples: patios, aviaries, garden sheds and may include Foxtel equipment.</p> <p>Reimbursement for Property Improvements</p> <p>Tenants may be reimbursed for property improvements up to a maximum of \$5000. Approval must be given by the Regional Manager. Examples: extension, kitchen renovation, air conditioning, bore reticulation, carport, patio, etc.</p> <p>NOTE: Gardening and painting do not constitute improvements.</p>
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Recommendation 6

That the Department of Housing and Works make it explicit that all the incentives available under the New Living Relocation Policy are also available to households requested to relocate for under-occupancy.

The Department of Housing and Works believes that the Homeswest waiting list for large family housing could be cleared if all under occupying households were to relocate to more appropriately sized dwellings. While this assumption in most cases is true, it is not the case in all Regions, in particular, Mirrabooka would still have a

shortfall of 49 large family houses if all the under occupying households were to relocate to smaller dwellings and with Cannington, Bunbury, Geraldton, South Hedland and Broome added, the shortfall comes to 80 large family homes.

Table 11: Construction of Large Housing Required.

Region	Wait List 4+	Under Occupied 4+	Difference	Additions Required
Mirrabooka	280	231	-49	49
Fremantle	96	166	70	
Cannington	176	175	-1	1
Albany	23	42	19	
Bunbury	47	44	-3	3
Kalgoorlie	20	29	9	
Northam	13	48	35	
Geraldton	40	23	-17	17
South Hedland	30	24	-6	6
Broome	37	33	-4	4
Total	762	815	53	80

Recommendation 7

That the Department increase its construction program for large family dwellings by at least 80 dwellings, to meet the shortfalls identified in Mirrabooka (49), Cannington (1), Bunbury (3), Geraldton (17), South Hedland (6) and Broome (4).

The Regional Managers pointed out that for any efforts to improve the match between household size and dwelling size, relocation efforts must result in households moving from larger dwellings to dwellings of about half the size of the one they are currently under-occupying eg. 6 bedroom to 3 bedroom, 5 bedroom to 2 bedroom and 4 bedroom to 2 bedroom.

Recommendation 8

That relocation efforts aimed at addressing under-occupancy focus on households that can be appropriately housed in a dwelling of approximately half the size of the one they are currently under-occupying.

Appendix 1: List of those Consulted

Tim Banfield	Consumer Protection
Colin Hiberd	Victoria Park Youth Accommodation
Elaine Wallam	Death in Custody Watch Committee
Donna Banister	Tenants Advice Service (TAS)
Kerri Powell	Association for South West Accommodation (ASWA)
Eden Knight	ASWA
Debbie Devantimo	MIDLAS
Pauline McNamarra	Gosnells CLC
Debbie Wardle	TAS
Pam Howatson	TAS
Michelle Burgermeister	TAS
Sue Chadwick	Northern Suburbs CLC
Jenny Nobbs	Regional Manager, Homeswest Bunbury
Greg Cash	Regional Manager, Homeswest Mirrabooka