

Shelter WA (Inc)

Annual Report
2002 - 2003

Shelter WA

A Voice for Housing Consumers

Shelter WA is an independent community organisation committed to the principle of accessible, affordable, appropriate and secure housing for every person.

Our role is to provide an informed voice for low income housing consumers, based on sound research and close collaboration and consultation with the Western Australian community.

Report from the Chairperson

As was stated in the 2001/2002 chair report the 2002/2003 annual report shows a different picture to the last. This year has been one of consolidation as well as the investigation of current and new opportunities to ensure that Shelter WA meets its obligations of being the leading voice in accessible, affordable, appropriate and secure housing for the people of Western Australia. Although not yet fully complete preliminary outcomes have affirmed our strategic direction as well as the development of tools to assist management achieving our goals.

We have also been successful in negotiating a 3 year core funding agreement with the Department of Housing and Works as opposed to previous 1 year agreements. This gives us greater scope to plan as well as frees up workers time in the annual negotiations for funding. I would like to thank both the Lotteries Commission and the Department of Housing and Works for their continued commitment to Shelter WA as well as Rob Spinks for his work.

At the coal face of these negotiations is our Policy Manager, Paul Pendergast and Development Manager, Karel Eringa. Through their commitment Shelter WA has been able to consolidate and take on new challenges. They have both shown great flexibility and innovation that keeps Shelter WA at the forefront of housing issues. Other achievements of the year have been:

- ▶ Review of the HAC standing committee structure
- ▶ Community consultation and Information forums in Busselton/Margaret River
- ▶ Two surveys on homelessness
- ▶ Newsletters, information sheets and fortnightly e-mail updates
- ▶ Maintaining an up to date web site

We have also been successful at fulfilling contracts outside of our core funding obligations:

- ▶ Youth housing needs in the Shire of Broome
- ▶ Youth issues paper for the State Housing Strategy
- ▶ National Shelter Policy Platform 2003: Rebuilding the Australian dream
- ▶ The effects of the New Living Program on Indigenous wellbeing

Other achievements of Shelter WA include:

- ▶ Lobbying for the Commonwealth State Housing Agreement

- ▶ Support and further development of Nation Shelter of which Shelter WA is now President
- ▶ Placing a submission into the Equal Opportunity Commission Investigation into Indigenous Housing
- ▶ Placing a submission into the review of the Residential Tenancies Act
- ▶ Investigations into affordable housing options: Shared equity proposals developed by The Menzies Research Centre and the Not for profit housing company developed in Brisbane and being researched by the DHW

Finally, to assist us in our strategic planning we received a Lotteries Commission Grant (\$6,500) and have employed the services of Robert Spinks & Associates to review our current strategic plan as well as an assessment of management structure and directions of the organisation.

As you will agree this is quite an extensive list of achievements. To meet all these project deadlines we have employed two project officers:

- ▶ Tim Davis (October to December 2002)
- ▶ Samantha Lambert (September to November 2002 and February to May 2003)

Both of these people have made very significant contributions to Shelter WA. I would also like to acknowledge the contributions of our longest standing staff member Glynis Menezes the Administration and Finance Officer.

I would also like to thank our Management Committee and the organisations of their employment:

- ▶ Anna Paris (Trinity Youth Options)
- ▶ Hazel Kural
- ▶ Heath Flanagan
- ▶ Ian Main
- ▶ Irma Lachmund and Camille Inifer (Tenants Advice Service)
- ▶ Kathleen Gregory (Eastern Metropolitan Community Housing Association)
- ▶ Penny Williams
- ▶ Renate Dehaan (Bunbury Housing Association)
- ▶ Susan Scheer

I would also like to thank our members for their on going support and I look forward to the year ahead.



John Ballard

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KEY ISSUES FOR HOUSING IN WA

Last year, Shelter WA identified affordability as the most significant barrier for low income families to access appropriate housing. Strong house price growth in 2002-03 meant that reduced affordability became an even greater barrier for families seeking to purchase their own home. Perth's median house price rose by 13.2% over the year, from \$185,700 to \$210,200. The median house price in regional WA increased by 11.4%, from \$138,400 to \$154,200.

Figure 1 shows that in June 2003, a family required an income of \$80,643 to affordably purchase a median priced home compares to \$68,388 last year and \$49,357 in June 1998. This represents a decline in affordability of 63.4% over the last five years and 17.9% over the last twelve months.

While the median family income has risen by 16.8% (from \$45,344 to \$52,958) since June 1998, this increase has not been nearly sufficient to keep pace with house price rises. In June 1998 a median income family would need to increase its income by 8.8% in order to affordably purchase a median priced house in Perth. By June 2003 this 'affordability gap' had risen nearly six times, to 52.3%. As a result, in June 2003, a median income family could affordably purchase a median priced house in 40 out of Perth's 241 suburbs, down from 71 in June 2001.

While median income families have suffered, the fall in housing affordability has affected low to middle

income families even more severely. Table 1 indicates that in June 2001 there were 49 suburbs where a family earning at the top of the second income quintile (currently around \$45,795) could afford to buy a median priced house. By June 2003 the same family could only afford to purchase a median priced house in 24 Perth suburbs. Suburbs such as Balga, Merriwa, Midland, Mirrabooka, Queens Park and Two Rocks were affordable in June 2002 but have become unaffordable over the last twelve months.

It should be noted that affordability will fall further if interest rates start rising, particularly if house prices continue their upward trend. For instance, a 1% rise in interest rates would put 5 of the 24 suburbs out of the reach of low to middle income families. A 10% rise in house prices would have the same effect. A combined 1% interest rate rise and 10% house price rise would leave only 8 suburbs affordable to these families.

Many of the areas that are still affordable to lower income families are situated in the South East corridor (Kenwick to Armadale), out from Midland and in the Rockingham / Kwinana area. All three of these areas are characterised by higher than average unemployment and a relative lack of accessibility to services such as public transport. This implies that low to middle income families can't afford housing with access to jobs or education, affecting not only their own life prospects but also those of their children.

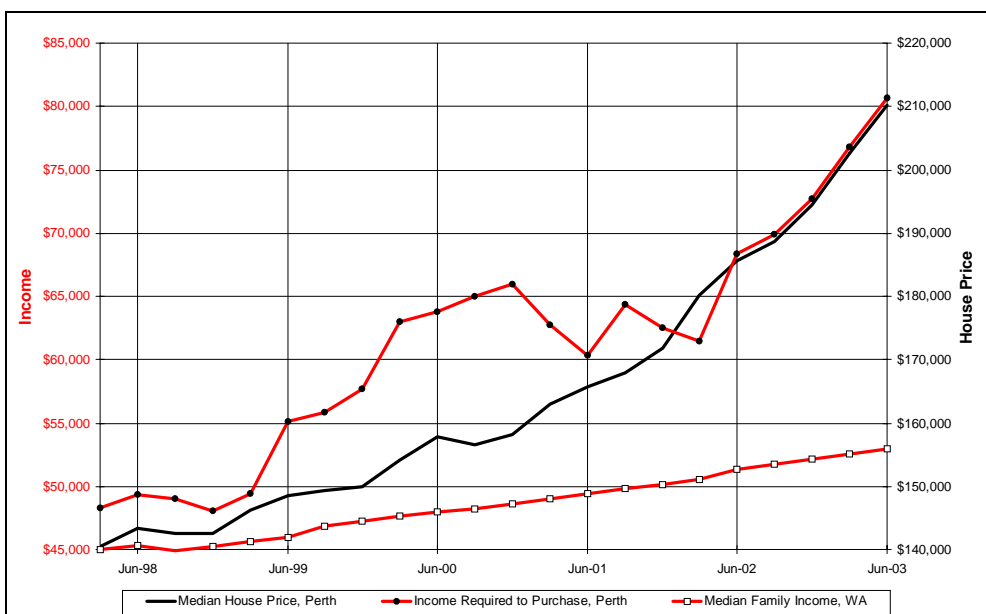


Figure 1: Affordability and House Prices, Perth 1998-2003

A final consequence of declining housing affordability is that homelessness continues to be a significant issue in Western Australia. Over the last three years, Shelter WA has conducted four surveys into the nature of homelessness in WA. In these surveys, children (under 14) consistently represented roughly one third of homeless people. Young people (14-24 years) represented a

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further one third. In addition, roughly half of the homeless people in each of the surveys identified as Indigenous.

PRIVATE RENTAL

On the positive side, however, rents in the private market increased by less than inflation, at 1.3%. This small increase can be linked to the vacancy rate, which has returned to 4.5% after falling to 3.9% earlier in the year.

However, these averages mask some important developments. Recent REIWA data shows that vacancy rates are very low at the bottom (affordable) end of the market, but high at the top end. This means that there is currently upward pressure on low rents, but downward pressure on high rents. Housing affordability is therefore likely to get worse for people on low incomes, whereas people on higher incomes may be paying less rent.

It is of concern, however, that rising property prices and stagnant rents have again reduced rental returns for investors: gross rental returns fell from 4.3% in June 2002 to 3.9% twelve months later. In order to cover tenancy management, asset management, maintenance and depreciation on the building, rental returns on a typical property should be at least 6%. The current low rate of return is likely not to encourage investment in affordable housing.

This is of particular concern because it comes on top of a longer term trend: over the 1986 - 1996

period low cost rental stock fell by 19.8% in Perth and by 62.5% in non-metropolitan WA. In the same period, the number of low income private renter households grew by 79.4% in Perth and by 88.8% in the rest of the state. In addition, the 1999 Australian Housing Survey revealed that 57% of private sector tenants in Western Australia live in housing stress.

SOCIAL HOUSING

The final tenure, social housing, is declining in importance relative to home purchase and private rental. In June 1997, the State Housing Authority owned 39,001 dwellings, or around 5.5% of all dwellings in Western Australia. Since then, stock numbers have remained more or less stagnant, rising marginally to 39,135 dwellings by June 2003. However, with recent construction activity rapidly expanding housing in the private sector, social housing now represents only 4.9% of total housing stock. In other words, social housing is now an option for a significantly smaller proportion of West Australian households than it was five years ago.

The failure to expand social housing stock is due in part to falling Government funding for social housing. Commonwealth Government funding for social housing in WA under the Commonwealth State Housing Agreement has fallen from \$108.6 million in 1996/97 to \$106.7 million in 2001/02 and \$97.4 million in 2002/03 - a fall in real terms of 24.5%.

While the State Government has compensated for part of this decline from its Consolidated Revenue Fund, there is significantly less funding for social housing than there was seven years ago. However, modelling by Shelter WA indicates that additional funding of \$146 million per year (increasing with house prices) would be required to maintain social housing stock at its current proportion (ie. below 5%) of total housing stock in WA. This figure is in addition to current capital expenditure on social housing of \$132 million.

Whilst a very significant factor, lack of funding is not the only cause of the stagnation of social housing stock. A second important factor is the policy of 'targeting' people with high needs and low incomes. Because of the higher needs of this group, targeting has increased tenancy management costs

	Affordable in				Affordable in		
	June 2003	June 2002	June 2001		June 2003	June 2002	June 2001
Armadale	✓	✓	✓	Leda	✓	✓	✓
Balga		✓	✓	Lockridge	✓	✓	✓
Banksia Grove		✓	✓	Lynwood		✓	✓
Beckenham		✓	✓	Maddington	✓	✓	✓
Beechboro			✓	Medina	✓	✓	✓
Belleue	✓	✓	✓	Merrima		✓	✓
Brookdale	✓	✓	✓	Middle Swan	✓	✓	✓
Calista	✓	✓	✓	Midland		✓	✓
Clarkson		✓	✓	Midvale	✓	✓	✓
Coolbellup			✓	Mirrabooka		✓	✓
Cooloongup	✓	✓	✓	Orelia	✓	✓	✓
Craigie			✓	Parmelia	✓	✓	✓
East Cannington			✓	Queens Park		✓	✓
Forrestfield		✓	✓	Rockingham			✓
Girrawheen	✓	✓	✓	South Lake			✓
Gosnells	✓	✓	✓	Stratton	✓	✓	✓
Heathridge			✓	Swan View		✓	✓
High Wycombe			✓	Two Rocks		✓	✓
Hillman	✓	✓	✓	Waikiki			✓
Huntingdale			✓	Wanneroo			✓
Kelmscott	✓	✓	✓	Wambo		✓	✓
Kenwick	✓	✓	✓	Wattleup	✓	✓	✓
Koondoola	✓	✓	✓	Westfield	✓	✓	✓
Koongamia	✓	✓	✓	Westminster			✓
Langford	✓	✓	✓				

Table 1: Affordable Suburbs, Perth, 2001-2003

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and, because of their lower incomes it has reduced rental revenue. This means that the policy of targeting has reduced the financial viability of social housing providers.

Be that as it may, the social housing sector is by no means large enough to provide an alternative for a significant number of people. One indication of this is that as of 30 June 2003 there were 12,981 families on the public housing waiting list. However, it should be noted that this does not include families waiting for community housing. In addition, waiting lists are notoriously poor indicators of the need for social housing.

COMMONWEALTH RENT ASSISTANCE

Since the early 1990s, there has been an increased emphasis on housing assistance through to tenants in the private rental sector, through the Commonwealth Rent Assistance (CRA) program. By 2001/02, expenditure on CRA was \$1,815 million compared to \$1,392 million for the CSHA. With the removal of GST compensation, Government expenditure on the CSHA will drop substantially in 2003/04.

The 2003 Report on Government Services indicates that as at 30 June 2002, 86,956 West Australian families received CRA payments. Payments averaged \$71.64 per fortnight in Perth and \$69.38 per fortnight in the rest of WA. However, the Report also finds that 28.9% of these families still experienced housing stress after receiving CRA - up from 28.5% last year. In addition, 7.0% of West Australian CRA recipients spent more than 50% of their income on rent - up from 6.7% last year.

These figures are hard to reconcile with the Commonwealth Government's statement that CRA provides "customers with more choice about where they live and the quality of their housing." In fact, the current policy parameters of CRA make it financially very difficult for lower income tenants to move to areas with better employment opportunities.

Addressing the Affordable Housing Crisis

Increasing demand and falling supply of housing that is affordable for low to middle income earners mean that a housing crisis is emerging in Western Australia, with rapidly declining affordability as its key feature. Since housing is a key economic and social driver, both the State and the Commonwealth Government need to urgently address housing affordability.

This can be achieved either by increasing Government funding for social housing, providing consumer or provider subsidies to encourage private rental, or by developing innovative partnerships between the private, community and Government sectors.

While all four options have their strengths and drawbacks, two important points need to be made. Firstly, taken in isolation all options and combinations of options will be expensive. For instance, Shelter WA's projections indicate that increasing social housing to 6% of total housing stock would cost a minimum of \$13.7 billion over 20 years.

Secondly, significant savings can be obtained if inconsistencies and contradictions are removed from the current system of housing taxes, payments and subsidies. In fact, housing affordability outcomes could be improved dramatically at little or no additional cost to the taxpayer if schemes such as the First Home Owners Scheme, the Commonwealth State Housing Agreement, Commonwealth Rent Assistance, negative gearing provisions, capital gains tax exemptions, stamp duties, land taxes and other tax provisions are re-targeted to deliver consistent housing affordability outcomes.

FUNDING

Until two years ago, in excess of 95% of Shelter WA's funding came from the Department of Housing and Works. Management Committee identified a number of concerns with the organisation's dependence on a single source of funding, including financial security and the range of projects that can be undertaken. One of Shelter WA's priorities over the last two years has therefore been diversifying its funding base.

Over this period, Shelter WA developed a strategy to tender for funding for projects that were seen to further the core aim of the organisation: to promote the interests of low income housing consumers through policy and research. While the organisation had limited success implementing this strategy in the first year, in 2002/03 Shelter WA's dependence on core funding fell below 70% of its total income.

Overall, Shelter WA's income increased by more than 30% in 2002/03, to \$196,754. The organisation's income for 2002/03 can be split up as follows:

1. Core Funding	\$134,982	68.6%
2. Project Funding	\$48,321	24.6%
3. Lotteries Commission Grant	\$6,500	3.3%
4. Other Income	\$6,951	3.5%
Total	\$196,754	100.0%

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WORK FOR THE PAST YEAR: CORE FUNDING

Shelter WA receives its core funding from the Department of Housing and Works (DHW). Initially, DHW and Shelter WA agreed a funding amount of \$133,482; this was adjusted upwards by \$1,500 during the course of the year to reflect Shelter WA's increased workload under the new Standing Committee structure of the Housing Advisory Committee.

In addition to funding for the annual Workplan, the Department of Housing and Works also funded Shelter WA to attend the National Homelessness Conference held in Brisbane in April 2003. As in previous years, Shelter WA's core funding focused on a Workplan consisting of four key areas:

- a) Coordinate community sector input into the Housing Advisory Committee
- b) Community Consultation and Information Forums
- c) Customer Input into Department of Housing and Works Policy and Practice
- d) Information

a) *Housing Advisory Committee (HAC)*

The Housing Advisory Committee is an advisory body to the Minister for Housing and Works. HAC generates a substantial proportion of Shelter WA's work. The HAC:

- ▶ advises the Minister for Housing and Works on State Government housing policy and other related matters,
- ▶ participates in the development of Department of Housing and Works policy and program initiatives,
- ▶ advises on or recommend research and the development of new policies and guidelines in areas of perceived need, and
- ▶ assists in identifying housing needs in the community.

Between September 2002 and February 2003, Shelter WA took a lead role in reviewing the HAC Standing Committee structure. After developing an Options Paper and conducting a forum with key stakeholders, the three tenure based committees were abolished and replaced with three issues based committees, as per the diagram below.

In brief, the proposed new structure addresses a number of issues, including:

- ▶ Establishing a separate Standing Committee to deal with Homeswest operational issues (HOSC)

- ▶ Dividing the workload more equally between the various Standing Committees compared to the current structure.
- ▶ Operational issues are no longer presented to HAC directly.

Shelter WA's main role regarding HAC remains to ensure the effective coordination of information and input from the community sector. In order to achieve this, Shelter WA:

- ▶ chairs all three HAC Standing Committees,
- ▶ provides the Secretariat for the Access and Equity Standing Committee, and
- ▶ is involved with working parties on various issues as they arise.

Major issues that Shelter WA has been involved with through HAC this year include:

- ▶ Participated in the development of a State Housing Strategy for WA
- ▶ Discussed the advantages and drawbacks of developing a Not For Profit Housing Company in WA
- ▶ Participated in the development of a Community Housing Strategic Plan
- ▶ Identified Research Priorities for the Australian Housing and Urban Research Institute
- ▶ Review of Income Eligibility Limits for Homeswest accommodation
- ▶ Developed recommendations to review the REIWA Application Form for private rental applications aimed at reducing barriers to securing affordable and appropriate housing.
- ▶ Provided input into various DHW policies, including Centrepay Application Policy, Fair Wear and Tear, Discretionary Decision Making, Asset Limits Seniors, Application and Transfer Forms, Homeswest Appeals Mechanism, Family and Domestic Violence Policy, Standard Letters, and Amenity Fees.

In addition, the Department responded favourably to a review of its debt policies, undertaken by Shelter WA on behalf of the Rental Sector Standing Committee in 2002. The Debt Report considered the impact of all Homeswest policies related to debt management. The Department approved most of the report's 72 recommendations, which were aimed at removing inconsistencies and ensuring that Homeswest's debt policies meet the organisation's objectives without unnecessarily disadvantaging tenants or applicants.

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b) Community Consultation and Information Forums

In order to achieve effective consultation and information sharing with agencies working in housing related areas, Shelter WA seeks input from a range of tenures including tenants of public and community housing, tenants in the private rental market and home owners and purchasers. The information gathered is used to inform the DHW and the Minister both in relation to operational matters and broader social housing policy.

In 1998 Shelter WA and the Department of Housing and Works agreed for Shelter WA to hold consultation and information forums on housing in every region in WA. Since that time, Shelter WA coordinated forums in Bunbury, Kalgoorlie, Geraldton, Albany, Broome, Derby and Midland. In addition, Shelter WA conducted housing forums on specific issues, including a pre-election housing forum before the 2001 State Elections, and housing forums around specific issues, including Culturally and Linguistically Diverse Communities, people with Mental Health issues, young people, homelessness, the Commonwealth State Housing Agreement and the Residential Tenancies Act.

In 2002/03 Shelter WA held its major housing forums in the Busselton / Margaret River area. In addition, Shelter WA held two specific issues community forums. The first of these was to inform the Youth Issues Paper for the State Housing Strategy (see below), while the second forum informed Shelter WA's submission to the second stage of the Statutory Review of the Residential Tenancies Act.

Busselton / Margaret River Housing Forums

In November 2002, Shelter WA conducted focus group meetings in Margaret River and Busselton, as a first step towards identifying key housing issues in the area. A Discussion Paper was developed on the basis of information gathered at these forums, as well as statistical and other information for the area. The Discussion Paper included a draft Housing Action Plan for the area, and community forums were held in both towns in early May to discuss the Paper and Plan. Around 15 people attended each of the forums, representing a broad cross section of the community.

Their comments were incorporated into the Final Report and Housing Action Plan for the area. Some of the key issues included in the Report are:

Busselton:

- ▶ lack of access to affordable rental housing, especially for young people and small families;
- ▶ while the number of Homeswest dwelling has increased over the past ten years, this has not happened at the same rate as other tenures and as a result its proportional presence is declining;
- ▶ there is a growing number of homeless people and no provision of crisis accommodation. In addition, ASWA's Partnership in Housing Program is having some success in assisting young into and maintaining private rental but many landlords are reluctant to house tenants they perceive as having had a poor tenancy record;
- ▶ overcrowding is also a serious problem, especially for households living in 1 and 2 bedroom units; and
- ▶ there is a shortage of affordable 1 and 2 bedroom dwellings and the local R codes are predominantly R15, which acts against the development of small units.

Margaret River:

- ▶ lack of affordable rental housing especially for young people and families. Young people and single parent families also experience difficulty gaining access to private rental;
- ▶ the provision of Homeswest housing is proportionately at less than half the average for WA and there is waiting list for some dwelling types despite appropriately sized dwellings not being available;
- ▶ there is a growing number of homeless young people and like in Busselton ASWA offers services but not able to respond adequately to demand without access to crisis/short-term housing; and
- ▶ seasonal influxes of tourists are good for local businesses but contribute to seriousness of the housing crisis facing local people. This is about to be exacerbated by the establishment of The Centre for Wine Excellence, a joint venture between Curtin, ECU, TAFE and UWA. The Centre is expected to attract hundreds of students to the town and plans to date do not include the provision of housing.

The Final Report including the Housing Action Plan can be downloaded from www.shelterwa.org.au (papers & reports).

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c) Customer Input into DHW Policy and Practice

Apart from the consultation forums outlined above, Shelter WA also uses surveys to inform its work regarding DHW policy and procedures. These surveys ask individuals and organisations throughout the state to provide their views on specific topics, for instance in relation to a particular policy, initiative, or review. In 2002/03 Shelter WA conducted two surveys on homelessness.

These surveys were part of a longer series a four part longitudinal study, called A Profile of Households Experiencing Homeless in Western Australia. Due to limited resources, the aim of this project is not to provide a comprehensive study of homelessness in WA. Instead, the project aims to provide a series of snapshots highlighting some of the changes in the needs and composition of the State's homeless people.

In addition, the project aims to continue to develop Shelter WA's knowledge of homelessness, inform its policy development work, and provide a resource to agencies concerned about homelessness in WA. Surveys were conducted in June 2001, March 2002, September 2002 and February 2003.

Key findings of the latest two surveys include:

- ▶ Children (under 14) consistently represented over one third of all homeless people.
- ▶ In all four surveys, around half of homeless people surveyed identified as Indigenous.
- ▶ Secondary homeless, ie. people who move frequently from one form of temporary shelter to another, were the most significant grouping.
- ▶ Low income was a principal feature of the homeless, with 90% falling within the bottom quintile of incomes and 96% within the bottom two quintiles.
- ▶ Affordability was identified as a major barrier to homeless households accessing rental housing, with a median priced private rental dwelling requiring almost 80% of household income to maintain rental payments.

Shelter WA has started work on consolidating the outcomes of the four surveys into a comprehensive final report. This report will combine the results of the surveys with statistical information and interviews with homeless people and agencies dealing with homeless people. In addition, Shelter WA will continue to monitor homelessness in WA with annual follow up surveys.

Reports on the four surveys can be downloaded from www.shelterwa.org.au (papers & reports).

d) Information

During 2002/03 Shelter WA produced four Newsletters, four Information Sheets and 15 papers, submissions and reports. A full list of publications is included elsewhere in this Report.

Since 2001/02, Shelter WA's reliance on electronic communication as its principal means of distributing information has increased. In particular, Shelter WA made a decision to limit the distribution of hard copies of its quarterly newsletter to its membership, although the information sheets are still distributed to all 450 individuals and organisations on Shelter WA's database at no cost.

Nearly all of Shelter WA's publications, including newsletters and information sheets, can now be downloaded from www.shelterwa.org.au (papers and reports). In addition, Shelter WA has continued its fortnightly Housing Policy and Research Email Update List (SWA Update). During 2002/03, 22 updates covering a wide range of housing related issues were sent out to the list, which had 159 subscribers at 30 June 2003.

Partly as a result of the success of SWA Update, traffic on Shelter WA's website has grown exponentially. The number of net hits (ie. excluding graphics) on Shelter's website was 51,307. This represents an average of 140.6 net hits per day - up from 63.1 in 2001/02 and 19.7 in 2000/01. Importantly, visitors continue to access the site for information rather than just 'surfing' through, as evidenced by the 28,924 papers and reports that were downloaded from the website during the year.

WORK FOR THE PAST YEAR: PROJECT FUNDING

As reported above, Shelter WA actively seeks funding for projects that it regards will further the core aim of the organisation: to promote the interests of low income housing consumers through policy and research. In 2002/03 Shelter WA received \$48,321 in funding to conduct four projects.

1) Youth Housing Needs in the Shire of Broome

Between September 2002 and March 2003 Shelter WA undertook a study into youth housing issues in the Shire of Broome. The project was initiated by a collective of local agencies called the Broome Youth Housing Working Party and aimed to undertake extensive community consultation to identify the needs, issues and barriers to access faced by the target group of 12 to 24 year old, mostly Indigenous, young people in the Shire of Broome.

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The project was based on consultations with young people and organisations assisting young people in Broome Town, Bidyadanga and communities on Dampier Peninsula, which were conducted in November 2002. In addition, the project investigated a range of existing housing models operating throughout Northern Australia and contained statistical data on housing needs in the Shire of Broome.

The Final Report found a shortage of 363 units of affordable housing, resulting in overcrowding, homelessness and resulting poor health, education and employment outcomes for young people. Addressing this housing shortage would require proactive collaboration between all levels of Government and the community. The report recommended a model featuring a combination of housing and support and included full costings of this model. Elements of the recommended model included:

- ▶ Crisis accommodation for people affected by domestic violence and other issues,
- ▶ Hostel style accommodation for students and other young people,
- ▶ Support for disadvantaged young people, and
- ▶ Short term accommodation for new young mothers from outlying communities going to hospital in Broome.

2) Youth Issues Paper for the State Housing Strategy

In late 2002, the Office of Policy and Planning contracted Shelter WA to research and write an Issues Paper on Youth Housing. This paper forms part of a suite of background reports that will underpin the State Housing Strategy, which is scheduled for release late in 2003.

The paper built on Shelter WA's April 2002 Youth Housing Forum and identified a number of key trends and policy issues, including:

- ▶ While real youth wages have fallen over the last two decades, incomes for the rest of the population have risen and young people's access to appropriate housing has diminished. Contributing factors include reductions in affordable rental stock, increasing house prices and rents, and declining affordability.
- ▶ Many real estate agents are reluctant for under 18 year olds to sign a lease, and regard them as a financial risk. This causes young people great difficulty in accessing private rental due to discrimination based upon low income, lack of references, and perceived inability to effectively manage a tenancy due to age/ inexperience.

- ▶ Inadequate housing appears to be both a cause and a result of the array of problems facing at risk young people including substance abuse, mental health and Indigenous cultural issues.
- ▶ Creative and inclusive housing support models (e.g. the Partnership in Housing pilot) need to be implemented to assist young people to access, and succeed in, private rental.
- ▶ An expansion of programmes like YES and FRESH housing is urgently needed to assist young people to not only succeed in public tenancy, but also to facilitate their transition to private rental and home ownership.
- ▶ A substantial increase in funding for public housing is required if the unmet demand for housing appropriate to young people is to be addressed. The magnitude of the unmet need necessitates an increase in funding from the Commonwealth and from the State Government's Consolidated Revenue Fund.

3) National Shelter Policy Platform 2003: *Rebuilding the Australian Dream*

In early 2003, Shelter WA developed a policy platform for National Shelter, the peak national body advocating for low income housing consumers. Called *Rebuilding the Australian Dream*, the Platform argued that the Australian dream of home ownership is slipping out of the reach of an increasing proportion of Australians while rents are becoming less and less affordable for people on low to moderate incomes. The Platform identified four measures that would provide the basic framework for improvements in housing provision, being:

- ▶ A Commonwealth Housing Department and Housing Minister
- ▶ A National Housing Policy Framework
- ▶ A Target for Social Housing
- ▶ An Affordable Housing Innovation Unit.

4) *The Effects of New Living on Indigenous Wellbeing*

In late 2002, Curtin University contracted Shelter WA to do a literature review on urban redevelopment and indicators relating to Indigenous community wellbeing. The literature review informed the Positioning Paper for a project conducted by Curtin University for the Australian Housing and Urban Research Institute called *The effects of New Living on Indigenous wellbeing: a case study on urban renewal*. While the Positioning Paper has now been completed, Shelter WA continues its involvement as a member of the Reference Group for this project.

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WORK FOR THE PAST YEAR: OTHER WORK

In addition to the activities listed above, Shelter WA continues to represent housing consumers in many different ways. This includes attending various forums, writing letters and submissions on policy issues, and consultations with individuals and organisations. Below is a brief description of some of these activities.

1) *Commonwealth State Housing Agreement*

Since 1945 the Commonwealth State Housing Agreement (CSHA) has been the main financial instrument for channelling Commonwealth and State funding into social housing, as well as for other housing programs like assisting people into home ownership. However in the past 10 years, funding has been in decline. With the 1999-2003 CSHA about to expire, Shelter WA became concerned that WA might face a further 30% funding cut to social housing.

In August 2002, Shelter WA took the lead in a national campaign to stop further funding cuts to the CSHA. A half page advertisement calling on the Commonwealth Government to increase funding for social housing was placed in *The Australian* newspaper of Monday 21 October, signed by a broad coalition of 95 organisations and individuals. Partly as a result of this campaign, the Commonwealth dropped its plans for draconian cuts to social housing.

While the Commonwealth and the States are still negotiating terms, the Commonwealth did commit to a new CSHA, with the following features:

- ▶ A five year capital agreement (as opposed to the old four year agreement),
- ▶ Indexation to inflation for the first time, albeit to "wage cost index 6" (2.3%) rather than CPI (3%), as of 2003/04,
- ▶ The efficiency dividend (cut) of 1% will continue,
- ▶ GST Compensation (\$90m per year) will be ended as of next year, and
- ▶ There will be a 5% funding cut if States don't meet benchmarks regarding private finance for public housing and welfare reform, which are yet to be developed.

While a lot better than anticipated, the new CSHA does not allow for the expansion of social housing that is required to meet the needs of the homeless people and people in housing stress in WA and Australia. Shelter WA and National Shelter continue

to lobby for increased funding, and in particular for GST Compensation to be reinstated and for the efficiency dividend to be abolished.

2) *National Shelter*

Shelter WA is a member of National Shelter, the organisation that provides a national voice for low income housing consumers. With home ownership and private rental increasingly less affordable and social housing stock falling in all States and Territories, ensuring that the voice of low income housing consumers is heard on a national level is vital. However, for the last seven years, National Shelter has operated without core funding.

During 2002/03, Shelter WA took up the position of President. In this position, Shelter WA pursued an intensive media and lobbying campaign to ensure a good outcome for the Commonwealth State Housing Agreement, the continuation of which was under severe threat by September 2002 (see above). In addition, Shelter WA coordinated the production of National Shelter 2003 Policy Platform (see above) and produced a background paper to the Platform.

3) *EOC Investigation into Indigenous Housing*

In September 2002 the Equal Opportunity Commission announced that it would conduct an investigation into public housing for Aboriginal and Torres Strait Islander People in Western Australia. Shelter WA made a submission to the Investigation, consisting of a brief statistical overview of housing tenure in relation to Aboriginal people in Western Australia as well as a guide to eight recent reports produced by Shelter WA, each of which included some commentary on Aboriginal housing issues.

Shelter WA's submission highlights that Indigenous people have limited access to home ownership and private rental compared to non-Indigenous West Australians. As a result, 46% of rental dwellings that house Aboriginal people are provided by Homeswest. The Investigation is continuing its consultations, and a date for a final report has not yet been announced.

4) *Statutory Review of the Residential Tenancies Act*

A Statutory Review of the WA Residential Tenancies Act 1987 (RTA) commenced in the first half of 2001. Shelter WA made a submission into the First Stage of the Review, based on two community forums. Shelter WA's submission highlighted the need to rebalance the RTA towards tenants and included recommendations to abolish letting fees and evic-

Agency Report (continued)

tions without cause, extend the Act to include boarders and lodgers, establish a Tribunal to settle tenancy disputes, limit rent increases, abolish contracting out of certain obligations under the Act and define a set of minimum housing standards

After limited consultation with tenants and tenant representatives, the consultant in charge of the Review produced a Draft Report. Partly on the basis of the recommendations of a community forum held in late October, Shelter WA produced a submission to the Second Stage of the Review, which strongly supported the recommendations to:

- ▶ extend the Act's coverage to boarders and lodgers,
- ▶ establish a Residential Tenancies Tribunal,
- ▶ remove the exemptions of certain institutions from certain provisions of the Act,
- ▶ abolish contracting out of obligations provided for by the Act, and
- ▶ abolish letting fees.

However, the submission stated Shelter WA's disappointment that the Report failed to redress the existing over-emphasis on owners' rights in a number of areas. In particular, Shelter WA objected to the recommendations to:

- ▶ retain no cause evictions,
- ▶ not provide for limits to rent increases,
- ▶ not address the lack of procedural fairness in a number of instances,
- ▶ not remove the exemptions of certain institutions from certain provisions of the Act, and
- ▶ not prescribe minimum housing standards.

5) *New Options for Affordable Housing*

During the course of 2002/03, house prices rose and the shortage of low rent private rental housing stock worsened. As a result, Shelter WA became increasingly concerned about housing affordability, particularly at the bottom end of the market. At the same time social housing (Homeswest and community housing) is now an option for a significantly smaller proportion of West Australian households. Between 1997 and 2002, social housing in WA fell from around 6.5% to around 4.7% of total housing stock.

Shelter WA worked on a number of proposals to increase affordable housing that were put forward during the year. The most important of these were the shared equity mortgage scheme proposed by the Menzies Research Centre, and a not for profit housing company proposed by the Department of Housing and Works.

Shared Equity

The Menzies Research Centre developed a shared equity mortgage scheme for the Prime Minister's Home Ownership Taskforce. The scheme would involve the investment bank Turnbull & Partners, run by Liberal Party treasurer and MRC chair Malcolm Turnbull, put up 30 per cent of the cost of buying a new home and becoming a silent partner in the investment. In return, the silent partner would receive 60% of the capital gain.

Shelter WA analysed the scheme and found that its net effect on a median priced home in WA would be a transfer of over \$100,000 over ten years from the buyer to Turnbull & Partners. The annual return for Turnbull & Partners was 13.8%.

Not For Profit Housing Company

In late 2002 Shelter WA became aware that the Department of Housing and Works was researching the relatively new concept of establishing a not-for-profit housing company to provide affordable housing to West Australians. In order to better understand the apparent benefits of these not-for-profit housing company models, Shelter WA, CHCWA and the Tenants Advice Service researched the operation of one of these companies, the Brisbane Housing Company.

The Brisbane Housing Company model was conceived by the Brisbane City Council and the Queensland State Government as an innovative response to the continuing problem of providing affordable and secure housing for low and moderate income groups in near and inner city Brisbane.

The aim of not for profit housing companies is to provide good quality, affordable housing to people on low and moderate incomes through a mechanism that will be self-sustaining financially and therefore not an ongoing drain on the public purse. However, the Community Housing Coalition of WA pointed out that community housing providers already achieve these goals and more.

Shelter WA's response was that it supports the development of innovative measures to increasing housing affordability, provided that these initiatives are additional to other approaches such as social housing and rent assistance. In addition, Shelter WA pointed out that key questions regarding tenant mix, rent setting and location need to be answered satisfactorily before a not for profit housing company could be established in WA.

Publications 2002 - 2003

During 2002/03 Shelter WA produced the publications listed below. All of these publications can be downloaded from www.shelterwa.org.au (papers & reports).

July 2002

- ▶ A Profile of Households Experiencing Homelessness in WA: Second survey

August 2002

- ▶ Shelter WA Occasional Paper 2002-2: The State of Affordable Housing in WA
- ▶ Shelter WA Information Sheet #18: The State of Affordable Housing in WA

October 2002

- ▶ A Profile of Households Experiencing Homelessness in WA: Third Survey
- ▶ Report on the Shelter WA / TAS Forum on the Review of the Residential Tenancies Act
- ▶ Shelter WA Annual Report 2001/2002

November 2002

- ▶ Options Paper: Review of the Standing Committee Structure of the Housing Advisory Committee
- ▶ Shelter WA Information Sheet #19: Renting in WA
- ▶ Shelter WA Newsletter Nov 2002: Indigenous Housing

December 2002

- ▶ A Balanced Act 2: Shelter WA's Submission to the Second Stage of the Statutory Review of the Residential Tenancies Act 1987 (WA)

January 2003

- ▶ Shelter WA Preliminary Comments on DHW Rent Amalgamation Consultation Paper

February 2003

- ▶ Shelter WA Newsletter February 2003: Youth Housing

March 2003

- ▶ Shelter WA Information Sheet #20: The Housing Advisory Committee

April 2003

- ▶ Critique of the Brisbane Housing Company Model (with CHCWA and TAS)
- ▶ National Shelter Policy Platform 2003
- ▶ National Shelter Policy Platform 2003: Background Paper
- ▶ Shelter WA Occasional Paper 2003-1: New Options for Affordable Housing?
- ▶ Shelter WA Newsletter April 2003: New Options for Affordable Housing

May 2003

- ▶ Shelter WA Submission to the Equal Opportunity Commission Investigation into the Provision of Public Housing to Aboriginal People in WA

June 2003

- ▶ Meeting Youth Housing Needs in Broome Through Collaborative Practice: Consultants Final Report
- ▶ A Profile of Households Experiencing Homelessness in WA: Fourth Survey
- ▶ Shelter WA Information Sheet #21: Homeswest Debt Policy Changes
- ▶ Shelter WA Newsletter June 2003: Regional Housing

Financial Report

SHELTER WA (INC)

SPECIAL PURPOSE FINANCE REPORTS

FOR THE YEAR ENDED 30 JUNE 2003

Financial Report (continued)

SHELTER WA (INC.)
INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF SHELTER WA (INC.)

Scope

We have audited the financial report, being a special purpose financial report of Shelter WA (Inc.) for the financial year ended 30 June 2003 as set out in the statement of financial performance, statement of financial position and notes to the financial statement. The organisation's officers are responsible for the preparation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the organization. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the organisation's financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than for which it was prepared.

Our audit has been conducted in accordance with Australian Accounting Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material aspects, the financial report is presented fairly in accordance with our understanding of the organisation's financial position, and accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the organisation's financial position, and performance as represented by the results of its operations. These policies do not require application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

Qualifications

We were unable to audit the statement of financial position as at 30 June 2002.

Qualified Audit Opinion

In our opinion, because of the existence of the limitation on the scope of our work as described in the qualification paragraph, and the effect of such adjustments, if any, as might have been determined to be necessary had the limitation in scope not existed, we are unable to and do not express an opinion as to whether the comparatives for 2002 and the results of the organisations operations for the year ended 30 June 2003 give a true and fair view of the organisations performance for the year ended on that date, in accordance with Accounting Standards, the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

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HEWITT
TURNER &
GELEVITIS

IN ASSOCIATION



**BUSINESS DEVELOPMENT
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Due Diligence Reporting
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Corporate & Trust Consultants

PRINCIPALS

Timothy Turner
B.BUS (ACC), FCPA,
FAIM, FTIA
Registered Company Auditor

Vick Gelevitis
B.BUS (ACC), FCPA,
NTAA, FTIA

ASSOCIATE

Darryl Rodrigues
B.Sc, B.BUS (ACC), CPA

CONSULTANT

Antony Sage
B.BUS (ACC), ACA,
MCT, FTIA

Financial Report (continued)

SHELTER WA (INC.)

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF SHELTER WA (INC.) Continued...**

In our opinion, the statement of financial position gives a true and fair view of the organisation's financial position as at 30 June 2003 and complies with Accounting Standards, the Corporations Act 2001, the Corporations Regulations 2001 and other professional reporting requirements.

**HEWITT TURNER & GELEVITIS
AUDIT ASSURANCE SERVICES**

**HEWITT
TURNER &
GELEVITIS**

IN ASSOCIATION

**TIMOTHY P TURNER
PARTNER**



Dated at Perth this 2nd day of ~~September~~ ^{October} 2003

Financial Report (continued)

SHELTER WA (INC.)		
STATEMENT OF FINANCIAL POSITION		
AS AT 30 JUNE 2003		
	2003	2002
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash Management Account	73,436	17,730
General Cheque Account	1,637	1,612
Cash on Hand	200	200
Membership – BankWest	3,686	3,682
Debtors	476	-
	<u>79,435</u>	<u>23,224</u>
NON CURRENT ASSETS		
Furniture & Equipment	28,629	26,570
Less Accumulated Depreciation	<u>(17,521)</u>	<u>(15,086)</u>
	11,108	11,484
Term Deposit	<u>10,000</u>	<u>-</u>
	21,108	11,484
TOTAL ASSETS	<u>100,543</u>	<u>34,708</u>
CURRENT LIABILITIES		
Creditors	6,500	-
Income In Advance	34,121	-
GST Liability	10,027	2,836
Keystart Research Project	-	3,000
Library Systems Development & Acquisitions	-	10,000
PAYG Deductions Payable	6,366	7,134
Provision for Leave	9,497	5,199
Provision for Redundancy	20,943	8,285
Provision for Training	-	1,200
Provision for Long Service Leave	<u>2,894</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>90,348</u>	<u>37,654</u>
NET ASSETS	<u>10,195</u>	<u>(2,946)</u>
ACCUMULATED FUNDS		
Balance at the Beginning of Year	(2,946)	5,623
Add Surplus/(Deficit)	<u>13,141</u>	<u>(8,569)</u>
	<u>10,195</u>	<u>(2,946)</u>

Financial Report (continued)

SHELTER WA (INC.)		
STATEMENT OF FINANCIAL PERFORMANCE		
AS AT 30 JUNE 2003		
	2003	2002
	\$	\$
INCOME		
Bank Interest	635	990
Donations	105	504
Grants		
CHCWA	-	912
Lotteries Commission	6,500	13,988
Ministry of Housing & Works	134,982	130,933
Membership Fees	1,864	1,450
Other	46,984	662
Reimbursements	1,337	9,408
Other Income	4,348	-
Writeback of Provisions	7,700	-
	<u>204,455</u>	<u>158,847</u>
EXPENSES		
Advertising	70	61
Audit – Legal	825	740
Bank Fees	127	554
Conference	1,227	1,858
Consultants	7,154	-
Courier	-	91
Depreciation	2,435	2,922
Donation	1,000	-
Equipment less than \$300 written-off	780	855
Insurance	2,994	2,378
Lab Support	-	559
Maintenance Repairs	271	-
Management Committee	471	-
Memberships	395	120
Photocopying	1,254	1,556
Postage	2,513	3,677
Pre Print Stock & Brochure	432	1,020
Printing	888	1,601
Publications	198	369
Rent	4,680	4,590
Staff Training & Development	-	999
Stationary	1,010	1,226
Sundries	353	585
Telephone/Email	2,674	3,135
Training	-	1,200
Other Operating Expenses	1,783	65

Financial Report (continued)

SHELTER WA (INC.)		
STATEMENT OF FINANCIAL PERFORMANCE Continued...		
AS AT 30 JUNE 2003		
	2003	2002
	\$	\$
EXPENSES Continued...		
Travel		
Council	1,649	1,299
Office	305	325
Projects	7,394	154
Wages		
Office	117,335	120,794
Provision for Leave	7,192	1,473
Provision for Redundancy	12,659	3,878
Superannuation	10,346	9,332
Relief	900	-
	<u>191,314</u>	<u>167,416</u>
TOTAL EXPENSES		
	<u>191,314</u>	<u>167,416</u>
SURPLUS	<u>13,141</u>	<u>(8,569)</u>

Financial Report (continued)

SHELTER WA (INC.)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act (WA). The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accrual basis.

No Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is based on historic costs and does not take into account changing money values.

Going Concern - The accounts of the organisation have been prepared on the going concern basis. This is dependent upon it being able to attract continuing funding support from the Government and supporting bodies.

Management Committee

- ▶ John Ballard
Chairperson
Curtin Indigenous Research Centre
- ▶ Ian Main
Vice Chairperson
- ▶ Anna Paris
(from August 2003)
Trinity Youth Options
- ▶ Hazel Kural
(from January 2003)
- ▶ Heath Flanagan
People With Disabilities
(to March 2003)
Individual *(from April 2003)*
- ▶ Irma Lachmund
(to May 2003)
- ▶ Camille Inifer
(from July 2003)
Tenants Advice Service
- ▶ Kathleen Gregory
(to October 2002)
Eastern Metropolitan Community
Housing Association
- ▶ Paul Pendergast
Staff Representative
- ▶ Penny Williams
Women's Refuge Group
(to November 2002)
Individual *(from December 2002)*
- ▶ Renate Dehaan
(from May 2003)
Bunbury Housing Association
- ▶ Susan Scheer
(to October 2002)

Staff

- ▶ Glynis Menezes
Administration and Finance Officer
- ▶ Karel Eringa
Development Manager
- ▶ Paul Pendergast
Policy Manager
- ▶ Samantha Lambert
Project Officer
*(October to November 2002 and
February to May 2003)*
- ▶ Tim Davis
Project Officer
(October to December 2002)



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