



Shelter WA (Inc)

Annual Report
2003 - 2004

Shelter WA

Promoting Affordable Housing For All West Australians

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

Shelter has again had a fruitful year as the leading voice in accessible, affordable, appropriate and secure housing for the people of Western Australia. I will mention those responsible for our success and some of the highlights. More details are available within the report.

In the frontline of Shelter WA's activities are Karel Eringa, Executive Officer, Paul Pendergast, Research and Policy Manager and Corinne Mercer. Corinne joined Shelter WA in January to replace Glynis Menezes as the Finance and Administration Officer. Glynis has left Shelter WA for a position in The Department of Housing and Works. We wish her all the best.

Shelter WA also plays an important role in assisting students in completing their degrees by allowing them to complete their fieldwork with the organisation:

Sarah Durell, Chelsea Lowery and Shayde Douglas all worked on the homeless project.

Special thanks needs to be given to the Management Committee

Office bearers:

- Chairperson: John Ballard, Centre for Aboriginal Studies
- Vice Chairperson: Bronwyn Kitching, Anglicare WA
- Treasurer: Rob Spinks, Tenants Advice Service (the position was formerly held by Heath Flanagan)

Members:

- Ian Main, Individual
- Heath Flanagan, Individual
- Kevin Moore, Trinity Youth Options
- Josephine Colbung, Eastern Metropolitan Community Housing Association
- Paul Pendergast, Staff Representative

Sally MacKay was also on the management committee as Tenants Advice Service until she resigned earlier this year

Highlights of Shelter WA:

Internal Restructuring

- Rob Spinks completed a business plan and staff review of the organisation.

Community Consultations and Information Forums

- Kalgoorlie Regional Housing Forum
- Women and Adequate Housing Forum (with Tenants Advice Service)
- Indigenous Housing in Regional Areas Forum
- Two surveys on homelessness
- Information dissemination through newsletters, information sheets, occasional papers and research papers, submissions, reports and our website.

Other projects and work

- Submission to Productivity Commission Inquiry into First Home Ownership
- National Shelter Policy Platform
- Transport and Housing
- Dialogue With The City (on going participation by Shelter WA)
- National Shelter, Tenants Advice Service and Claisebrook Lotteries House Executive Committees
- Affordable Housing Company

Shelter WA is also involved in a number of other committees keeping issues of accessible, affordable, appropriate and secure housing for the people of Western Australia firmly on the agenda.

Finally I would like to acknowledge and thank the Department of Housing and Works for the ongoing funding and support and also all the members of Shelter WA for their ongoing support.

John Ballard

Agency Report

KEY ISSUES FOR HOUSING IN WA

The central issue for housing in WA in 2003-04 was another major decline in housing affordability for home purchasers. Two interest rate rises and house price growth of 14.4% saw the household income required to purchase a median priced Perth home rise to over \$100,000 per year. By comparison, the median household income is \$55,084 per year.

Another illustration that home ownership is becoming very difficult to achieve is that in June 2001, a family earning at the top of the second income quintile (currently just under \$48,000) had a choice of 49 Perth suburbs in which it could afford to buy a median priced home. By June 2004, the choice had reduced to just 9 suburbs: Armadale, Brookdale, Calista, Koongamia, Medina, Parmelia, Swan View, Wattleup and Westfield.

This analysis does not indicate that prospective home purchasers earning lower incomes cannot buy houses priced below the median outside of these nine suburbs. In fact, there are some indications that a significant number of affordable properties priced below the median are on the market in many suburbs.

However, the above figures do indicate that these home purchasers can no longer rely on their traditional strategy of buying a median priced house in a suburb that they can afford. Instead, they have to spend time and effort in order to find a suitable house that they can afford in areas where most properties will be out of their reach, and where they will be competing with better-heeled investors for the ones that they can afford.

In other words, recent developments in the housing market have increased the transaction costs associated with finding and purchasing properties at the bottom end of the market. The immediate effect, as has been well documented, has been a severe decline in the number of first home buyers.

Until the March quarter of 2004, this fall in first home buyer activity was more than compensated for by investors. While disastrous for first home purchasers, a side effect of this investor activity has been an ample supply of properties for rent. The result has been a limited increase in rents, with the median rent increasing from \$157 per week in June 2003 to \$164 per week in June 2004.

However, there are several indications that rents are about to rise. Firstly, investor activity fell in the June quarter, prompting a slight decline in house prices.

Secondly, rising house prices and steady rents have produced a further decline in rental returns: the gross return yield for a median priced house in Perth was 3.5% in June 2004, down from 3.9% in June 2003 and 5.0% in June 1999.

These extremely low rental returns and limited prospects of further capital gains mean that many investors will be looking to sell off their properties over the next few years in order to invest their funds in more promising assets. Barring further interest rate rises, this would benefit some first home buyers. At the same time, it would also reduce rental stock and put upward pressure on rents.

Despite the small increase in rents, however, housing stress levels in the private rental market remain high. One of the prime factors is that Commonwealth Rent Assistance, the Government's main demand side assistance program, continues to be particularly ineffective in increasing housing affordability. One third of CRA recipients were not in housing stress before receiving the payment and another third remained in housing stress after receiving the payment. CRA was effective in eliminating housing stress only for the remaining third of recipients.

With home ownership becoming unaffordable, the continuing high degree of housing stress in the private rental sector, and continuing high levels of homelessness and overcrowding, the pressure on social housing to provide an affordable safety net for people on lower incomes is increasing. In 2003/04, the news regarding social housing has been mixed.

On the positive side, the State Government has continued to provide some funding for social housing from its Consolidated Revenue Fund. This appears to have halted the decline of social housing at around 5% of total housing stock. However, Shelter WA believes that social housing should be increased to at least 6% of housing stock in order to address the current housing affordability crisis. This would require a funding injection in the order of \$150 million per year in addition to current capital expenditure of around \$130 million.

A second way of increasing the amount of funds available for expansion is to amend the policy of 'targeting' people with high needs and low incomes. This policy jeopardises the financial viability of the sector as it increases tenancy management costs and reduces rental revenue. Unfortunately, there are no signs that this policy is about to be changed.

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However, the State Government has pursued a two ways of increasing affordable housing stock. Firstly, as of 1 July 2004 it has abolished stamp duty for first home purchasers on dwellings below \$220,000, with discounts available for dwellings up to \$300,000. At the time of writing, the impact of this measure was yet to be revealed. Secondly, it is developing a Not For Profit Housing Company, which may create a new source of affordable housing.

While these initiatives are commendable, their scope is insufficient to address the housing affordability crisis. The main obstacle to achieving this is the lack of coherent policy direction at a national level. As the National Shelter 2004 Policy Platform argues, "Despite housing assistance and housing related tax exemptions valued at over \$25 billion per year, nearly 100,000 people are homeless, and housing affordability is at an historic low." It is worth pointing out that 11.7% (11,697) of homeless people live in Western Australia.

The Platform identifies "five key policy initiatives that are essential to making the right housing available at the right cost in the right place and at the right time":

1. A National Housing Minister
2. A National Housing Strategy
3. A National Approach for an Effective Social Housing System
4. A National Approach for an Effective Private Rental System
5. A National Approach for Effective Assistance to Home Purchasers

STAFFING

In October 2003, Shelter WA said farewell to its longest standing staff member, Glynis Menezes. Glynis had been employed at Shelter WA for four years, initially as Administration Officer and later on as Administration and Finance Officer. During her time with Shelter WA, Glynis proved to be an effective worker and a pleasant and communicative colleague, and she will be missed.

After a brief hiatus, Shelter WA welcomed Corinne Mercer as the new Finance and Administration Officer in January 2004. Corinne has slotted into her job and the organisation without incident.

Finally, Karel Eringa and Paul Pendergast continue as the organisation's Executive Officer and Research and Policy Manager.

FINANCE

Until three years ago, in excess of 95% of Shelter WA's funding came from a single source, the Department of Housing and Works. Shelter WA's Management Committee deemed this level of reliance on a single funding source of some concern, and hired a consultant to develop a business plan for the organisation.

The business plan was completed at the beginning of the financial year, and identified that Shelter WA's core business is to promote affordable housing for low income and otherwise disadvantaged housing consumers. The business plan identified three objectives, being:

- To broaden the Shelter WA revenue base so that non-core grant income is at least 25% of total annual income.
- To undertake and complete fee-for-service project and consultancy work which is housing related and which generates a net surplus proportional to the complexity of the task, the risk and the resources expended.
- To establish Shelter WA as a recognised provider of fee-for-service housing research provider in WA.

However, market analysis performed as part of the business plan indicated that Shelter WA operates in a niche market with a relatively small number of opportunities, which may vary in scope and number from year to year. This implies that non-core grant income is likely to fluctuate substantially around the 25% target. However, since Shelter WA has developed a flexible staff structure, it has the ability to respond quickly to spasmodic opportunities and is therefore in a strong position to secure contracts when they do arise.

1. Core Funding	\$136,482	91.5%
2. Project Funding	\$9,091	6.1%
3. Other Income	\$3,510	2.4%
Total	\$149,083	100.0%

In 2002/03 funding from the Department of Housing and Works accounted for 68.6% of total income. However, due to limited project opportunities this rose to 91.5% in 2003/04.

One final interesting feature of the 2003/04 financial year was that employment costs accounted for 81.0% of Shelter WA's expenditure, up from 77.6% in 2002/03.

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WORK FOR THE PAST YEAR: CORE FUNDING

As stated above, Shelter WA receives its core funding from the Department of Housing and Works (DHW). As in previous years, this funding focused on a workplan consisting of four key areas:

1. Coordinate community sector input into the Housing Advisory Committee
2. Community Consultation and Information Forums
3. Customer Input into Department of Housing and Works Policy and Practice
4. Information Provision

1. Housing Advisory Committee (HAC)

HAC is an advisory body to the Minister for Housing and Works. HAC is chaired by the Minister for Housing and Works, and its main role is to advise the Minister on housing policy. In addition, the Committee participates in the development of Department of Housing and Works policy and program initiatives, advises on research and the development of new policies and assists in identifying housing needs in the community.

HAC currently has three standing committees, all of which are chaired by Shelter WA. However, after a review it appears that one of these, the Access and Equity Standing Committee, may be replaced by a standing committee on regional issues.

Over the last twelve months, the main role of the HAC has been to advise the Minister on the development of the WA State Housing Strategy. In addition, Shelter WA conducted a community forum on housing for Indigenous people in regional areas under the auspices of the Access and Equity Standing Committee (see Community Consultation and Information Forums).

Issues pursued through HAC and its standing committees include:

- Housing Strategy WA
- Productivity Commission Inquiry into First Home Ownership
- Commonwealth State Housing Agreement
- Community Housing Strategy Plan
- National Housing Conference 2005
- Public Housing Rent Reform
- Not For Profit Housing Company
- AHURI Research Agenda
- State Sustainability Strategy
- Local Government and Affordable Housing
- Workforce Participation for Social Housing Tenants
- Housing for Indigenous People in Regional WA
- DHW Disability Policy, Eligibility Policy, Reconciliation Policy, tenant participation and employment disincentives, Further Assistance Policy, Priority Backdating

2. Community Consultation and Information Forums

A key role of Shelter WA is to facilitate community input to the development of housing policy. In order to facilitate that role, Shelter WA conducts annual housing forums in regional areas of Western Australia, usually in response to requests from local individuals or organisations. Since 1998, Shelter WA has conducted housing forums in Albany, Broome, Bunbury, Busselton, Derby, Geraldton, Kalgoorlie-Boulder, Margaret River and Midland.

In addition, Shelter WA has conducted special needs housing forums for groups including culturally and linguistically diverse (CALD) communities, people with mental health problems, young people and women. Finally, Shelter WA has conducted a range of smaller forums reacting to topical issues; recent topics have included the renegotiation of the Commonwealth State Housing Agreement and the Review of the Residential Tenancies Act. Reports on all of these forums can be downloaded from www.shelterwa.org.au.

Kalgoorlie Regional Housing Forum

In 2003, Shelter WA received numerous reports that the housing situation in Kalgoorlie-Boulder had changed significantly since its previous community forums in 1995 and 1998. As a consequence Kalgoorlie-Boulder was made the focus of Shelter WA's 2004 Regional Housing Forum. After some preliminary research, Shelter WA's Executive Officer, Karel Eringa, spent a week in Kalgoorlie-Boulder conducting interviews with a range of stakeholders from Government, the community sector and industry.

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These informed a discussion paper, which found that "Kalgoorlie-Boulder's housing market can be described as somewhere between the mature market of state capitals such as Perth and the immature, volatile markets of small mining towns. As a result, the City performs very well in some areas, but very poorly in others.

On the positive side, unlike many small mining centres Kalgoorlie-Boulder has functioning markets in all three tenures. Three quarters of residents are in appropriately sized accommodation and a range of dwelling sizes and types are available.

However, there are a number of stress points as well. In particular, large families have difficulty finding appropriately sized accommodation, while the same applies for the growing number of single person households. The situation is most acute for Indigenous people and young people, and both of these groups are more likely to be homeless or live in overcrowded conditions.

Another issue is that the large disparity in incomes between the sexes means that women are more likely to suffer from housing stress or have to live in accommodation that does not suit the needs of their families due to financial restrictions.

Finally, there is a shortage of affordable land for development due to restrictions resulting from overlapping native title claims, mining tenancies and different land tenures. There is also a shortage of long term accommodation for special needs groups such as people suffering from mental health problems and younger teenagers."

The discussion paper was a discussion starter for a community forum held in Kalgoorlie on 3 August 2004. Shelter WA is currently finalising the Kalgoorlie-Boulder Housing Needs Analysis, which will include a number of strategies to address housing issues in the area.

Women and Adequate Housing Forum

On 1 June 2004, Shelter WA and the Tenants Advice Service jointly conducted a community consultation forum to discuss how women fare with regard to adequate housing in Perth. The forum was held in response to an investigation by the United Nations Commission on Human Rights into resolution 2002/49, which recognised "that women face discrimination and violations of their right to housing

and land around the world and that there needs to be action at the international and national level".

The forum was attended by 17 women, and built on an earlier consultation held by the Tenants Advice Service in Bunbury, and was followed by another consultation in Geraldton. The forum was used as the basis of a state report, which informed both National Shelter's and the National Non Government submissions to the UNCHR Special Rapporteur on Adequate Housing.

Indigenous Housing in Regional Areas Forum

Access to appropriate and affordable housing is traditionally seen as a problem affecting mainly metropolitan areas. However, an adequate supply of high quality and affordable housing is a crucial factor underlying the economic potential and social well being of regional areas. Indigenous people are particularly badly affected by the poorly functioning housing markets in regional areas of the State.

On Wednesday 24 September 2003 Shelter WA organised a forum on housing issues for Indigenous people in regional areas of Western Australia. The forum was auspiced by the Access and Equity Standing Committee of the Housing Advisory Committee to the Minister for Housing and Works. 29 people heard presentations from four speakers, including the Hon Nick Griffiths MLC (Minister for Housing and Works), Paul Pendergast (Shelter WA), Bob Thomas (General Manager Homeswest), and Laurel Sellers (Aboriginal Housing and Infrastructure Directorate).

The Minister in his presentation indicated that there are a number of housing issues that impact on many Aboriginal people, including affordability, homelessness and limitations to Government resources.

3. Customer Input into DHW Policy and Practice

Aside from community forums and the HAC structure, Shelter WA also provides customer input into Department of Housing and Works Policy and Practice through regular surveys. In 2003/04 Shelter WA conducted two surveys, both on homelessness.

The first of these was a quantitative survey that formed part of a project called *A Profile of Households Experiencing Homeless in Western Australia* (Profile). This project has been running since early 2001 and aims to provide a series of snapshots

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highlighting changes in the nature of homelessness in WA. *Profile* focuses on the needs and composition of the State's homeless population.

Survey 5, as had earlier surveys, found that around half of homeless people in WA are Indigenous, and one third were children aged 14 years and under. Most Indigenous households in the survey were families with children; by contrast, nearly 80% of non-Indigenous households were single persons.

Shelter WA is working to combine the five surveys with additional data and information into a comprehensive report. In addition, an article highlighting the provisional results of the surveys was published in the *Parity* magazine July edition.

The second survey was qualitative in nature and was conducted as a number of in depth interviews with homelessness agencies and the people accessing these agencies. Two social work placement students from Curtin University, Sarah Durrell and Chelsea Lowery, conducted interviews in Perth, Bunbury, Narrogin and Northam.

This survey resulted in a report that compared the responses from the homelessness agencies to homelessness with the experiences of homeless people. Perhaps surprisingly, the project revealed a high degree of consensus between service providers and service users regarding the root causes of the problem and the required solution. Both groups viewed homelessness as a complex problem that requires a multi faceted solution, and both groups identified increased funding for support services and accommodation options as key elements of any solution.

4. Information

During 2003/04 Shelter WA produced the publications listed below. All of these publications can be downloaded from www.shelterwa.org.au (papers & reports).

Newsletters:

- June 2004: Housing and Sustainability
- March 2004: Homelessness in WA
- December 2003: The West Australian Housing System
- September 2003: The New Living Program

Information Sheets:

- #23: The Department of Housing and Works
- #22: A Key to Housing Acronyms in WA
- #21: Changes to Homeswest Debt Policies

Occasional Papers:

- OP 2004-1: *Workforce Disincentives in Public Housing* (March 2004)
- OP 2003-4: *Experiencing Homelessness in WA* (December 2003)
- OP 2003-3: *New Living - Urban Renewal in Public Housing in Perth* (September 2003)
- OP2003-2: *The State of Affordable Housing in WA 2003* (August 2003)

Papers, Submissions and Reports

- Kalgoorlie Housing Forum Discussion Paper (July 2004)
- Women and Adequate Housing (July 2004)
- Social Housing in Perth's Western Suburbs: Do We Need It?* Presentation to the 2004 WACOSS Conference (June 2004)
- A Profile of Homelessness: Survey 5* (June 2004)
- But Where Will the Cleaner Live?:* Final Report on the Busselton and Margaret River Housing Forums (January 2004)
- Housing Indigenous People in Regional WA:* Notes on Shelter WA Community Forum held on 24/9/03 (October 2003)
- Shelter WA Presentation to Senate Inquiry Into Poverty (July 2003)
- Youth Issues Paper, Housing Strategy WA* (July 2003)

Website

In 2003/04, Shelter WA's website received 84,841 'net' hits (ie. excluding image and system files), up 65% compared to 2002/03. This included 56,499 papers and reports downloaded at an average of over 1,000 per week – nearly double the 2002/03 average.

The most downloaded reports were *Shelter WA Occasional Paper 2003-2: The State of Affordable Housing in WA 2003* (3,355 downloads), the proceedings of Shelter WA's 2000 Conference on Urban Renewal (3,087 downloads) and a paper on Not for Profit Housing Companies (2,358 downloads). In addition, 6,048 information sheets and 4,337 newsletters were downloaded.

Finally, Shelter WA has continued its fortnightly Housing Policy and Research email list (SWA Update). During 2003/04, 24 updates covering a wide range of housing related issues were sent out to the list, which had 165 subscribers at 30 June 2004.

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WORK FOR THE PAST YEAR: PROJECT FUNDING

Submission to Productivity Commission Inquiry into First Home Ownership

In October 2003, Shelter WA developed a submission to the Productivity Commission Inquiry into First Home Ownership for National Shelter. The submission highlighted that "the current housing affordability and accessibility crisis is a direct result of the lack of policy direction on housing by the various levels of Government in Australia. A large amount of money is involved with intervening in the housing market through an array of policies, programs, taxes, subsidies, schemes and incentives. However, ... these initiatives are not grounded in a consistent policy framework, do not reinforce each other, and in many cases work against one another's aims. As a result, significant Government intervention in the housing market has delivered neither affordability nor accessibility to a large number of recent and prospective home purchasers."

The submission made 16 recommendations, including

- developing a National Housing Policy,
- creating a Commonwealth Housing Minister and Department,
- increasing funding for social housing,
- reviewing the Commonwealth Rent Assistance and First Home Ownership Grant programs, and
- changing State and Commonwealth taxes related to housing.

National Shelter Policy Platform 2004

In February 2004, Shelter WA secured a contract to develop National Shelter's 2004 Policy Platform for National Shelter. The platform contains five key points:

1. A National Housing Minister,
2. A National Housing Strategy,
3. A National Approach for an Effective Social Housing System,
4. A National Approach for an Effective Private Rental System and
5. A National Approach for Effective Assistance to Home Purchasers.

The Platform was launched at the National Housing Summit in Canberra on 29 June.

Transport and Housing

In March 2004, the Sustainable Transport Coalition approached Shelter WA to write a short issues paper regarding the potential impact of rising oil prices on low income housing consumers. The resulting paper linked falling affordability with a move to cheaper suburbs that are "further removed from the Perth CBD and have fewer facilities such as public transport, hospitals, schools, etc. As a result, declining housing affordability in Perth appears to be producing greater car dependency."

WORK FOR THE PAST YEAR: OTHER WORK

Indigenous housing

Indigenous people continue to face extreme disadvantage in their housing conditions. During 2003/04, Shelter WA has worked on Indigenous housing issues in a number of different capacities. Most importantly, Indigenous housing has been a major component of most of Shelter WA's projects, including the Kalgoorlie Housing Forum and homelessness surveys. In addition, Shelter WA:

- has developed closer links with the Aboriginal Housing and Infrastructure Directorate,
- organised a forum on housing issues facing Indigenous people in regional areas, and
- is a member of the Indigenous Homelessness Working Group, which is progressing the State Homelessness Strategy.

Dialogue With The City

Dialogue with the City is a community consultation process conducted by the Department for Planning and Infrastructure to provide guidance for Perth's planning over the next generation. Shelter WA attended the main Dialogue forum, which was held in September 2003 and attended by some 1,100 people. Since then, Shelter WA has continued to participate in the Dialogue process, including membership of the Planning for Liveability working group and input into the Dialogue planning strategy.

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National Shelter

Many of the issues affecting housing consumers in Western Australia are controlled by policies set at the national level. In order to ensure that housing remains on the national political agenda, Shelter WA has taken a lead role at this level, in particular by continuing to chair National Shelter. During 2003/04, Shelter WA through National Shelter conducted a number of activities, including:

- making a submission to the Productivity Commission Inquiry into First Home Ownership,
- making a presentation to the Senate Inquiry into Poverty, and
- producing and promoting a Policy Platform expressing a vision for increased delivery of housing affordability.

In addition, National Shelter formed a National Housing Alliance with building unions, industry associations and the Australian Council of Social Service (ACOSS). The Alliance developed a four point plan calling for an increase in affordable housing, and also hosted a National Housing Summit in June 2004. The Alliance and Summit called on "all Governments and all political parties to implement reforms to private rental, social housing and home ownership."

Finally, Shelter WA has been invited on the Steering Committee for the next National Housing Conference, to be held in WA in 2005.

Affordable Housing Company

The Department of Housing and Works are in the process of establishing a Not For Profit Housing Company (NHC) along the lines of the Brisbane Housing Company. The NHC will deliver housing to people eligible for Homeswest accommodation, but will not be directly operated by the Department.

The NHC structure has one major advantage and one major disadvantage compared to traditional social housing. The disadvantage is that NHC rents, unlike social housing rents, are not linked to tenant income but set as a proportion of market rent. This implies that, unlike social housing tenants, some NHC tenants can be in housing stress, depending on the location, size and condition of the property. Over time, if market rents increased, so might the proportion of NHC tenants in housing stress.

The major advantage of the proposed NHC, on the other hand, is its potential to attract commercial loans and social investment that would not otherwise be available to social housing. Shelter WA has an ongoing dialogue with the Department on this issues and continues to monitor progress on the establishment of the NHC closely. In particular, Shelter WA aims to ensure that its benefits materialise whilst minimising any housing stress amongst its tenants.

Other Committees and Meetings

In addition to the activities highlighted above, Shelter WA participated in a large number of meetings and events. While listing of these meetings and events exhaustively would be impractical, they include the following:

- making a presentation to the Senate Inquiry into Poverty,
- membership of the Keystart Advisory Committee and Tenants Advice Service Executive Committee,
- meetings with Local Government authorities, State Government Ministers and Members of Parliament,
- speaking at the WACOSS Conference,
- providing information to academics, students and members of the public, and
- providing assistance to homeless people and people in housing crisis.

Management Committee

- ▶ John Ballard
Curtin Indigenous Research Centre
Chairperson
- ▶ Bronwyn Kitching
Anglicare WA
Vice Chairperson
- ▶ Heath Flanagan
Treasurer *(to January 2004)*
- ▶ Rob Spinks
Tenants Advice Service
Treasurer *(from June 2004)*
- ▶ Ian Main
- ▶ Josephine Colbung
Eastern Metro
Community Housing Association
(from August 2004)
- ▶ Kevin Moore
Trinity Youth Options
- ▶ Paul Pendergast
Staff Representative
- ▶ Sally MacKay
Tenants Advice Service
(to May 2004)

Staff

- ▶ Corinne Mercer
Administration and Finance Officer
(from January 2004)
- ▶ Glynis Menezes
Administration and Finance Officer
(to October 2003)
- ▶ Karel Eringa
Executive Officer
- ▶ Paul Pendergast
Research and Policy Manager
- ▶ Serena Williams
Project Officer
(from August 2004)

Financial Report

SHELTER WA (INC)

BALANCE SHEET AS AT 30 JUNE 2004

	2004 \$	2003 \$
ASSETS		
CURRENT ASSETS		
Cash Management Account	52,209	73,436
General Cheque Account	2,263	1,637
Cash on Hand	200	200
Membership – BankWest	-	3,686
Debtors	-	476
	<u>54,672</u>	<u>79,435</u>
NON CURRENT ASSETS		
Furniture & Equipment	28,629	28,629
Less: Accumulated Depreciation	(20,706)	(17,521)
	<u>7,923</u>	<u>11,108</u>
Term Deposit	35,548	10,000
	<u>35,548</u>	<u>10,000</u>
TOTAL ASSETS	<u>98,143</u>	<u>100,543</u>
LIABILITIES		
CURRENT LIABILITIES		
Creditors	-	6,500
Income In Advance	34,121	34,121
GST Liability	6,912	10,027
PAYG Deductions Payable	4,764	6,366
Superannuation Payable	611	-
Provision for Leave	4,741	9,497
Provision for Redundancy	24,387	20,943
Provision for Long Service Leave	-	2,894
	<u>75,536</u>	<u>90,348</u>
TOTAL CURRENT LIABILITIES	<u>75,536</u>	<u>90,348</u>
NET ASSETS	<u>22,607</u>	<u>10,195</u>
ACCUMULATED FUNDS		
Balance at the Beginning of Year	10,195	(2,946)
Add Surplus/(Deficit)	12,412	13,141
	<u>22,607</u>	<u>10,195</u>

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SHELTER WA (INC)

STATEMENT OF FINANCIAL PERFORMANCE
AS AT 30 JUNE 2004

	2004 \$	2003 \$
INCOME		
Bank Interest	1,898	635
Donations	50	105
Grants		
Lotteries Commission	-	6,500
Ministry of Housing & Works	136,482	134,982
Membership Fees	1,677	1,864
Other	9,091	46,984
Reimbursements	-	1,337
Other Income	-	4,348
Writeback of Provisions	1,697	7,700
TOTAL INCOME	150,895	204,455
EXPENSES		
Advertising	-	70
Audit-Legal	860	825
Bank Fees	165	127
Conference	1,506	1,227
Consultants	-	7,154
Courier	426	-
Depreciation	3,194	2,435
Donation	-	1,000
Equipment Less than \$300 written-off	1,612	780
Insurance	2,943	2,994
Maintenance Repairs	248	271
Management Committee	318	471
Memberships	407	395
Photocopying	1,052	1,254
Postage	1,048	2,513
Pre Print Stock & Brochure	-	432
Printing	504	888
Publications	235	198
Rent	4,974	4,680
Staff Training & Development	685	-
Stationery	395	1,010
Sundries	366	353
Telephone/Email	3,155	2,674
Other Operating Expenses	-	1,783

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SHELTER WA (INC)

STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2004

	2004	2003
	\$	\$
EXPENSES Continued...		
Travel		
Allowance	991	-
Car Expenses	825	-
Council	428	1,649
Office	149	305
Projects	203	7,394
Wages		
Office	98,898	117,335
Provision for Leave	-	7,192
Provision for Redundancy	3,444	12,659
Superannuation	9,377	10,346
Relief	75	900
TOTAL EXPENSES	<u>138,483</u>	<u>191,314</u>
SURPLUS	<u>12,412</u>	<u>13,141</u>

SHELTER WA (INC)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

Note 1 - Statement of Accounting Policies:

These financial statements are a special purpose financial report prepared in order to provide accounts, which satisfy the requirements of the Associations Incorporation Act. The committee has determined that the association is not a reporting entity as defined in Statement of Accounting Concepts 1 "Definition of Reporting Entity" and therefore, as there is no requirement to apply accounting concepts or standards in the preparation and presentation of these statements, none have been adopted intentionally.

The statements have been prepared in accordance with the requirements of the Associations Incorporation Act. The statements are prepared on an accruals basis, whereby items are brought to account using the concept of matching expenditure with revenue. They are based on historic costs and do not take into account changing money values or except where specifically stated, the current values of non-current assets.

Financial Report (continued)

SHELTER WA (INC)

STATEMENT BY THE COMMITTEE OF MANAGEMENT

The committee of management of *Shelter WA (Inc.)* has determined that the association is not a reporting entity.

The Committee of Management have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee of Management the financial report as set out in the accompanying pages:

- a) *Presents fairly the financial position of the Shelter WA (Inc.) as at 30 June 2004 and its performance for the year ended on that date; and*
- b) *At the date of this statement, there are reasonable grounds to believe that the Shelter WA (Inc.) will be able to pay its debts as and when they fall due.*

This statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of them by:


OFFICER


OFFICER

Dated at this 6th day of October 2004

Financial Report (continued)

SHELTER WA (INC)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Scope

We have audited the financial report, being a special purpose financial report of *Shelter WA (Inc)* comprising Revenue and Expenditure Statement and Balance Sheet for the year ended 30 June 2004. 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 Associations Incorporation Act (WA) and 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 Associations Incorporation Act (WA). 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.

The audit opinion expressed in this report has been formed on the above basis.

Qualified Audit Opinion

As with similar organisations, due to the nature of certain incomes such as donations and fundraising, we are only able to audit that income when it is first recorded in the books and records of the organisation.

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HEWITT
TURNER &
GELEVITIS

AN ASSOCIATION



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Financial Report (continued)

SHELTER WA (INC)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the attached statements present fairly in accordance with the accounting policies described in Note 1 to the financial statements the financial position of *Shelter WA (Inc)* as at 30 June 2004 and the results of its operations for the year then ended.

HEWITT TURNER & GELEVITIS
Audit Assurance Division

HEWITT
TURNER &
GELEVITIS

IN ASSOCIATION

TIMOTHY PAUL TURNER
Registered Company Auditor

Dated: 7th October 2004
Perth, Western Australia





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