



newsletter

November 2006

Editorial: Public Housing Market: What Happened to Affordable Housing?

by Paul Pendergast

In the past year rocketing housing prices and rapid increases in private rental have put housing at the centre of public concern in Western Australia. Shelter WA views the lack of affordable housing and the lack of social rental as key housing issues facing WA.

A further three interest rate rises since the September quarter last year and a remarkable housing price growth of 45.9% for Perth means that a median income household can no longer access homeownership.¹ While house prices have slowed in other parts of Australia, prices in Western Australia are growing at over four times the National average.

After a long period of slow growth, the median rent has started following the trend in house price growth. In Perth, the median rent jumped 26.9% between June 2005 and June 2006, from \$189 to \$240 per week. A continued decline in vacancy rates, down from 2.5% in June 2005 to 1.8% is cause for concern for low income households. Low vacancy rates and high demand for rental accommodation often lead to higher income renters competing for low rent stock and therefore pushing prices upwards.

Two factors have contributed to the low vacancy rate. The first of these

is that Western Australia is continuing to experience positive net migration of 1.6% the second fastest growth rate of the states and territories. The second factor is that house prices have now put home ownership beyond the reach of households earning \$50,000 per year in all of Perth's 291 suburbs. This has caused increased demand for private rental housing, from families who would otherwise have made the transition to home ownership.

The ABS has reported a decline in first home buyers of 3.9% in the June quarter following the May increase in official interest rates and Western Australia's rising house prices. This trend is likely to continue with another interest rate rise introduced in October and continued high rates of house price growth.

At the time of writing, there is no reason to assume that any of the structural factors behind the recent increases in rents will change any time soon. If economic growth continues, as forecast, at its current high levels, house prices will continue to increase, vacancy rates will remain low and rents will continue to rise. Moreover, at 3.2% Perth's median rental return is at record lows, suggesting there is ample potential for rent increases.

Social Housing

Whilst major housing issues are occurring in the private market, social housing is less able to respond to an increase in demand from low income households due to real expenditure on social housing declining by 30% from 1996 to 2005. This in turn continues to impact on social housing stock numbers falling from 39,139 in 2005 to 39 084 in 2006.²

Within the social housing sector there has been some divergence. The number of public housing dwellings fell from 34,870 to 34 500, while a continued emphasis on community housing saw this sector grow from 3,107 to 4 275 dwellings. This pattern reflects a longer term trend: since 1997, mainstream public housing has declined by 4.7%, while community housing has increased by 66.6%.

As population and household numbers have grown, social housing now comprises only 4% of all occupied housing stock in WA, down from 6.1% in 1997. The Homeswest waiting list has remained roughly the same as it was 10 years ago, with 13,780 waiting to be housed. This represents a significant decline from the 2001 high of 15,456 but is a small increase over last year's number (12,788).

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A new Housing Policy Platform for National Shelter

by Samantha Glasgow

Australia's housing system is in crisis and is becoming unaffordable for the average Australian family to purchase or to rent. First home buyers are finding it very difficult to rent or buy, social housing provision can't meet demand, and housing for Indigenous Australians is dire.

It is timely that Shelter WA, in conjunction with the other state Shelters, is currently developing the 2006 National Shelter Policy Platform on Affordable Housing, an updated policy since 2004.

It is essential that National Shelter has a consistent and up to date approach to what we are calling on the government and other relevant organizations to consider in regards to housing needs in Australia. This is especially pertinent with next years' coming election, and with the CSHA coming to an end and negotiations about to start for a new one, or a new approach to CSHA altogether.

National Shelter is extremely concerned with the housing crisis gripping Australia, and in response we have developed an Election Policy Platform which examines four main areas that we believe need to be addressed by all levels of government to help alleviate this current situation. These include:

- 1. A National Indigenous housing strategy**
- 2. Addressing the housing problems facing regional Australians**
- 3. Providing an adequate supply of affordable housing**
- 4. Reforming demand side strategies**

1. A National Indigenous Housing Strategy

Indigenous people in remote areas face many problems in regards to their access to housing, including housing shortages, overcrowding, and low quality stock, among others.

National Shelter recommends that the Federal Government create an **Indigenous Housing Strategy**, to deal with the dire and escalating problem of poor and inadequate housing for Indigenous people. In consultation with Indigenous communities, this should address the problems of overcrowding, a lack of supply of housing, maintenance issues, design, allocation, viability and other issues that are further outlined in our Policy Platform 2006.

2. Addressing the Housing Problems facing Regional Australians

Regional areas have their own unique set of problems in relation to the supply of affordable, and often simply enough, housing. Among others, these are associated with industry, remoteness, and tourism, and the difficulties in providing enough housing at an affordable price for local people who are competing with mine workers and tourists. Added to this is a lack of public transport, and the problems associated with supplying regional areas with building supplies and building professionals.

National Shelter recommends that Governments and Planners need to recognize housing as infrastructure, and that affordable housing provision needs to be incorporated into their planning system. It is also necessary that the National Housing Policy should include specific non-

metropolitan housing strategies, aimed at addressing housing problems and the needs of low-income households in regional towns and rural and remote areas.

3. An Adequate Supply of Affordable Housing

The National Housing Strategy being developed at a Federal level should incorporate the supply of **'affordable housing'** as a key initiative. National Shelter believes that the provision of affordable housing that is secure, appropriate, and well located is a basic right of all Australians.

National Shelter outlines many concerns in our Policy Platform, and a key concern is that affordable and social housing is only available for a small percentage of the population in need, and is not providing for the 'working poor', and those who are finding it impossible to locate appropriate and affordable housing. It is not only Centrelink recipients who need government support, but the working poor and young people who are struggling to make ends meet. National Shelter is calling for the National Housing Strategy to focus on changing the governments' parameters regarding who is eligible for social and affordable housing, so that more people can access appropriate, well located and affordable housing.

A further hindrance is a gross lack of supply of both rental housing and houses to purchase at affordable prices, and National Shelter has outlined various strategies in our Policy Platform to help alleviate this. One of these is the provision of affordable housing through tax based incentives such as Negative Gearing. The current tax incentives based on negative

Scoping the Capacity of Indigenous Community Housing Organisations

by *Samantha Glasgow*

Shelter WA, with the Remote Area Developments Group (RADG) and the Aboriginal Environments Research Centre (AERC), are conducting a research project for AHURI that will provide a detailed, contemporary, and empirical understanding of Indigenous Community Housing Organisations (ICHO).

The idea behind the research is to inform an understanding of, and to identify, short and longer-term options to enhance the capacity of the ICHO sector. The study focuses on non-financial factors affecting viability, and builds on the AHURI Project (30282) called 'Indigenous housing – assessing the long term costs and the optimal balance between recurrent and capital expenditure', that explored the financial viability factors affecting ICHO's.

Progress to date of the research being undertaken includes: a discussion paper which was distributed to the User Group members; a workshop held in Canberra; a number of ICHO's selected for visitation; and a draft survey instrument has been developed.

There are some preliminary findings from the work so far which include:

- That there are a number of different ICHO types across Australia in urban, rural and remote areas that deliver a range

of services in addition to housing management.

- There are a number of sector reforms and related studies under way in most jurisdictions.

- The first workshop was attended by indigenous housing experts on the User group and from most jurisdictions involved. The key variables affecting capacity were identified and agreed upon, and these will be presented in the Discussion Paper 2, trialled in pilot activities and presented for the discussion in Workshop 2.

- The previous AHURI project (30282) identified geographical location, training and support, housing stock, management systems, and consistent rent charging policy as non-financial factors affecting the viability of ICHO's. It has been found that these fit within three out of four of the main viability areas that this study has already identified.

- The AHURI Project (30282) also confirms that non-financial factors represent a critical element of the organizational viability of ICHO's. There are some early indications that strengthening organisational capacity requires addressing non-financial viability factors before any financial viability factors can be addressed. The project is focusing its efforts on identifying the relative importance of each of the following four viability factors:

location, governance, human resources and financially related factors such as housing stock.

- The outcomes of this project may assist governments in the development of indicators for bush settlements increasingly under scrutiny for their viability.

- ICHO's generally maintain waiting lists of those seeking housing which in turn may assist with identification of overcrowding and conditions leading to domestic violence. Such waiting lists may also serve as an indicator of people willing to remain in bush settlements.

- On the other hand, these waiting lists may also reveal where people are seeking economic opportunities in larger regional centres where there are housing

Counting the Homeless in the Census

by Samantha Glasgow

In the past, homeless people or people with a temporary address have not been counted in the Australian Bureau of Statistics (ABS) Census of Population and Housing. However, as of the night of the 8th August 2006, all Australians, including those without a conventional 'roof' over their heads, and those living in boarding houses, refuges and other forms of temporary accommodation, have now been counted in the 2006 Census.

This is an important addition to the Census as the homeless are part of our community, and the collection of data about this segment of the community is especially vital when forming policy, allocating resources and providing services.

The strategy that has been developed by the ABS to count the homeless is called The Homeless Enumeration Strategy. It involves a range of approaches which recognise and address social and cultural barriers to counting the homeless population. The strategy also emphasises Census awareness activities aimed at encouraging homeless people to participate in the Census.

There are two groups of people whose housing, or lack of, poses particular difficulties for collecting Census data. The first group are people who live in places such as on the streets, in parks, under bridges or in squats. The second

group comprises people without a usual address and staying temporarily in accommodation such as boarding houses, refuges, hostels, hotel/motels, caravan parks or within the homes of relatives or friends.

In the lead-up to the 2006 Census, ABS staff from state and territory offices contacted groups providing services for homeless people with no accommodation, to identify sites where they were likely to be located. People who work with the homeless, and even homeless people themselves, were recruited and trained by the ABS to be interviewers. Interviewers use a shortened version of the Census form to record details from individuals.

The second group of homeless people are in accommodation, but don't have a usual address, such as people staying short term in boarding houses or moving between places such as emergency accommodation, refuges or hostels. This group also includes people staying temporarily with varying friends or relatives who are sometimes referred to as "Couch Surfers". Other temporary accommodation for these people includes caravan parks, hotel/motels or other transitional accommodation.

It was important that all people who did not have a usual address on Census night write "NONE" for the question "Where does the person usually live?" on their

Census form, regardless of where they are staying on that night.

The homeless population, like all people counted in the Census, can be confident their information will remain confidential.

All past or present ABS officers (including Census Collectors) are legally bound to secrecy under the *Census and Statistics Act 1905* never to release identifiable personal information to any person or organisation outside the ABS. The Census is taken to provide information about the community as a whole and about groups within the community.

A comprehensive analysis of data pertaining to homeless from the 2001 Census has been undertaken by Chris Chamberlain (Monash University) and David Mackenzie (RMIT). The results have been published in the Australian Census Analytic Program publication *Counting the Homeless 2001* (cat. no. 2050.0). A copy is available on the ABS web site <www.abs.gov.au> and on <<http://www.countingthehomeless.com.au>>. Plans are underway for similar analysis to be conducted for 2006.

A range of organisations dealing with the homeless were consulted about strategies, procedures and promotional activities to be used for counting the homeless in the 2006 Census. The ABS has also developed strategies appropriate for counting the Indigenous homeless population.

Public Housing Market: What Happened to Affordable Housing - Cont'd

Most importantly, the continuing failure to expand social housing stock has resulted in a decline in the number of families housed. In 2005/06 only 3,704 new families were provided with Homeswest tenancies, compared to 5,868 in 1997.

There is increasing evidence that the lack of an adequate supply of affordable and appropriate housing across all tenures has produced increased pressure on some of the most vulnerable groups in society. As more and more relatively well-off families are either delaying or giving up altogether on purchasing their own house, they reside for extended periods of time in private rental.

Falling vacancy rates and increasing rents mean that people who are less well off can no longer rely on the private sector for appropriate housing that they can afford. The outcome is increased pressure on the social housing sector, reflected in increased waiting lists and longer waiting times.

At the human level, the more vulnerable groups end up at an increased risk of homelessness or in inadequate housing. Large refugee families, young people, Aboriginal families and people with mental health issues are amongst the first to be effectively excluded from mainstream accommodation. As a consequence many end up roofless, forced to overcrowd with their friends and relatives' housing or staying for extended periods in refuges and crisis accommodation.

Put in simple terms, Western Australia's housing boom has provided a financial windfall for existing home owners and, via increased tax revenue, to the State and Commonwealth Governments. However, the boom has a shadow side, causing increased housing stress for many and homelessness for the most vulnerable groups.

The soon to be implemented State Housing Strategy will be an important first step in recognising the extent of the housing crisis caused by the boom. However, both the State and the Commonwealth Governments now need to match this recognition with commitments expressed in dollars and targets expressed in stock numbers and percentages.

(Endnotes)

¹ See Australia Bureau of Statistics, 2006,

Housing Price Indexes: Eight Capital Cities

, September Quarter 2006

. Cat. No. 6416.0,
www.abs.gov.au

² In WA social comprised public housing, community housing and regional housing associations

National Shelter Policy Platform - Cont'd

gearing encourages investment in high value properties, at the neglect of rental stock that is affordable to people on lower incomes. Although some organisations have advocated abolishing negative gearing altogether, National Shelter believes that it is possible to change the policy parameters in order to make negative gearing an effective instrument in stimulating investment in affordable housing.

4. Reform of demand side strategies

National Shelter believes that the current government policies in place do not encourage

investment in affordable housing. By reforming the demand side strategies, investing in affordable housing can become more desirable and can help improve Australia's housing crisis. National Shelter explores these strategies in its new Policy Platform, and one of these is reforming the Commonwealth Rent Assistance Program.

The Commonwealth Rent Assistance Program (CRA) is one government subsidy that is neither targeted towards people in housing stress, nor designed to ensure affordability for those who are. In our Policy Platform, National Shelter recommends

that the Australian Government adjust the policy parameters of the CRA so that it delivers affordability to recipient families, both working poor and Centrelink beneficiaries, by removing rent thresholds, targeting payments towards tenants in housing stress, and extending CRA to all housing payments, including mortgages, among other possibilities.

We welcome your input into our Policy Platform and if you have any ideas you would like to contribute, please contact Paul Pendergast at ShelterWA on 9325 6660 or email paul@shelterwa.org.au

Homeswest Policy Changes

by Samantha Glasgow

Since May 2006 the following changes to Homeswest Rental Policy Manual have been made, and they are outlined here by policy and section number:

Rent to Income Policy

s10.4 amended, "Equivalent award wages can be found on the Department of Consumer and Employment Protection website at: www.docep.wa.gov.au/wageline."

Eligibility Relating to the Income of Applicants

s25.7, "An applicant with money in a non-interest bearing account will be deemed to be receiving a rate of interest identical to that used by Centrelink (July 2006 – 3% on deposits below \$38,400 (single) and \$63,800 (couples); or 5% on deposits above \$38,400 (single) and \$63,800 (couples)."

s5.1, "Current criteria are:

- \$38,400 – single applicant
- \$63,800 per couple
- \$80,000 Seniors 60 years plus singles or couples
- Disabled with Disabilities Policy may not subject to the cash assets limit of \$100,000 (Refer to Disability Policy).

Definition of a cash asset

These refer to the financial investments of a Homeswest customer, which include:

Deposit in a bank, credit union, building society, saving/cheque account, cash, term deposit, shares.

Friendly Society and insurance bonds managed investments such as loans, debenture, friendly society and insurance bonds, unlisted equity and property trusts.

Cash assets do not include a customer's car, antique furniture, stamp collection, life insurance policies. Superannuation and annuities that are not accessible

are not assessed, but any annual income/return/dividend received are assessed as part of the income assessment process."

Priority Assistance Policy Amended

s25 amended, "Tenants who have been approved for a priority transfer due to concerns for their safety may formally vacate their tenancy and retain their priority listing date."

s25.2 inserted, "Homeswest must be satisfied that: The tenant genuinely believes their safety is at risk if they remain in the property; and the only available option is to move out if Homeswest is not very satisfied of the above then the tenant may lose their priority listing date."

s19.1 added, "see special conditions relating to a priority transfer".

s7.2 added, "Applicants escaping domestic violence may be assisted ahead of turn."

Transfer Policy – rewritten,

sections renumbered. The following items are new provisions:

s8.1, "Application for transfer must be in writing and the listing date is the date of the initial contact. The Accommodation Manager maybe asked to assist in completing the application form."

s14., "Both tenants must be eligible to transfer (see s1-2 of this Policy)."

s14.2, "If the transfer involves two regions both regions must approve the arrangement."

s14.3, "If cross transferring between regions the applicant lodges their 'Cross transfer' application with the region they currently reside."

s14.4, "Both tenants must have substantial breaches of tenancy or the Residential Tenancies Act (RTA) for a period of at least one

year for an application to be approved.

Property Inspection:

s14.5, "A property inspection must be undertaken before a transfer application is approved and estimated tenant liabilities paid before the tenants transfer."
s14.6, A second inspection at the time is only required if there is a substantial delay between the property inspection for approval purpose (see s5 of this policy) and the date of the transfer occurring."

Eligibility relating to proof of identity

s21.1, 2nd dot point added, "A letter from any reputable person (eg. A doctor) or elder who is able to confirm identity".

Eligibility relating to previous tenancy history

s31.1 provisions added, "Under Section 15(e) of the Housing Act (1980), Homeswest 'has the right to refuse any application'.

Interview:

If an applicant is refused assistance an interview will be offered where the reasons for refusal will be explained and the applicant given an opportunity to respond.

Applicants are encouraged to bring an advocate to the interview if they wish.

The interviewing officer is to assess the current circumstances of the applicant and their ability to access alternative housing options.

Applicants may then be offered alternative options such as:

- The Homeless Helpline (Ph 1800 065 892);
- Supported Assistance Accommodation Program;
- Home ownership schemes (e.g. **Goodstart** and other **Keystart** options);
- A referral to other Agencies who may be able to assist.

Homeswest Policy Changes - Cont'd

If, after the interview, the decision to refuse assistance remains unchanged, the decision is to be reviewed by the Manager of Rental Services (metro) or Manager Homeswest (regional) or the Regional Manager".

Waiting List Management

Preamble updated, "This section contains the policies and procedures for managing Homeswest waiting list of applicants needing housing assistance. Generally, applicants will be assisted according to the date of their application (i.e. the next client on the list is offered the next available suitable property), except where they are given priority assistance because of their urgent housing needs. It is important to emphasise to applicants on the waiting list that they need to inform Homeswest of any change of address. The waiting list is regularly reviewed and if no response is received from the applicant's last known address, they will lose their place on the list."

Allocations Policy

s8.1 clarified, "A valid offer of accommodation is one which:

- Is in the zone of the applicant's choice (as indicated on the application form); and
- Has the number of bedrooms the applicant requires; and
- Meets any special needs the applicant has (e.g. medical, disability)."

s9 clarified and reworded, "Valid Decline

A valid decline can be made to an offer of accommodation if the offer is:

- Not in the zone of the applicant's choice; or
- Does not have the number of bedrooms the applicant requires; or
- Does not meet any special needs the applicant has (e.g. medical, disability)."

s9.2 clarified and reworded, "Unsuitable Accommodation Type"

Examples:

- Medical - e.g.. Stairs, phobias
- Lack of security for victims of Family and Domestic Violence."

Tenant Eligibility Policy

Preamble

Clarified, "Homeswest has strict eligibility criteria for all applicants for public rental housing. These are based on an applicant's income, assets (property/land and cash assets), citizenship and residency status, age, and family size and subject to proof of identity. (See **ELIGIBILITY POLICY**).

An eligibility check is undertaken at application and at allocation, to ensure eligible persons only occupy public housing. While not all applicant criteria will be applicable to tenants, criteria relating to income, cash assets, ownership of property and land and family size/number of bedrooms continue to apply. Therefore, after occupation, Homeswest reviews ALL tenancies on an annual basis, to ensure continuing eligibility. Homeswest takes the view that where a tenant's circumstances have changed and they no longer have a need for public housing or the number of bedrooms allocated at occupation, the right is reserved to take action to ensure public housing is utilised for those in greatest need."

s38 clarified, "Homeswest will negotiate an arrangement to move out of the property with tenants who have signed a pre 1996 tenancy agreement"

Eligibility Policy Reamble

Update (Rights of Child), "Homeswest must also comply with the state Equal Opportunity Act (1984) when dealing with customers and the interests of

the child will be paramount in all decision making in accordance with the International Convention on the Rights of the Child."

Eligibility policy relating to the income of applicants

s8.1 clarified, "Other household members are non dependent members of the household (excluding the applicant's partner), who will not be signing the tenancy agreement. Their income is not included for eligibility purposes, nor do they have to be eligible for Homeswest assistance except in relation to a debt to Homeswest.

Their income is included as part of gross household income for the purpose of calculating rental payments. Other household members have no rights of succession to the tenancy and no rights or responsibilities in relation to the property."

s8.2 added, "Definition of a dependent household member. A dependent is a child of a family, or a child being fostered or cared for by a family, who is wholly or substantially in the care or control of the applicant and is financially dependent on the applicant."

National Affordable Housing Forum in Canberra

by Karel Eringa

On 24 and 25 July, community, business and union groups came together to hold a National Affordable Housing Forum. The purpose of the forum was to develop ideas and proposals for a National Affordable Housing Agreement. This Agreement will incorporate and enhance the Commonwealth State Housing Agreement that has been the mainstay of Commonwealth / State policy on housing.

The Forum confirmed that a new agreement would tackle funding for public and community housing, improve the performance of Commonwealth Rent Assistance, and leverage

private finance into an affordable housing industry. In addition, it would adjust tax concessions and incentives, and encourage planning systems to plan for affordable housing through incentives, concessions and other measures.

A set of discussion papers was provided to forum participants as a starting point for conversation, not as a prescription. The background papers and ideas, many of which were rigorously discussed and adjusted are now available at www.shelterwa.org.au/housing_news.htm.

Shelter WA

Shelter WA is Western Australia's peak independent housing organisation. Shelter WA is community managed and represents the views of consumers and community groups on major housing issues. Shelter WA aims to ensure that every person has access to affordable, appropriate, secure and safe housing that is free from discrimination.

We do this through:

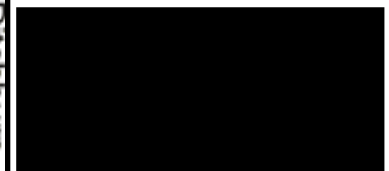
- ⊙ co-ordinating and representing community sector views to government;
- ⊙ developing and responding to policy;
- ⊙ providing education and information ; and
- ⊙ promoting alternative housing models.

Newsletter Production

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If you have any queries or comments regarding the articles in this newsletter, or if you would like to contribute to future Shelter WA newsletters, please contact Karel Eringa (details below).

While we are happy to consider any articles submitted for publication, we reserve the right to edit material in consideration of space, content and relevance.



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