



HOUSING UPDATE

Newsletter of the Community Housing Coalition of WA

June 2003

DECISION TIME FOR THE 'PLAN'

The 'draft' Department of Housing and Works (DHW) Community Housing Strategic Plan remains at the crossroads. Recent correspondence between the DHW and CHCWA has focused mainly on the detail of the 'draft' Plan, without a sense of a clear way forward. Until there is some closure by Homeswest's Board of Commissioners, the 'draft' Plan seems destined to wander eternity.

Since December 2002, the 'draft' Plan has been subject to considerable discussion between members of the Board of Commissioners, the DHW Executive, the Minister for Housing and Works office and the community housing sector. For the community housing sector this discussion has been useful in helping to come to grips with some of the implications of the detail of the 'draft' Plan. However, it now runs the risk of becoming bogged down in the detail before the Board of Commissioners has actually agreed any direction.

The discussions within the sector on the detail have been particularly evident over the last month. To allow CHCWA to respond adequately to a letter sent by the Director General of the DHW, Greg Joyce, a number of meetings and forums took place. This culminated in a full day forum on the 5th of June, which aimed to examine and made recommendations on six issues. These issues were: Key providers; Indigenous housing; Consolidation; Access to Commonwealth Rent Assistance (CRA); Return on Investment, and Governance.

The forum provided an opportunity for some vigorous, open and challenging debate and resulted in recommendations, endorsed by the CHCWA Council, which we believe reflect the direction for the sector.

The Key Provider strategy underpins the 'draft' Plan. In essence, this strategy aims to build organisations to a size where they can take advantage of economies of scale and with this, an increased capacity to explore emerging opportunities such as in affordable housing. The sector came to the

view that the selection of Key Providers should involve a clear and open process. The outcome of a selection process would be a number of Key Providers that reflect the diversity of the sector.

In principle CHCWA also believes there is a need to develop Key Providers in regional areas where currently none exist, for example the Pilbara, Goldfields and Kimberley. To back this regional strategy, the sector recognised there is a need to allocate sufficient resources to ensure they develop appropriately.

In further discussion a range of potential criteria were developed. These included an expectation that Key Providers would be able to demonstrate a commitment to: the principles of the Community Housing Code of Practice; sound financial management; tenants; the environment; and social practices.

What developed through this exploration of the Key Provider strategy was a need to understand where other housing providers would fit in the system. This resulted in a series of recommendations around the operating framework for compliant providers. (The concept of compliant providers evolved from the consultations with the sector on the 'draft' Plan in November last year.)

Under the sector developed framework, compliant providers would be expected to capture CRA, where possible. It became clear that capturing CRA can't occur in all circumstances, for example crisis accommodation, but for long-term

accommodation providers capturing CRA should be a requirement of compliance.

Other criteria developed for compliant providers include aligning with the relevant principles of the Code of Practice and more actively contributing surpluses back into the development of additional community housing.

Community housing providers are in no doubt of their commitment to housing indigenous people, but an accurate measurement of the numbers currently housed has proved problematic. There is an acceptance that more can be done, however, this needs to include input from Aboriginal and Torres Straight Islander people and communities.

As far as community housing providers are concerned organisations that cannot meet the criteria of compliance should have their contracts effectively managed by the DHW.

At the end of the day the discussions have proved useful in terms of advancing the understanding of some of the implications within the 'draft' Plan, at the end of the day, this may prove fruitless if the Plan doesn't advance beyond the 'draft' stage. What is needed is some closure on the process to date through a decision on the framework of the 'draft' Plan and a process to start the implementation.

Mike Newbiggin - Executive Officer

(Copies of the report on the Strategic Plan Forums are available on the members' only section of the CHCWA web site. www.communityhousing.com.au)

Events Calendar

25 September 2003 **CHCWA AGM** Venue to be advised

25 July 2003

National Mental health Standards Workshop for OMH funded NGO's - Contact the WA Association for Mental Health for info (9420 7277)

Half Price Membership for new CHCWA members

Please ring CHCWA on 9221 7933 for further information

CHCWA MEMBER PROFILE

Alan Bonds' greatest achievement, winning and then defending the Americas Cup in 1986, gave rise to another great achievement - the Fremantle Housing Association (FHA). The race gained huge media coverage and put Fremantle on the World map. It also created a housing boom the likes never seen before in the once quiet fishing harbour. As a result private rental increased exponentially during and after the Cup and a number of low income people were displaced from their homes. As a consequence of the housing crisis a group of people got together and established FHA. The organisation received funding through the Community Housing Program and subsequently spot purchased a number of properties.

FHA coordinator, Kaz Sternberg, says the organisation provides houses people on the Independent Living Program (ILP), youth, single people, families, sole parent families, refugees migrants, students, indigenous people, women escaping domestic violence and the elderly.

It covers a large regional area from greater Fremantle, Rockingham and Kwinana and takes in seven local government shires. Referrals come from other community agencies (in particular those who provide support), the Department of Housing and Works or word of mouth.

From 1998 to 2002 FHA doubled in size. In 1999 the organisation undertook its first joint venture (JV) project in Rockingham and has since completed projects in Palmyra and has another under construction in Warnbro. FHA contributed \$230,000.00 towards these projects. Apart from these larger projects there have been a number of spot purchases for families under the JV program where FHA contributed \$10,000 per property.

Last year, Greg Joyce (Executive Director at Department of Housing and Works) invited FHA to put in a submission for a JV project in Knutsford Street, Fremantle. The plan is to meet some of the housing needs of local aboriginal people. "We have a commitment to employ an Aboriginal



liaison person to work with the aboriginal community, and the contracted architect so as to develop housing that is appropriate to the needs of indigenous people in the area" say Kaz.

Another JV project FHA is considering is to offer financial and other assistance to one of the new emerging co-op groups. The project negotiation is still in the early days, but it could prove to be a good pilot project for other co-ops that might be interested in expanding and considering joint ventures with Regional Housing Associations.

Kaz identified that FHA faces a major stock problem as around 60% of the people currently on the waiting list are looking for single persons accommodation. FHA doesn't have the stock, in part because it started out as providing family housing. Kaz said "there has been a distinct shift in demographics in the Fremantle region, that has led to a predominance of low income single people".

Another issue for FHA is being able to access alternative means of funding. One possibility Kaz sees is tapping into larger scale developers trying to "get a foot in the door" in the Fremantle area. A further option being explored is to become involved in innovative projects with other housing organisations. "Another pressing issue" said Kaz "is the rising cost of house prices in Fremantle and the surrounding areas. Previously it was possible to spot purchase or build affordably in suburbs quite close to Fremantle, but now the organisation finds it necessary to go further out."

Kaz acknowledged that this was a problem. "People need to live in Fremantle for various reasons including medical, family proximity, part-time work etc, but there are few houses available within the spot purchase limits".

Kaz also recognises that there are more opportunities in the Rockingham region, "but the further a field we go the more difficult it is to offer a local service.

We are not quite at the stage of being able to set up a regional office but we are at the

point of needing one, as it can be quite hard doing the work in Rockingham when all the workers are based in Fremantle. It becomes quite difficult to tap into the community and make links with other agencies and work with the local government shires there".

The organisation has six workers, including administration support, three Housing Workers and a full time Project Worker who does garden and maintenance projects. Each Housing Worker looks after up to 70 properties within a particular region.

All the staff are involved in community, property, program and organisational development and they enjoy the opportunities provided by multiple responsibilities.

In the past the organisation worked as a flat structure but now has adopted the philosophy of policy governance by John and Miriam Carver. Kaz explained this means the organisation is "owned" by its communities (in the moral sense of the meaning of "ownership"), and the organisations Board serves as the on-site voice of that ownership.

Fremantle Housing Association was born from a commitment to address a housing crisis and that commitment is still alive and well.

Since 1986 it has become one of the largest Regional Housing Organisations in WA, housing a range of people from all walks of life. Kaz explained that "over the past five years we have come through a period of crisis into consolidation and now we are well placed to embark on exciting new projects for our future growth" and I for one can't wait.

If you would like your organisation to be profiled in a future edition of the Housing Update, please contact Fiona at CHCWA on 9221 7933 or Freecall 1800 35 7933 (WA only)

Opportune time for Joint Ventures - say DHW



The Joint Venture Forum held on the 22nd May was a great success with positive feedback from participants. Representatives from the aged community, the co-op sector, Regional Housing Associations, youth and SAAP agencies attended.

The key note speaker Bob Thomas, General Manager, Housing Facilities Management of the Department of Housing and Works gave a brief history on the Department of Housing and Works Joint Venture program, its purpose. He pointed to their importance particularly as they relate to the Commonwealth State Housing Agreement (CSHA), the DHW Community Housing Strategic Plan, the State Sustainability Strategy and Homelessness. He also spoke of the benefits of capturing Commonwealth Rent Assistance, GST status and Rates concessions. Bob Thomas also suggested that it was time to look beyond debt finance as the private sectors contribution into the JVHP.

He indicated that the Joint Venture Housing Program (JVHP) has many advantages for the Department in terms of funding and increasing the stock of low income housing. He was pleased that CHCWA have placed this on the agenda to encourage discussions and hoped that some innovative projects would be developed to enhance the community housing sector.

The Forum then shifted to a panel discussion. The panel consisted of Bob Tomlins from the City of Subiaco whose brought a Local Government perspective; Hans Gerritsen from City Housing discussing their experiences of Joint Venture Projects, and Jeff Mould from the Department of Housing and Works, whose spoke on the scope for the future. It was unfortunate that Paul Meade from BankWest could not attend. He has assured us of the banks interest and stated that at the next forum a representative would attend.

Some of the feed back from the meeting: During Bob Thomas' discussion it was noted that it was an opportune time for discussion around this subject, and that it was pleasing that there was an increasing contributions from the RHA's into the JVHP.

Jeff Mould said the DHW were keen to develop further JVs. He discussed the way forward in JV programs was via the private

sector as the Government might not always have the key role Local Government could play as they often had access to large parcels of land.

Bob Tomlins spoke of stepping back instead of rushing into JV's with half-baked scenarios.

He spoke of the need for more discussion with the private sector for a secure financial model, and that more research needed to take place but with the focus not just on Australia but other Countries. He also said that it was time to change and a time to think differently.

With such a good forum it is only fitting that we should proceed to the next stage. There is a lot of interest from the sector and the need to progress is timely. With this in mind I will be organising a further Joint Venture forum with developers, architects and financiers to go to stage two of the JV process.

Fiona Callan - Sector Representation & Project Officer

Lotteries Funding for ILP Furniture

A forum was organized in February this year in response to a letter from the Lotteries Commission of WA sent to WAAMH with several proposals regarding the funding for ILP (Independent Living Program) furniture. The Lotteries Commission was seeking clarification in regard to expectations for ownership, management and replacement of white goods and furniture provided and the amount available to ILP clients moving into accommodation with a partner and/or children.

They also proposed that applicant organisations demonstrate they have a viable repair and replacement strategy for furniture and additional resources (eg. through fundraising) above the \$2,500 figure available under current guidelines to purchase furniture for ILP clients.

Several points were raised at the forum and it became clear that there were no easy solutions. A working party was drawn from the forum participants and set up to formulate recommendations for the Lotteries Commission.

The Independent Living Program Working Party (ILPWP) membership consisted of representation from the following agencies: CHCWA, WAAMH, South City Housing, Fremantle Housing Association, Hills Community Support Group, Zonta House and Baptist Care Geraldton.

The working party comprehensively looked at the current funding arrangements with the Lotteries Commission for furniture and ways of ensuring organisations would continue to have the capacity to provide this valuable resource to people under their programs. Our work was to formulate recommendations and suggest policies that would be suited to the whole sector.

The ILPWP has met on a fortnightly basis over the past two months. The meetings have been well attended with considerable debate around the issues. The outcome of the past few months work has led to a number of recommendations as follows:

Recommendation 1:

Due to the increased costs of furniture and the need to purchase furniture of a reasonable quality, the ILP Furniture Policy Working Party request consideration of an increase in one off ILP furniture grants to:

- Singles \$ 4,000
- Families (including couples) \$ 6,000
- Large families up to \$10,000 (depending on number of children)

A review process will take place every two years by a committee with representation from the Lotteries Commission, Office of Mental Health and non-Government Organisations (NGO's).

Recommendation 2: Due to the difficulties that will be experienced by organisations that have not previously set up a repair and replacement strategy, organisations can apply for an interim one off grant of up to \$10,000 to allow this to happen.

Recommendation 3: The Lotteries Commission will provide annual allocations to a total of \$30,000 (per organisation), as per eligibility, up front for purchasing ILP furniture to ensure that the capacity of these organisations is not affected by lack of available funds at any time.

Recommendation 4: Time frames for the acquittal of ILP furniture grants are negotiable, for extended periods to allow flexibility for building and spot purchase.

At present the working party is waiting to hear from the Lotteries Commission we will keep you posted as to the outcome of the recommendations in the weekly e news bulletin sent out every week from CHCWA. Thanks to everyone who took part in the working party for all your hard work and great debates.

Deb Heindl.WAAMH & Fiona Callan
CHCWA

Risk Management for Community Organisations

*This article has been provided by
Community Sector Services
(CSS)*

In July 2002 the State Government released a 5-point plan to address the public liability insurance crisis that has been affecting community groups and sporting organisations over the past couple of years. The plan was to attack the crisis on a number of fronts, including a risk management awareness campaign. The State Government's Risk Cover in conjunction with the Department of Sport and Recreation were charged with coordinating risk management education for the not for profit (NFP) sector.

The aim of the education package is to provide practical advice and information to assist groups reduce their exposure to civil liability through the implementation of effective risk management strategies. The information will also assist managers and committees in meeting their duty of care responsibilities. WACOSS has had an ongoing role in advising the Department as to the likely requirements of community organisations in the area of risk management and will be involved in presenting seminars.

The package includes an easy-to-understand Risk Management manual, an Excel-based software package developed to allow NFPs to develop their own risk management profile and seminars. All organisations will have the opportunity to attend one of 11 metropolitan or one of 14 regional seminars between June and August 2003. A copy of the schedule is included in this newsletter.

The Excel-based software package was developed to help community groups record and report on risks associated with their day to day activities or events. The database comprises 5 options available to the user and 3 reports. The options include entering new and editing existing data and updating Likelihood Risk Reference Tables. The 3 reports available are Risks by Level

of Risk, Risks by Action and Risks by Activity/Event. The reports allow an organisation to evaluate activities by level of risk attached to each activity and the likelihood of that risk eventuating. The organisation can then report on the consequences of that risk eventuating including the possible financial costs involved.

The seminars will cover principles of risk management, practical application of the principles of risk management in a not-for-profit organisation, case studies, and access to the software program to assist in recording the risk management program. There is no obligation on organisations to attend the training sessions, however there are likely to be a number of benefits arising from such knowledge for organisations. Access to seminars and resources on risk management are free.

Although there is no formal link between utilising the risk management package and the State Government's Community Insurance Fund, organisations should be aware that eligibility for the fund is reliant on production of a risk profile. Such a profile can be prepared using materials available in this package.

The Department of Sport and Recreation advise that the education packages are almost ready to be distributed. An associated website has been developed which offers further information and a copy of the Excel database on assessing your organisation's risk level – www.icwa.wa.gov.au.

RiskCover accepts no liability resulting from the use of the database, nor does it claim the Community RiskBase is a finished product. However its availability will enable community groups to develop the existing database to meet their specific requirements and may assist groups in reducing their level of risk in everyday activities and events.

For information of venues and dates of the Risk Management Seminars please see insert for details.

Housing Company Update

In the last issue of the Housing Update (March/April) we raised concerns about the benefits of the development by the Department of Housing and Works (DHW) of a not-for-profit housing company. Of particular concern was that the development of any housing company needed to be undertaken within the framework of the 'draft' DHW Community Housing Strategic Plan.

The development of a not-for-profit housing company in WA is based on models being developed in the eastern states, in particular the Brisbane Housing Company (BHC). The overall, and laudable, aim of such companies is to provide housing that is available to the lowest 40% of income earners without them having to pay more than 30% of their income in rent.

Where the future of the development of a housing company now heads depends to a large extent on the reaction of the DHW to the position adopted by the Housing Advisory Committee (HAC). At its June meeting, recommendations were put and adopted by the HAC to the effect that:

the development of new affordable housing companies needs to be closely linked in with the DHW Community Housing Strategic Plan; and

there would appear to be a limited benefit in establishing new organisations to capture the GST, DRG, PBI benefits when the government has already spent considerable resources establishing community housing, which has access to the same benefits.

CHCWA has expressed the view, to the DHW, that the benefits of establishing a new housing company would have to be considerable. Close attention is required to determine the impact of possible competition between a new not-for-profit housing company and a Key Provider established under the 'draft' Plan.

CHCWA sees a need to ensure close links between the 'draft' Community Housing Strategic Plan and the development of models of affordable housing.

Mike Newbigin - Executive Officer

Training Update- Traineeships for Community Housing Workers



CHCWA has almost completed the process, with the assistance of the Industry Training Advisory Board (ITAB), of having traineeships ranging from Cert II to Cert IV in social housing made available to staff of community housing providers. We will let you know the specifics when they come to hand.

Whilst working with Margy Dia of the Department of Housing and Works (DHW) and Angela Ryder of Department of Education and Training (DET) to facilitate the delivery of Social Housing qualifications to indigenous community housing workers the whole issue of training in governance has emerged.

Certificate IV in Business (Governance) was specifically designed for indigenous boards of management. ATSIIC funded the consultation of 1100 indigenous communities and worked with competency based training professionals to carefully craft a qualification that would cater for the needs of indigenous boards of management. This qualification is copyright to ATSIIC. ATSIIC also produced a promotional package containing a video and kit called "Managing in Two Worlds", released in September 2001. In May 2001 the state and territory housing ministers signed off on the National Skills Development Strategy for Indigenous

Community Housing Management. (NSDS).

In September 2002 a meeting was held between stakeholders interested in the delivery of governance training to indigenous people. The meeting, held in Broome, agreed to run a pilot program to deliver three units from the governance package, but to offer them at a cert II and III level. Challenger TAFE and Broome TAFE were to work in partnership to deliver the pilot program.

As of June 03 no training at all has taken place. In May 2003 Diane Niyati (CHWA) was funded by the Department of Training to attend a training program for the Staff of the Broome TAFE. At this stage the Broome TAFE did not have a copy of the certificate IV in Governance, and had not seen the promotional video, even though it was on their library shelves. They also had no copies of the cert II and cert III developed by Challenger TAFE.

Challenger TAFE has also been unable to deliver any of the pilot program.

So what part has CHCWA to play in all of this? CHCWA has experience delivering workplace training and assessment in the workplace and to remote indigenous people. CHCWA has been supporting the National Skills Development Strategy for Indigenous Community Housing which

included both housing and governance training. At this stage neither Challenger or Broome TAFE are demonstrating a capacity to deliver culturally appropriate training that would progress the NSDS, and deliver qualifications in governance and housing.

This has serious implications for the sector and especially regional and remote indigenous communities as no matter how much they plead for training, it is not available in a form that will meet their needs. So far the Department of Training is only funding TAFE's and they have failed to deliver the goods. Diane of CHCWA, Margy of DHW and Angela of DET are working as a team to identify a strategy to remedy the situation. This strategy ranges from securing adequate funding to deliver training, providing professional development for staff of DET, the Validators, the Staff of TAFE colleges, DHW, other RTO's and other stakeholders.

We'll keep you posted as things progress



News

Allocations survey

The Institute for Social Research at Swinburne University is conducting research into the principles and practices of allocations systems in the social housing sector. They would greatly appreciate your cooperation in an online survey which they estimate to take between 10-15 minutes to complete. Your responses will hopefully assist the Commonwealth and State governments to better understand the nature and effect of the allocations process and bring together the experience and ideas relating to issues, best practice and potential reforms across the social housing system. Be assured the information you supply will not be made available to any Government Department or other



In

agencies. To complete the survey visit <http://www.media.swin.edu.au>

David Brown retires

After 13 years as the Manager, Adult Services for the Cerebral Palsy Association (CPA), David Brown will be retiring. Over these years David has been at the forefront of significant changes in housing provision for CPA particularly its involvement in joint ventures.

David plans to enjoy his grandchildren, (a fifth is on the way), travel and hopefully find some time to relax. CHCWA wishes David health and happiness for the future.



Brief

CDHP Leases

CHCWA's review of the CDHP lease review is nearing completion. At present a consultant has been engaged to undertake legal research on specific areas of the current lease. This research aims to clarify a number of issues of concern for the Working Party. Once completed the draft lease, known as a C1, will be discussed initially with the DHW before the process of consulting more broadly with the sector and other stakeholders commences.

At this stage the consultant should complete the task by the middle of July and the results will be available for members through our web site.

Are you a GST Audit Target?

When the GST was introduced in July 2000, the Australian Taxation Office (ATO) took a relatively low key approach to compliance. Business Activity Statements (BAS) could be returned late without any penalty and bookkeeping errors could be altered at a later date without comment.

However, the ATO has recently released next years compliance program. Under this program the ATO is targeting a visit to 1 in every 10 taxpayers. This has been backed up by a substantial increase in resources including 3,000 new field auditors. The not-for-profit sector has been highlighted as one of the so called "hot spots" for an estimated 50,000 field visits and a large number of telephone checks. (There are six hot spot areas.)

The audit program will focus on such areas as GST being attributed to the wrong tax period, incorrect claiming of the GST, failure to correctly apportion GST credits and GST claimed not agreeing to tax invoices.

If your organisation is selected for an audit, it will typically commence with a contact from the ATO to the nominated person on the BAS. The ATO may not make it clear that they are conducting an audit interview, so if you are contacted before answering questions on the BAS or GST, it is important to ask the purpose of the call. Once the fact that an audit is taking place is established, it is best to refer the ATO to your accountant.

Your accountant should ask the ATO to confirm the arrangements in writing and clarify which period is being reviewed. Typically the ATO only reviews one BAS period.

Preparation is the key to being ready for a visit and it may be useful for your organisation to make an assessment of its own GST compliance. This may require disclosing to the ATO any underpayments. It is better to be able to demonstrate to the ATO that you take your own compliance seriously as this will reduce the likelihood of penalties.

Organisations can take out Audit Insurance to cover the cost to your organisation of an ATO Audit. CHCWA understands this is tagged onto your business insurance.

At the bottom end it covers \$7,500 for any one and up to \$15,500 in aggregate at a cost of \$120. This would apply to organisations with a turnover of less than \$500,000. From this band onwards the cost will depend on turnover. If interested in Audit Insurance you should seek independent advice.

Mike Newbiggin - Executive Officer

(CHCWA receives a publication called Australian Taxation Reporter – this article has been compiled from the January/February 2003 and the March/April 2003 editions)

Rates Working Party

The rates working party has met twice since CHCWA's meeting with WALGA in December of last year.

It has identified the need to look beyond rates to range of issues in relationship to community housing and local government. The working group has renamed itself the Community Housing and Local Government Rates Policy and Planning Committee. (CHALGRPPC) How's that for a mouthful?

We are also aware that there is an intergovernmental committee (which includes local government) meeting to talk about progressing the affordable housing agenda.

Stuart Darby from the Office of Policy and Planning, Department of Housing and Works is the Chair of this committee and the CHALGRPPC has invited him to come and speak to them. Hopefully so both committees are working in accord not duplicating.

At the moment the CHALGRPPC is developing a template for negotiations that can be used by local government and community housing providers.

Once this is refined we will circulate it throughout the sector for comment and then present it to WALGA at our next meeting. We hope to arrange a further meeting with WALGA in July. 03

In the meantime Diane Niyati has set up a section of the CHCWA library devoted to Affordable Housing Strategies of Local Governments.

Diane Niyati CHCWA

NEW MINISTER FOR HOUSING

As a result of the reshuffle Cabinet portfolios with the WA Government, Tom Stephens is no longer the Minister for Housing and Works. CHCWA would like to thank him for the commitment and understanding he brought to what is an unglamorous, yet demanding portfolio.

His replacement is the Hon. Nick Griffiths MLC and CHCWA looks forward to working with him over the coming years

Disclaimer

The opinions expressed in Housing Update maybe attributed to the Executive Officer and do not necessarily reflect the opinions of CHCWA as a Whole