



ST.KILDA
Community Housing Ltd

And St Kilda Rooming House Issues Group Inc.

2009 – 2010 Annual Report



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Chair's Report 2009-2010

The British Government's recently announced housing policy has been described by London's Lord Mayor, Boris Johnson, as resulting in "social cleansing" of families out of London's inner suburbs as the government proposes to withdraw Housing Benefit from them. In the United States hundreds of thousands of families have been forced out of their homes by foreclosures.

By contrast, social housing in Australia, a long neglected area of government policy, has recently been given significant government support to offer affordable housing solutions. In this past financial year, Australia's social housing programs have been recipients of a major boost in funding. The test will be whether this increased investment in housing can be sustained or remains a "once in a decade" initiative.

This overall boost in government housing funds has seen the largest pipeline of new projects in our organisation's history. St Kilda Community Housing (SCH) has been a beneficiary from this overall boost in government housing funds, but we have also worked very hard to attract support for new projects during the 2009-10 year. These new projects have helped us to further our long-standing goal to build our stock of housing in St Kilda so that a decent and caring community can be provided for single people with limited family or social networks.

The Board and staff are to be congratulated on their success in achieving these new development projects over the last financial year. In a competitive environment and with funds inevitably subject to rationing, good planning has been essential. New projects have been funded in this way including the construction of singles housing units, heritage restorations of Victorian-era housing and upgrades to our existing stock.

The work of our General Manager, John Enticott has opened up many of these opportunities to grow our housing provision. By the new year 2011 two of these projects will have been completed, including a heritage-listed property in Grey Street St Kilda.

The strengthening and stabilisation of our Board's role and function and the ongoing commitment from our dedicated and experienced staff have been a significant ingredient to our success. Our successful registration as a Housing Provider under the new government regulatory framework has been largely due to the work of our new Quality and Services Manager, Mandy Leveratt.

Our Board members, who meet monthly and contribute to Sub-Committees, have achieved outstanding results in fulfilling their responsibilities, particularly in three main areas: financial oversight, new policy development and performance monitoring. I thank them for their hard work.

Our staff has showed incredible commitment and care in often stressful circumstances arising from the wider housing crisis: Jeff Lyons, John Broderick, Jean Yinson, Linda Omara, Sabina Rosser, Peter Irwin, John Hedley, Anne Laffan and Rose Manago. I thank them all.

Paul Madden. B.A. MBA.
Chair, St Kilda Community Housing Ltd.

General Manager's Report 2009-2010

In a year of unpredictability for all social housing providers, St Kilda Community Housing (SCH) has remained focused on improving standards for our residents through upgrading rooms with shared facilities and managing our residents secure relocation. I would like to thank the Office of Housing's Cathy Merrick and her team for the assistance they provided in the relocation program.

Our financial result, in a year where we closed 91 rooms for renovation and increased our staffing, has proven the resilience of SCH. Importantly, despite the closure of almost a third of rooms, our reserves increased, which gives an indication of the strength of the Board's financial wisdom.

Looking to the long term

Despite the economic challenges of the year, we remained focused on the long-term, continuing to develop projects that included leases in the private sector, and developing plans, permits and costs for a number of projects to expand the stock available to singles and couples in St Kilda. This long-term focus positioned us well when the federal government announced the Nation Building Stimulus Package.

During the year, we maintained our rents at an affordable level of around 65% of equivalent rents in private rooming houses within the area.

We also reviewed our operations during the year. Combined with a partnership with RMIT, this review has shown that registration has been costly but delivered better outcomes for residents and as we go forward there will be considerable improvements in the management of the organisation. I would like to thank Tess and Lauren from RMIT for their project and their commitment to ensuring our residents' views were heard.

Responding to residents' needs

We have always recognised that for many of our residents the struggle to maintain housing can be very difficult. Our rents are maintained at an affordable level but many our overheads are escalating, especially utilities and other charges. Our CentrePay deduction scheme helps residents maintain their housing in a time of rising costs.

During the year, we have maintained contact with residents whose income could be at risk to make sure they were aware of their options regarding their tenancy commitments with SCH. These options include negotiating rent payments that address their circumstances, minimal arrears repayments to minimise the financial impact on catching up, and referrals to support services to help residents negotiate a fair outcome.

Strong Staff Team

In 2009/10 we welcomed four new staff to our team. Mandy Leveratt commenced in October 2009 as Quality and Service Manager and has proven to be a great asset in managing our compliance responsibilities and implementing continual improvement. Linda O'Meara commenced in March 2010 as Finance Manager and has given the organisation a new focus on the financial opportunities available to a small housing provider such as SCH. John Hedley

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commenced in April 2010 as a housing manager and has fitted in very well with his calm presence and approach to dealing with residents. Craig Stubberfield has joined the team as a relocation officer, assisting in relocating residents for Nation Building projects and cheerfully undertaking many other tasks. Along with the rest of the housing managers, cleaners, and maintenance workers the staff team is as strong as it has ever been.

Achievements

In 2009/10 our achievements included:

- Registration as a Housing Provider was achieved in February 2010
- A sound financial position despite interruptions to our cash flow
- Housing stock growth despite conversions to self contained accommodation
- New opportunities through leases with private owners
- Successful completion of a Housing Provider Framework Audit
- Renewal of Board and senior management team
- Participation in a number of industry task forces and working groups

For a small housing provider our future is bright with the successful tender for new developments and the opening of Nation Building properties in the coming year.

Recognition

I would like to take this opportunity to thank all staff and the Board for their efforts in maintaining a place in our community for some of the most disadvantaged residents. Thanks also to the many supporters of our work and agencies that advocate on their behalf.

John Enticott
General Manager



Finance Report

The Statement of Financial Performance for the two organisations, SCH and SKRHIG shows a healthy surplus of \$259,193. However, there are a number of one-off income items including grants, amortised mortgage and interest received, that have impacted on this result.

Our Balance Sheets report a combined figure of \$5,201,564 total assets and \$1,298,598 total liabilities resulting in net assets for the organisation of \$3,902,966, an increase of 6%.

As of 30th June 2010 we held approximately \$677,895 Cash on Hand.

Copies of both organisations' fully audited reports will be available at the AGM and also from the office.

A special thank you to our finance staff: Linda O'Meara, Peter Irwin, Sabina Rosser and Anne Laffan without whose dedication and hard work during 2009/10 the finances of SCH would not be in such good shape.

A special thank you also to Jan Collier of J L Collier; and Murray Baird of Moores Legal for their advice over the past year.

BALANCE SHEET AT JUNE 2010	2010	2009	Variation
TOTAL ASSETS	\$5,201,564	\$4,989,469	4%
TOTAL LIABILITIES	\$1,298,598	\$1,302,757	-3%
NET ASSETS	\$3,902,966	\$3,686,712	6%
INCOME STATEMENT 2009/10			
TOTAL INCOME	\$2,091,990	\$2,083,498	1%
TOTAL EXPENDITURE	\$1,832,797	\$1,727,917	6%
OPERATING SURPLUS	\$259,193	\$355,581	-27%

Performance

Housing Stock

The 2009-2010 financial year has seen enormous changes occurring in the profile of the stock managed by SCH. Three of our houses – Blessington Street, 77-79 Grey Street and Tooth House – were closed down for re-development under the Federal Government's Nation Building initiative, one (69a Alma Road) remained open whilst an additional 8 self-contained units were built in the backyard and a fifth property (Seaside) was in the process of being closed by June 30th 2010.

To accommodate those tenants who needed to be relocated, SCH closed off its waiting list and entered into negotiations with the Office of Housing to manage a Department-leased motel in Park Street.

SCH also embarked on a new venture during the year taking over the lease of a private rooming house in Carlisle Street.

Gender

Although SCH intended to make greater gender equity of residents a priority for 2009-2010 this was restricted by the closure of a number of houses for Nation Building and the corresponding closure of our waiting list for a number of months. Thus, as the table illustrates, the proportion of women living in our houses has actually declined from last year. The redevelopments will provide us with an opportunity to reverse this in the coming year.

Gender	To June 2010	To June 2009	To June 2008	To June 2007
Male	85%	84%	82%	83%
Female	15%	16%	18%	17%

Sustaining Tenancies

We started the year with 296 tenancies and ended with 243. The loss of 53 rooms was due to house closures because of Nation Building mitigated slightly by the addition of two new properties. The additional two properties – one of which is a special lease arrangement with the Department to help absorb those displaced from their houses – played a critical role in ensuring that as many tenants as possible were able to remain in the local area. Without this assistance, many more tenants would have had to move from St Kilda whilst their houses were being redeveloped.

Despite the fact that four houses closed completely during the year (and a fifth was in the process of being closed down) the number of tenancies throughout the year – 434 – was only slightly down on the previous year. Overall, there were 203 tenancy exits of which 117 left altogether and the remainder were transfers from one property or room to another. Although this was a year of considerable movement and activity, a surprisingly large number of tenancies (213) were maintained throughout the year.

The following table illustrates the high degree of stability that has been maintained across the properties for the year.

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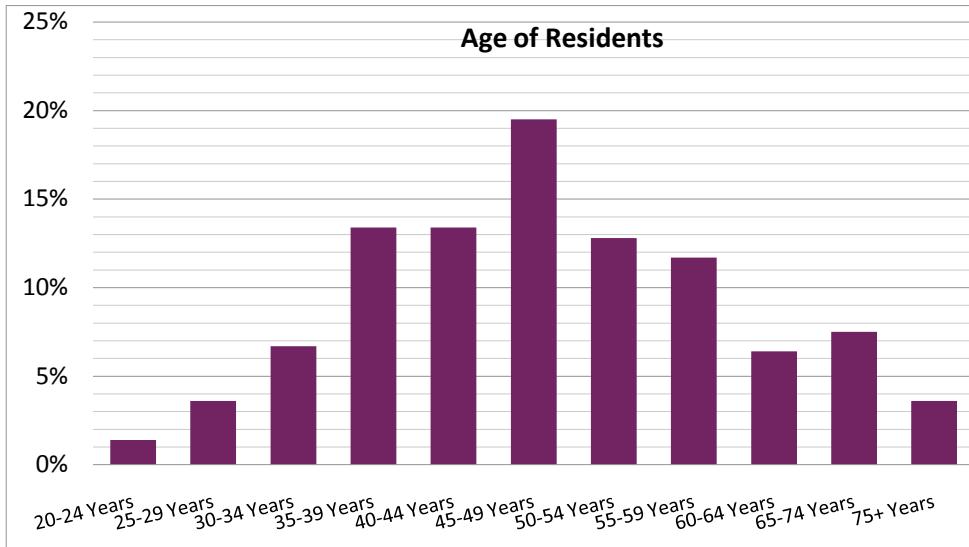
<i>Length of Stay (434 Tenancies) 2009/10</i>						
	<i><3 Months</i>	<i>3-6 Months</i>	<i>6-12 Months</i>	<i>1-2 Years</i>	<i>2-5 Years</i>	<i>>5 Years</i>
2009/10 (Average Stay 3.4 years)	64	43	80	71	95	81
	15%	9.9%	18.6%	16.4%	22.1%	18%
2008/09 (Average Stay 3.2 Years)	78	49	81	92	68	81
	17.4%	10.9%	18.0%	20.5%	15.1%	18.0%
2007/08 (Average Stay 2.8 years)	113	85	74	67	59	91
	23.1%	17.4%	15.1%	13.7%	12.0%	18.6%
2006/07 (Average Stay 3.2 years)	122	34	64	73	57	93
	27.2%	7.6%	14.3%	16.3%	12.8%	20.8%

Vacancies

The past year was highly unusual in that most vacancies were filled very quickly by tenants relocating from properties being redeveloped under Nation Building. This also meant that for much of the year our waiting list was closed to people from outside those properties. Notwithstanding those Nation Building properties, there were still a total of 124 vacancies throughout the year. The total turnaround time for all the rooms on average was 20 days – down from 21 in the previous year.

Age

Last year witnessed a decline in the proportion of younger residents over the previous year. This year has seen a rise in the number of residents aged under 30 years. At the other extreme, there has also been an increase in the number of residents aged over 65 years – from under 10% to just over 11%. The evidence therefore suggests that our residents are increasingly able to age in place. This is made possible by the support many of the residents receive from local agencies such as Sacred Heart Mission as well as the Home and Community care services provided by the City of Port Phillip and we thank them sincerely for their help in this area.



Property Report

Nation Building developments

During the year four properties were handed to builders for major refurbishment as part of the Nation Building - Economic Stimulus Plan. This resulted in the loss of 91 rooms for the construction period. At completion, 119 self-contained units, including 8 under construction at the rear of an existing property, will be returned.

The first property to be returned to SCH shortly will provide 8 units. The next three properties comprising 57 units are expected to be returned early in 2011. A fifth property with 34 units should be ready late 2012. Nation Building has provided us with a rare opportunity to improve the standard of our housing whilst increasing the number of affordable housing units in St Kilda.

We would like to thank all the builders, architects and Nation Building staff for their hard work and diligence in getting almost \$15 million of projects into our community. A very big thank you must go to our architects Leo de Jong and Steve Skurnik for their invaluable assistance in helping us prepare these projects for Nation Building.

51 Carlisle Street

In February, St Kilda Community Housing took a long-term lease on an eight room privately-owned rooming house in Carlisle Street. This helps to prevent the further loss of rooming house stock. Plans have been developed to improve the amenity for these residents and works will be carried out in 2011.

Property Condition Reports

Property Condition reports which identified building and services upgrade issues were completed for each house. During the year works described as "Urgent and essential" were commenced and we are planning further works in partnership with the owners of properties we manage.