



ST.KILDA
Community Housing Ltd

And St Kilda Rooming House Issues Group Inc.

2010 – 2011 Annual Report



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Chair's Report 2010-2011

In the next twelve months, St Kilda Community Housing enters its thirtieth year working to house people in need in the St Kilda area. Our origins were formed out of the concerns of people in the community for the issue of an older rooming housing stock that was rapidly disappearing, and with it cheap housing for single, low income people. Hence the group was founded as the **St Kilda Rooming House Issues Group** to improve the situation of residents in local rooming houses facing displacement and to support the owners.

Early efforts to improve a deteriorating housing situation for disadvantaged people in St Kilda started against difficult odds. The decline in rooming houses was seen as inevitable in the face of escalating prices, many buyers seeking to convert "derelict" dwellings to private occupancy and higher regulatory standards. Before then, in the decades after the War, rooming house numbers in St Kilda had declined from 650 to 70. Furthermore, there was no legal protection for rooming house residents.

How could the efforts of one group reverse such strong market forces? The answer lies in a joint community action spearheaded by a progressive local government at work in the St Kilda and later Port Phillip municipalities. Our work, along with South Port Community Housing and Port Philip Housing Association has meant the battle to retain local rooming houses has been partially successful in the Port Phillip area. In the last ten years private rooming house numbers have declined by fifty-five per cent but community housing providers have increased their numbers by forty-one per cent. The number of rooms in St Kilda has now stabilised. This is a unique achievement in housing programs across local governments throughout Australia.

Now, as the largest provider of singles accommodation in the area, we have transformed the much used term "St Kilda Boarding House ". In our affordable housing we build communities of active citizens, in show-piece properties developed on heritage and sustainable principles. In the last year, the opening of our two Heritage Victoria listed Queen Anne terraces at 77-79 Grey Street has transformed the streetscape in that precinct.

The work of our Board during the year, and the ongoing commitment from our dedicated and experienced staff, have been significant factors in building a more effective organisation. Detailed planning work by the Board over the course of the year has laid the groundwork for implementation of the program to manage housing maintenance in-house in 2011-12, an important milestone in the organisation's growth. I thank the Board for their hard work.

I thank our General Manager, John Enticott for his successful oversight of the Nation-Building projects, and Mandy Leveratt our Quality and Services Manager for her support to the Board during the year. For the care and commitment shown by our staff during the year I offer them my sincere thanks.

Paul Madden
Chair

General Manager's Report 2010-2011

Housing affordability for single people dependent on pensions and benefits continues to be a significant issue. Our community's fixation on home ownership as the only solution to affordability continues to isolate a growing number of Australians seeking housing solutions. Governments need to wake up and see the damage their policies are having on almost 40% of households. Decisions to reform the taxation system to make housing choices more affordable have to be made now if those most disadvantaged will have housing choices in the future

While governments focus on purchase as the only option for all Australians, the growing number of younger households experiencing difficulties in locating affordable housing is leading to unscrupulous investors and landlords developing modern slums. The most disadvantaged continue to face poverty, poor quality housing, exploitation in illegal and dangerous rooming houses and homelessness. Declining levels of recurrent expenditure on social housing, increased targeting and an increasingly entrenched community attitude of punishing the most disadvantaged limits any choices people trapped in this system have to secure the housing and employment necessary for a better life.

The past twelve months

Now I'd like to focus on what St Kilda Community Housing has been up to over the past year. It has been a productive year and we have completed or developed a number of projects.

The past year has been significant for the future of St Kilda Community Housing (SCH). Having closed 91 rooms for redevelopment into self contained accommodation as part of the state and commonwealth governments' Nation Building Stimulus Package, we have seen delivered 116 self contained units, where residents, instead of sharing facilities, have their own kitchen and bathroom.

Possibly the most significant piece of work completed during the year was the redevelopment under Nation Building of a 34 room development. This was a heritage-listed building operating as a 20 bed rooming house which was converted into 34 self-contained units with a new build on land at the rear. The architect, Leo de Jong and his team, worked closely with Heritage Victoria and the City of Port Phillip to breathe new life into this beautiful building.

SCH successfully negotiated with DHS to take full responsibility for all maintenance from July 2011. Known as "Option 2" under the Housing Provider Framework, this gives us greater control over the delivery of maintenance. In combination with the work done by DHS through the Nation Building program, this will provide an opportunity to significantly improve revenue whilst also greatly improving the quality of the housing provided for our residents.

The next twelve months

A second major piece of work for SCH was the successful tendering of a redevelopment of a DHS property in Grey Street. Having lain largely unused for a number of years, SCH, in exchange for a 25 year lease, will invest almost \$2 million in this redevelopment to provide 19 units. To achieve this SCH will use its capacity to borrow funds commercially for the first time. This has been an important step for SCH in terms of our future growth.

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We are also negotiating with the owners of the Gatwick for a long term lease of that property. If negotiations are successful, SCH will work with residents of the Gatwick to develop individual plans for housing outcomes for up to 100 residents of the Gatwick.

Our residents

Throughout this year we have maintained our community development initiatives within SCH rooming house properties. Meals programs, health initiatives, photography groups and education programs have all been conducted in partnership with agencies in St Kilda. Being able to provide SCH tenants with opportunities for participation in a range of interests has always been part of our long term vision and will continue to be a high priority for us.

After 29 years located in a rooming house in Fitzroy Street, SCH has grown too large for that space and we have moved to St Kilda Road offices, freeing up four rooms for tenancing. With just over 300 residents and a further two projects to conclude in the coming 18 months, SCH will house 359 residents.

Finally, the future of social housing in Victoria is in a state of growth and change. Governments are looking to the community housing sector to play a much larger role in the delivery of social housing. Often this comes at a price where governments seek a greater say in the housing we provide. Some of our community values are being eroded by demands to meet targets that may not be sustainable. A number of larger organisations have not been able to sustain their growth and a few are in financial difficulty. SCH has always put community first and resisted the '*growth for growth sake*' approach. The challenge for smaller providers is to assess the risks and rewards and keep our eyes on what is best for residents, both present and even more importantly the future residents of SCH.

I would like to express my gratitude to the SCH Board of Directors who continue to carry out their responsibilities professionally, bringing all their wisdom to the task. Their support for myself and staff provides us with the confidence of support in what can be challenging responsibilities. In particular I would like to thank Paul Madden for his commitment to the role of Chair this year despite the many other demands on his time. I would also like to thank both Shane Lawlor and Dan Hogan for their service to the Board and SCH and wish them well in the future. At the same time, we welcome back to the Board John Tansey.

Many thanks also to the SCH staff team who carry out the real work of responding to tenants' needs in a professional and respectful way. Their skills and commitment to the wellbeing of our residents is an inspiration and I probably don't say that often enough.

John Enticott
General Manager

Finance Report

The Statement of Financial Performance for the two organisations, SCH and RHIG shows a healthy surplus of \$217,667. 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 \$5,682,301 total assets and \$1,405,555 total liabilities resulting in net assets for the organisation of \$4,276,746, an increase of 10%.

As of 30th June 2011 we held approximately \$1,099,907 Cash on Hand and Term Deposits.

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 and Anne Laffan, without whose dedication and hard work during 2010/11 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.

<i>BALANCE SHEET AT JUNE 2011</i>	2011	2010	Variation
TOTAL ASSETS	\$5,682,301	\$5,201,564	9%
TOTAL LIABILITIES	\$1,405,555	\$1,298,598	8%
NET ASSETS	\$4,276,746	\$3,902,966	10%
<i>INCOME STATEMENT 2010/11</i>			
TOTAL INCOME	\$2,221,633	\$2,091,990	6%
TOTAL EXPENDITURE	\$2,003,966	\$1,832,797	9%
OPERATING SURPLUS	\$217,667	\$259,193	-16%

Performance

Housing Stock

Once again, SCH has been experiencing significant changes in the profile of its housing stock as the nation building stock slowly comes back on line. A motel in Park Street was leased by the Department of Human Services to house some 17 of the tenants from Seaside whilst that building is being redeveloped.

The development at the rear of 69a Alma Road was completed by November 2010 and now provides an additional 8 self-contained units. In March of this year 77-79 Grey Street was also returned to SCH with 34 self-contained units.

During the year, SCH also successfully negotiated with DHS to develop a partnership to lease and upgrade a property at 27 Grey Street. When this property is completed there will be 19 self-contained units added to the stock.

The new developments now mean that almost 50% of our stock comprises either self-contained rooms or flats – 49.6%. During the 2011-2012 financial year self-contained accommodation will comprise more than 60% of our stock. SCH expects that the changing profile of our stock will, over time, have an impact upon how long tenants remain with us.

Sustaining Tenancies

<i>Length of Stay (422 tenancies 2010-2011)</i>						
	<3 Months	3-6 Months	6-12 Months	1-2 Years	3-5 Years	>5 Years
2010/11 (Average stay 3.2 years)	109 25.8%	46 11%	45 10.6%	113 26.7%	49 11.7%	60 14.2%
2009/10 (average stay 3.4 Years)	64 15%	43 9.9%	80 18.6%	71 16.4%	95 22.1%	81 18%
2008/09 (Average stay 3.2 Years)	78 17.4%	49 10.9%	81 18%	92 20.5%	68 15.1%	81 18%
2007/08 (Average stay 2.8 Years)	113 23.1%	85 17.4%	74 15.1%	67 13.7%	59 12.0%	91 18.6%

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We started the year with 243 tenancies and ended the year with 272, out of a maximum of 274 rooms. Over the twelve month period, a total of 76 tenants left SCH altogether, whilst 73 tenants transferred from one SCH room/house to another; another 107 new tenants were accommodated as well. In addition, some 221 tenants remained with us for the entire year. It should be noted that these figures will not necessarily add up as some tenants move more than once across our properties and some rooms may have as many as four new tenancies during the year.

What the figures do not explain, however, is that a number of the transfers – and some of the exits – involve tenants who had to move as a consequence of nation building and were returning to the redeveloped properties, or involved tenants who were eligible to move from a room with shared facilities to a self-contained unit and are therefore *internal* transfers.

But the figures do show that despite the upheavals associated with the various nation Building projects, the majority of our tenancies are stable and on-going.

The table above clearly illustrates this movement, with a big rise in the number of tenants who have been with us for less than 3 months and a seeming decline in those who have been with us for more than 3 years compared with previous years. We expect this volatility in the figures to be present until all the Nation Building projects are completed.

Vacancies

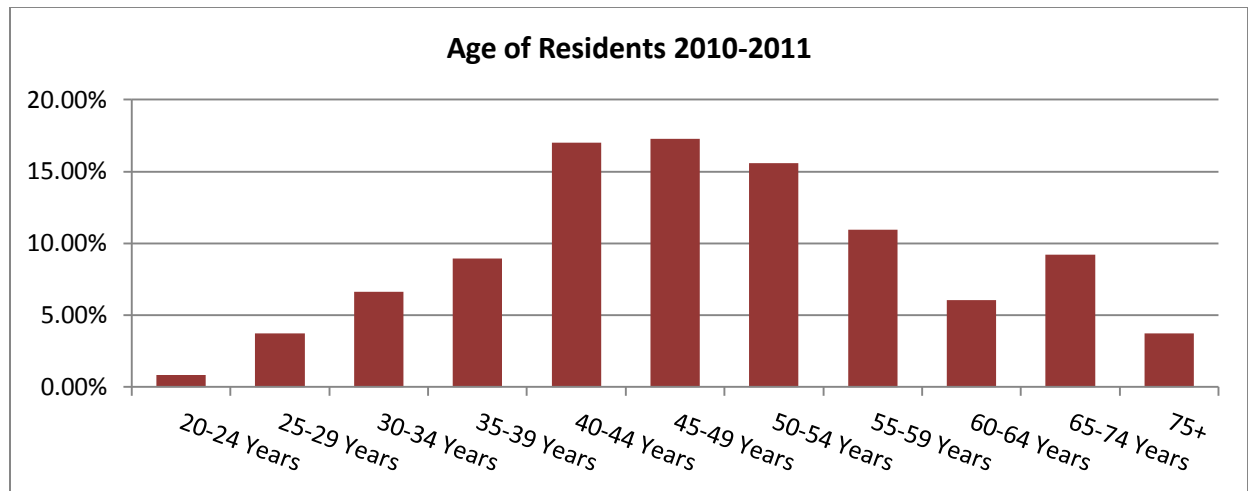
Once again, the closure of rooming houses for nation building had an impact upon our vacancies. We had 149 vacancies throughout the year and the total turnaround time for rooms to come back on line was down to 19 days on average – 5 days for vacant tenantable and 14 days for vacant untenable.

Age of Residents

The trend towards older residents that was evident last year has continued. Last year just over 11% of residents were aged over 65 years. This year that proportion has moved to 13%. Overall, 20% of our residents were aged under 40 years; 50% were aged between 40 and 55 years; and 30% were aged 55 years and above. As we have more self-contained accommodation in our stock profile it would seem reason able to conclude that more of our residents will age in place.

A major point of difference between last year and this year is that the share of those aged 40 to 44 years has risen from just over 13% to just over 17%.

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Activities

The past year has seen SCH involved in a number of activities. We were successful in gaining two community support grants from the City of Port Phillip. One grant was to run a photography group and the second was to produce a series of newsletters for tenants. Both of these activities will continue into next financial year.

We have been extremely lucky to have obtained the services of Carmel Rogan. Carmel came to our attention as a recent graduate from RMIT's Fine Art Photography course and her skills and her ability to relate to the tenants have made this group a spectacular success, culminating in the group exhibiting in the Foto Biennale at Ballarat. The newsletter has also proved to be an excellent way of communicating with tenants. Some four editions have been produced to date.

In March SCH and Southport Community Housing held their inaugural cricket match on the Peanut Reserve. Whilst the pride of SCH was wounded by victory going to Southport, both agencies have decided to make this an annual event.

Acknowledgments

We wish to acknowledge the wonderful support given to our tenants and SCH by the many support and referral agencies who work with us.

In particular, staff from the following agencies provided support services to our tenants: Sacred Heart Mission, Salvation Army Crisis centre, HomeGround, Inner South Community health Service, St Kilda UnitingCare, Junction Clinic, RDNS Homeless Persons Program, Port Phillip Community Group, and the Alfred Hospital. Other friends, colleagues and supporters include, Southport Community Housing, Prahran/Malvern Community Housing, Gary Spivak and Kate Incerti from the City of Port Phillip, Joanne Holl and Catherine Fletcher from Program and Leasing at DHS, the Nation Building Team at DHS, Christine, Witton, Chamath Fernando and Michael Forbes from the Housing Registrar, Bruce Foote and staff from MDB Consulting and all those who have contributed to making this an excellent year for SCH.

Property Report

In 2006 SCH met with representatives of DHS to discuss upgrades of Director of Housing-owned properties under SCH management. As part of SCH asset management strategy a plan was developed to both convert as many properties as possible to self contained accommodation and rid SCH of small rooms in houses with shared facilities.

SCH also negotiated the purchase of a rooming house in Grey Street and commenced a project of converting the house with 20 rooms into a property of 15 self contained rooms and the construction of 19 self contained units at the rear of the property. It was anticipated that this work would be carried out over years, perhaps decades.

The housing component of the Rudd/Gillard government allocated \$6.4 billion to new housing initiatives in Australia and Victoria received \$1.6 billion to the program known as the Nation Building Stimulus Package. Most of these funds went to Housing Associations and the State Housing Authority. Nevertheless SCH was in an enviable position in that we had completed considerable work on redevelopments under our management. The following projects were commenced under the Nation Building funding and all but one has been completed:

- **Wellington Street:** a rooming house with shared facilities accommodating 12 residents received a minor upgrade bringing all services up to date and was conducted without the need to relocate residents;
- **Jackson Street:** a rooming house with self contained units accommodating 18 residents received a more extensive upgrade bringing all services up to date and modernising services and was conducted without the need to relocate residents;
- **Jackson Street (Tooth House):** a rooming house with shared facilities accommodating 15 residents was converted to 14 self contained units. All residents were relocated to alternative accommodation and have returned to the property following the redevelopment;
- **Blessington Street:** a rooming house with shared facilities accommodating 6 residents was converted to 9 self contained units. All residents were relocated to alternative accommodation and have returned to the property following the redevelopment;
- **Grey Street:** a rooming house with shared facilities accommodating 13 residents (seven rooms were of such poor condition they were not able to be let) was converted to 34 self contained units. SCH completed a lot of preparatory work with DHS, the City of Port Phillip and Heritage Victoria to develop plans for the redevelopment. A heritage listed building, much work went into designing a sympathetic redevelopment that would preserve the character of the building. Many thanks to Leo de Jong, his team and Robert Sands as the architects and heritage architect in the planning of this redevelopment. All residents were relocated to alternative accommodation and have returned to the property following the redevelopment;
- **Alma Road:** a rooming house with 9 self contained units received a further 8 self contained units built at the rear. Works were conducted without the need to relocate residents; and

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- **Beaconsfield Parade:** a rooming house with shared facilities accommodating 57 residents was converted to 34 self contained units. All residents were relocated to alternative accommodation and are awaiting the completion of the redevelopment;

In total there was an investment of approximately \$15 million and our thanks go to SCH staff and DHS for their inclusion of these projects in the Nation Building program. SCH now has a majority of accommodation offering residents self contained facilities and looks forward to expanding this over coming years.

Where to from here?

2010/11 has been a very busy year but the future holds more in store for SCH. In 2011/12 we plan to carry out the following projects:

- **Grey Street (2):** this is a property that is owned by the Director of Housing. Grey Street consists of two buildings and is a partly dilapidated building that has been used for homeless young people. One of the buildings is in a reasonable condition but the second, and more significant, building requires extensive restoration. SCH tendered for a long term lease of the building in exchange for SCH financing the whole cost of the redevelopment. This project will require \$2 million and take to the end of 2012 to complete, resulting in 19 self contained units.
- **Maintenance:** having conducted maintenance on a number of properties, in 2011 SCH negotiated with DHS for us to carry out all maintenance of properties under our management and owned by the Director of Housing. This arrangement commenced in July 2011. Discussions are being held with a number of other social housing providers to roll out this service to carry out maintenance on their properties under management. We are already seeing quicker turn around on vacated maintenance and some savings on the use of contractors.
- **Upgrades:** 2011/12 will see a number of upgrades commenced:
 - **Octavia Street** women's house will receive a substantial conversion from an eight room property with shared facilities to seven self contained rooms;
 - **Greeves Street** will have preliminary work carried for the conversion from 10 rooms with shared facilities to 12 self contained units;
- **Property Condition Reports:** A new round of PCRs will be conducted along with the development of a further asset management plan to improve conditions for residents and maintain our properties under management.
- **Beaconsfield Parade:** will be completed and most of the former residents will be able to return from their temporary accommodation.
- **Gatwick Private Hotel:** Negotiations with the owners of the Gatwick are continuing and hopefully we will engage in the management of the Gatwick and the planning of a long term housing future for each and every resident of this iconic building

2010/11 was a very busy year and 2011/12 looks to be equally so. What makes it so rewarding is seeing the resulting changes in living conditions for our residents.

Project Report

I completed a 70 day placement at St. Kilda Community Housing as part of my final year of the Masters of Social Work, at RMIT University. As part of this placement, I conducted a qualitative analysis of the 'Social meals in rooming houses program' that is facilitated in three rooming houses in the City of Port Phillip, Melbourne.

The social meals program is a fortnightly activity which incorporates the preparation of a meal and a shared dining experience as a strategy for encouraging social interaction and opportunities to develop informal support and friendship networks between rooming house residents. The qualitative study drew on the narratives of residents who participate in the program to explore the nature of residents' participation and the role that the social meals program may play in contributing to community strengthening and helping to address issues of social exclusion. Data for the study was collated through a series of semi-structured interviews with 15 residents of rooming houses who participate in the program. Focused discussions were conducted with two workers who manage and facilitate the programs.

Analysis showed that the social meals program is an effective community development strategy, which benefits residents in many different ways. It was found that, overall, residents highly value the social meals program. The same recommendation was made by seven residents. This was that the social meals programs should be held more frequently than once per fortnight.

A number of clear recommendations flowed from the qualitative analysis of the program. The first was that the social meals programs should continue, and should be expanded into more rooming houses. However, as the nature of rooming houses is changing with more properties being converted into self-contained accommodation, any future redevelopments should ensure that rooming houses have a communal space where a social meals program can be held. Unfortunately, the experience so far is that the new redevelopments have no communal space, except for courtyards. As the analysis revealed that the social meals programs operated differently across the three rooming houses that were part of this study, it is imperative that any extension of the social meals programs into other houses should take into account the very different nature of each participating rooming house and be tailored accordingly. Another recommendation is that a women-only social meals program could be trialled, as analysis of one of the social meals program indicated that women may appreciate and benefit from a social meals program of this nature.

This placement has given me the opportunity to experience directly working with rooming house tenants and it has been invaluable for my future career in social work.

Sophie Ahern
Social Work student

The Year in Pictures



Carmel and the photography group
meeting at Elenara



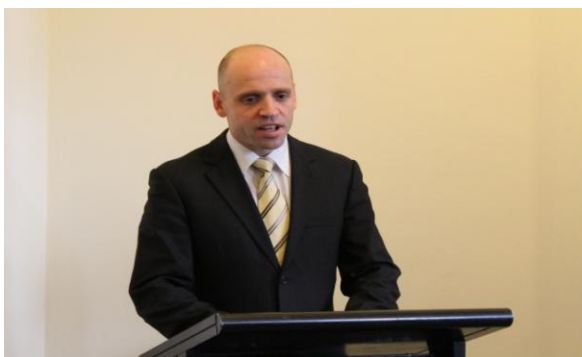
The first cricket match against Southport



John Enticott formally welcoming people to
our new offices and the photography
exhibition



The new property for redevelopment in 2012



Federal Minister for Social Housing, Mark
Arbib, opening the redeveloped Grey Street