

St Kilda
Community
Housing

Annual Report 2022-23

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Who we are

OUR MISSION: building stable communities, through sustainable housing, to assist socially disadvantaged people at risk of homelessness and improve their lives.

OUR AIM: provide affordable housing in a community setting, preserve and enhance singles' housing stock, improve housing and support programs for individuals on low incomes that require additional assistance, and develop innovative models of housing provision.

OUR COMMITMENT: we are committed to ensuring that as an organisation we:

- provide affordable housing in a community setting;
- provide a safe and secure housing environment;
- give tenants a sense of having a home not just a tenancy;
- preserve and enhance singles' housing stock;
- improve housing and support programs for individuals on the lowest incomes, with histories of disadvantage, trauma and homelessness;
- develop innovative housing models.



CEO Report

It has been a great pleasure to lead St Kilda Community Housing this year.

Working alongside passionate, committed staff, and with the support of an engaged Board, we have together negotiated several challenges that have presented throughout this year.

Our purpose, to house vulnerable local people who have few, if any other options, becomes ever more challenging. The rental income that we collect continues to fall behind the real cost of providing safe, respectful, and affordable housing to our target renters. This constrained income, closely pegged as it is to Commonwealth welfare payments, simply no longer meets our increasing maintenance, utility, staffing and regulatory liabilities. This year, regulatory changes have continued to add further costs and workload to our teams.

In addition, we have been challenged by the rules relating to how we may set our rent, forcing us to legally defend our right to pass on the actual costs of utilities to our residents. This is proving to be a test case for our sector, and we are grateful for the support from similar organisations in our sector, CHIA, and Homes Victoria.

Our close partners are assisting us to negotiate this challenging landscape and to support our advocacy to change the system. South Port Community Housing, Servants Housing and YWCA Ltd particularly have provided important support and wisdom to us over the past year. Thank You. Our partners in government, particularly within Homes Victoria, alongside the knowledgeable staff at our peak body,

CHIA Vic, have proven very helpful, and there is growing recognition of the structural issues that agencies such as ours face.

What is clear, is that without structural change to the funding model of our segment of the social housing sector, many hundreds of vulnerable single people with few other options, now and in the future, will miss out on securing a home.

In this context, we increased our focus on partnerships and on continuous improvement. This year we made significant improvements in how we manage maintenance within our properties. Our maintenance team has been supported through an intensive process with Toyota System Support Centre (TSSC) to reduce waste and establish efficient methods to increase productivity and deliver better maintenance services. Staff increasingly understand the processes that their actions contribute to, and how they can better ensure maintenance is completed quickly and effectively.

At a strategic level, we are partnering with Homes Victoria to develop a portfolio plan that will start to modernise the ageing publicly owned housing stock that we manage on their behalf. We are confident that by taking a whole of portfolio approach, and by working together, that we can raise the standard of this accommodation into good quality, high amenity homes without reducing the number of people we are able to house.

We continue to work with our supportive partners, the City of Port Phillip and Homes Victoria to deliver the Common Ground project on Wellington Street in St Kilda, which we aim to begin construction in early 2024.

Again, my grateful appreciation to our staff, Board and our residents for another successful year for the organisation.

Andrew D'Arcy
CEO



Chair Report

As the global pandemic challenges lessen and cost of living pressures emerge, the Board of St Kilda Community Housing has intensified its efforts this year to seek long-term solutions for the sector's most pressing issues. Many of these challenges are structural, and as we continue to prioritise housing and support for local individuals with backgrounds including trauma, homelessness, and disadvantage, these issues will increasingly affect us in the future.

We are committed to this challenging yet vital work, intensifying our advocacy efforts through submissions, meetings with key decision-makers, and active participation in sectoral dialogues. We are currently highlighting the inadequacy of our existing funding, primarily derived from rents, which falls short of adequately supporting the necessary maintenance and upgrades for the properties under our management. Over four decades, we have gone beyond the mere provision of housing, and the unfunded component of our successful model assumes paramount importance. Our role in housing individuals with complex needs, who have limited access to other housing alternatives, underscores a clear policy and funding shortfall. The Board recognises that St Kilda Community Housing needs to modernise, and the homelessness services and social housing system must also adapt.

The Wellington Street Common Ground Project, funded by State and local government, will replace a 1980's rooming house, which is currently in disrepair, with modern, purpose-built accommodation. Delivering capital projects is challenging in the current economic climate,

especially for smaller agencies with limited resources. Therefore, we've opted to sell our Barkly Street property since we couldn't secure capital funds under the Big Housing Build program, and the property isn't suitable for our needs without redevelopment.

Next year, we'll prioritise assessing and enhancing our portfolio mix, considering the rising sales of undivided local unit blocks. These units provide crucial affordable rental accommodation in the area, but once sold, they are upgraded, subdivided, and no longer affordable for low to moderate-income individuals. We're concerned about this loss of affordable housing and see it as an opportunity for swift, cost-effective portfolio improvements.

Ironically, our path forward involves returning to our roots. Four decades ago, we were established in response to the rapid loss of affordable housing in the local area. Our initial efforts saved numerous housing options from permanent disappearance in St Kilda. We aspire to achieve success once more.

To succeed, we must establish new partnerships and collaborate closely with Homes Victoria and local residents. This is vital to sustain essential social infrastructure and ensure housing for low-income individuals in their communities. The substantial funding from the Victorian Big Housing Build and the Federal Housing Australia Future Fund (HAFF) represents significant investments that we anticipate will enhance the condition of our managed housing and offer improved quality housing for our most vulnerable, lowest-income residents.

Our work is demanding, and our effectiveness is solely achievable due to the capable, optimistic, and proactive leadership of our CEO, Andrew D'Arcy, and his team. I extend my gratitude to my fellow Board members, as well as to all the staff, supporters, and residents of St Kilda Community Housing.

Liz Johnstone
Chair

Our Board



Liz Johnstone
Chairperson

Liz is Board Chair and Chair for the Housing and Development Committee. She has long term experience in public policy related to Public Policy in urban planning, building and sustainability at a local and state government level. Liz was appointed to the Board in 2015, providing professional input to the Board, Management & Finance, and Housing & Development committees.



Peter Seamer AM
Treasurer

Peter is Chair for the Finance and Risk committee and has been involved in the planning and growth of cities with a particular emphasis on their long-term planning. He has worked in local Government and currently has advisory roles with both Government and non-Government organisations.



Carmel Collins LLB
Secretary

After a decade at Parliamentary Counsel, Carmel held senior management and directorship positions in Natural Resources, Infrastructure and Law departments of the state government. She was Manager of Tenancy Services in the Office of Housing.



Dr Mandy Leveratt

Mandy obtained a PhD in History from the ANU and then worked in policy and research in the not-for-profit sector for over twenty years. Her research areas covered housing, aged care, industrial relations and health workforce. She then spent 10 years working in community housing – eight of which were spent as a senior manager at St Kilda Community Housing.



Greg Mundy FCHSM

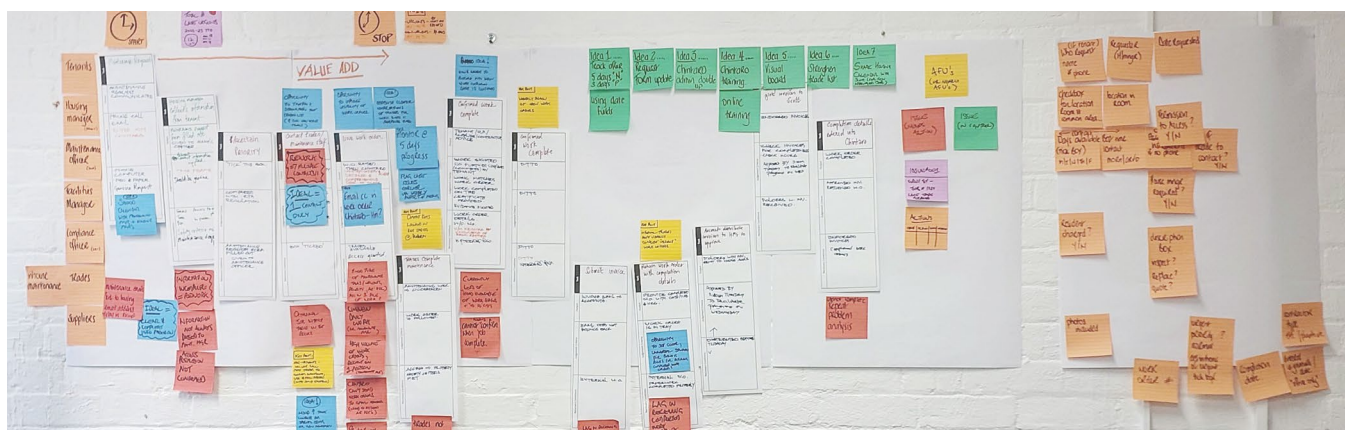
Greg Mundy has held senior management and Chief Executive positions in several government and health and human services organisations. He has been a director and Board member of national bodies in health and aged services.



Jack Haber

Jack is a registered Architect, Land Economist, and Valuer with postgraduate qualifications in Applied Finance and Financial Planning. Since 1997, he has managed medium to large projects in various sectors and currently serves as Head of Development at Haven Home Safe, a large community housing association.

Our Properties



Over the last 12 months we completed projects funded under the State Government's Building Works Maintenance Stimulus Program, notably bathroom refurbishments, boiler replacements, improvements to common areas and a continuation of our CCTV upgrade program. All this work was designed to address resident amenity, tenant and staff security and services functionality.

Although the program was completed in 2022, we remain hopeful of receiving further Government funding assistance that will allow us to continue to address ongoing and significant maintenance issues. This year decisions were made to close two of our premises.

Wellington St. was closed in anticipation of proceeding with the construction of an exciting new Common Ground development on the site. This 3-level energy efficient building, planned to provide self-contained accommodation for 26 very vulnerable people, will replace an ageing 12-bed shared facility building that is no longer fit for purpose. Funding for this project has been provided from City of Port Phillip and Homes Victoria.

We have also had to say goodbye to our charming Barkly St property as the accommodation it provided was no longer consistent with community expectations. Sadly, redevelopment of the property was not considered feasible.

A major focus this year has been improvements in our maintenance management.

1. A Maintenance Officer was employed with the sole and dedicated responsibility of administering maintenance activities.
2. Toyota System Support Centre (TSSC Australia) was engaged to help us identify and improve processes for maintenance works monitoring and control. Their amazing input, led by Stefaniya Drake, has been invaluable in developing systems that have allowed us to concentrate on improved work quality alongside a reduction in response times.
3. Additional contractors have been introduced to our suite of tradespersons to accelerate response times.
4. We have entered into partnerships with key suppliers to reduce costs of items, particularly those that require planned replacement. We thank Shaw Contract Carpets for their participation.

In conjunction with Homes Victoria, we are undertaking a major review of the state-owned assets under our management. The intention of this review is to address functionality and maintenance issues that are concomitant with ageing stock. Several of these properties require significant upgrades. Our goal is to deliver improved accommodation without reducing overall accommodation numbers. We anticipate the first project to commence in 2024.

A Reflection Of Our Rich History



In “The Structure of Scientific Revolutions,” Thomas Kuhn explains that “a shift starts to emerge when increasingly the problems the paradigm sought to explain, won’t go away.” The remaining problems becoming bigger problems.

Over the last 40 years, it would be fair to say, SCH has in a modest but important way done its best at chipping away to expose the inequalities in what has been the post war dominant housing paradigm. And to expose the problems with a view to offering at least at a local level some possible solutions.

Today, it’s impossible to avoid references to the “housing crisis” when reading newspapers or watching the news. Decades of governmental inaction and reliance on the “free market” have triggered a palpable political panic. The old paradigm’s failures are evident, and countless opportunities have slipped away.

SCH has a proud history. In a signature way it has attempted to enact the old imperative “to walk the talk”. When property developers “discovered” St. Kilda back in the 80’s, SCH lobbied government to intervene in the gobbling up of rooming houses by developer self-interest. As the vehicle for the management of these acquisitions, it established itself with the personnel and expertise and local and organisational structure to deliver on a charter to provide secure, safe and affordable housing. Along the way many people have donated their time and social capital and expertise to meet the challenge of making this vision achievable.

SCH has always recognised the problems which constrain housing fairness are matters of policy which need to be addressed at all levels of government. To this end It has run forums to encourage debate, to both amplify and clarify what is at stake and to point to what might be done. These endeavors are rooted in the belief that democracy thrives on exchanging diverse viewpoints and positions.

At a local government level, SCH has engaged in planning to address homelessness, implementing strategies that led to a highly successful municipal housing program.

SCH has also partnered with local churches to repurpose underused land and properties for housing. Additionally, when private rooming houses faced closure, we have been “on the ground” to do the work around relocations.

There has been no single road taken. It has been a lean journey to get to where we are now as a provider of 333 units of housing. In the immediate future various factors weigh against capacity for taking on big build projects. However, we remain vigilant and opportunistic in scoping new projects that fall within our capacity.

We require innovative political thinking across all government levels, and there are positive indications of progress. As a strong, community-based housing provider, we are firmly dedicated to contributing to this future.

By John Broderick



Power Saving Bonus – Making Sure No Renter Misses Out

The Power Saving Bonus (PSB) is currently assisting people across Victoria with \$250 bonuses to help alleviate cost-of-living pressures. There have been several of these bonuses, formulated to stimulate the economy, whilst assisting the community with rising costs.

Late last year it became clear that many of our renters would miss out on the bonuses as many of our properties are not individually metered. Our residents pay for their utilities as part of a property cost. Without an electricity bill, they could not secure the funds.

To most of our tenants, \$250 is a substantial amount.

Hence, we began to advocate with DELWP (Now Department of Energy, Environment and Climate Action, DEECA) to assist our residents to secure the upcoming PSB. Fortuitously, the Ethnic Communities' Council Victoria (ECCV) reached out to us and assisted with this social equity issue. ECCV had been funded by DELWP to ensure that hard to reach multicultural cohorts had assistance to secure the bonuses.

They understood the issue, and with key contacts at DELWP (DEECA) began to work through a tangled process to ensure that this vulnerable and disadvantaged cohort were able to secure the universal bonus. With the goodwill of all involved, the funds were released to us to disperse within our renter community in April.

There is still room for improvement. People who live in properties with shared kitchens or bathroom facilities will only receive a share of one bonus per property during this funding round. Our team has performed significant amounts of additional work to individually claim and then administer these valuable funds to our renters.

That said, our project has resulted in \$60k being dispersed to some of St Kilda's most disadvantaged people. Even better, when the next PSB was announced, we secured an additional \$60K in the next round as well. This ensures our renters will not miss out on future bonuses.

For people surviving on welfare payments, \$500 is a significant sum, and our renters have certainly appreciated the unexpected funds. The process reinforces that finding new and passionate partners within government and other sectors is a game changer when you need to 'go out of your lane'. Our excellent partners in ECCV and DEECA were new to us but shared our passion to do the right thing by people.

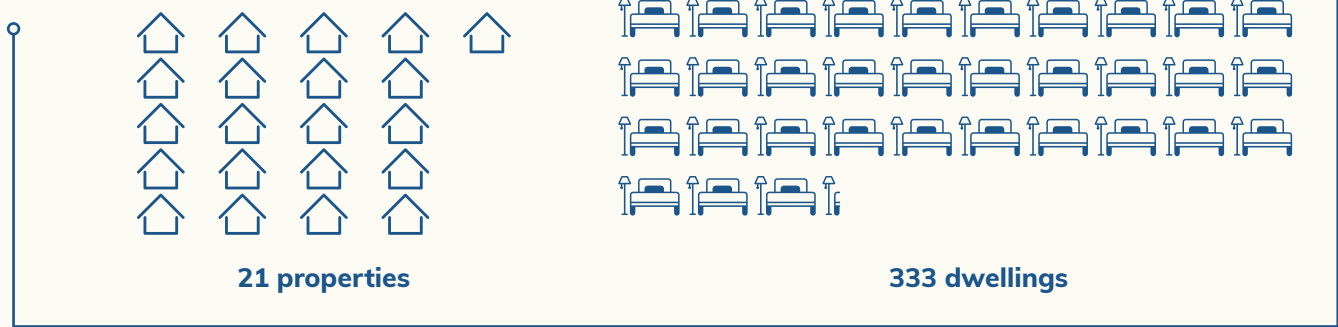
Next Step – future initiatives to support the community with cost-of-living pressures must include *all* vulnerable communities in their design. People experiencing rough sleeping, couch surfing, living in Crisis Accommodation, Family Violence or Youth Refuge currently miss out. Other groups miss out too and they are often exactly the people that critically require financial assistance.

It can be done when we have the will. We certainly have the skills to include everyone in important community initiatives.

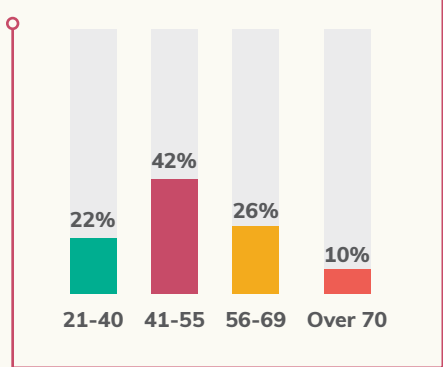


Our Residents At A Glance

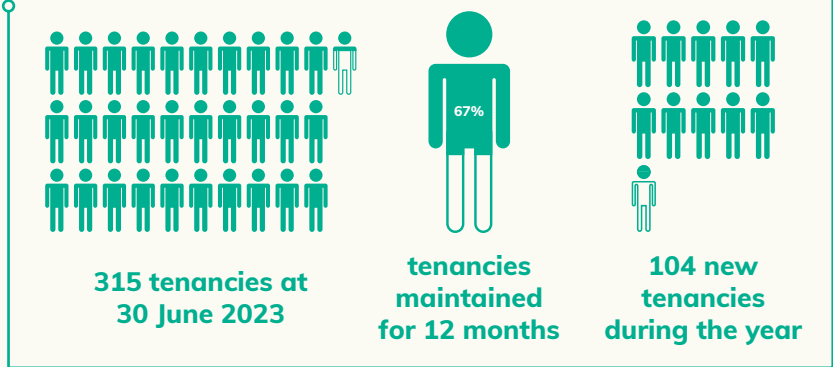
PROPERTY PORTFOLIO



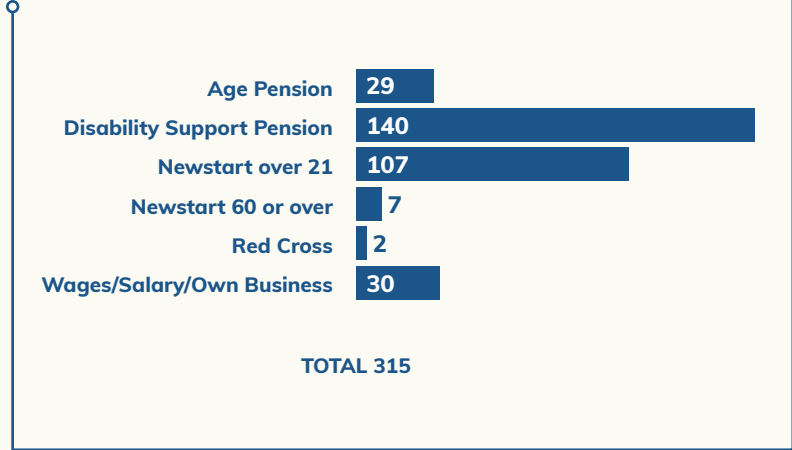
AGES



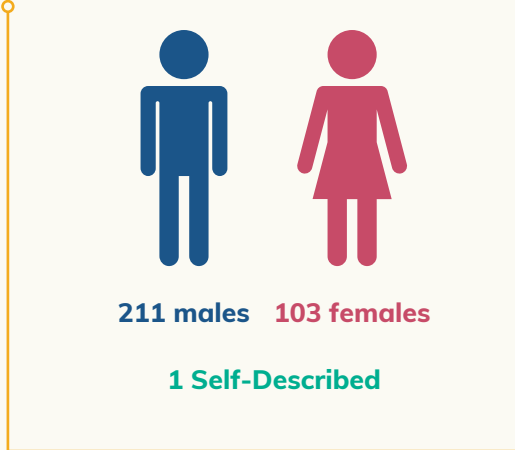
TENANCIES



INCOME



GENDER



Financial Report

Income Statement

for the year ended 30th June 2023

	2023 \$	2022 \$
Revenue	3,537,363	3,025,486
Other Income	102,895	34,178
	3,640,258	3,059,664
Administrative expenses	(164,931)	(128,997)
Bad and Doubtful Debts	(77,457)	(61,797)
Depreciation and amortisation	(278,990)	(293,762)
Employment Expenses	(1,454,222)	(1,338,833)
Finance charges	(275,363)	(160,328)
Property Management expenses	(399,856)	(482,741)
Tenancy Management and operational expenses	(966,908)	(687,568)
Other Expenses	(28,753)	(48,494)
	(3,646,470)	(3,202,520)
Deficit Before Income Tax Expense	(6,212)	(142,856)

The St Kilda Community Housing Limited (SCH) has had a successful year providing safe and affordable accommodation for around 350 residents in 21 community houses in St Kilda and environs. The financial deficit for this financial year, at \$6212, was an improvement on the previous year.

Cash reserves on June 30th, 2023, were \$3,102,693, significantly more than last financial year largely due to the partial delivery of funding for the Wellington Street project. Total equity on the Balance Sheet remains strong at \$6,348,993, largely unchanged from last year.

The most significant risks for the organisation are the currently unresolved issues relating to our ability to fund the Wellington Street project and achieving a satisfactory sale for the Barkly Street property. Both these issues should be resolved during the remainder of 2023.

Balance Sheet

for the year ended 30th June 2023

	2023 \$	2022 \$
Current Assets		
Cash	3,102,693	260,894
Receivables and prepayments	515,952	179,951
Total Current Assets	3,618,645	440,845
Non-Current Assets		
Work in progress		462,420
Property, Plant & equipment	10,536,045	10,806,089
Total Non-Current Assets	10,536,045	11,268,509
Total Assets	14,154,690	11,709,354
Current Liabilities		
Trade & other payables	261,510	391,842
Rent received in advance	80,415	54,581
Borrowings	4,189,150	4,173,058
Provisions	137,571	131,331
Unearned Revenue – Wellington Project	2,550,391	
Total Current Liabilities	7,219,037	4,750,812
Non-Current Liabilities		
Borrowings	542,112	603,337
Total Non-Current Liabilities	44,548	603,337
Total Liabilities	586,660	5,354,149
Net Assets	7,805,697	6,355,205
Equity		
Accumulated Surplus	4,448,993	4,455,205
Asset Revaluation Reserve	1,900,000	1,900,000
Total Equity	6,348,993	6,355,205

Improved Government funding for many of our clients will allow us to improve on our rental revenue in the coming year, putting the SCH on a stronger footing. Our auditor Stannards Accountants and Advisors provided a favourable report on accountability, controls, and management within our organisation.

The Finance Committee met regularly throughout the 2022-23 financial year and our accounting policies and reporting have improved greatly over the past couple of years. The late Paul Madden was Treasurer for the early part of this financial year but resigned from the Board in November 2022. The Board has recognised his immense contribution to the (SCH) over many years.

Once the issues related to Wellington Street and Barkly Street are resolved the Board is planning to move ahead prioritising organisational sustainability and investigating a range of opportunities to grow our affordable housing stock.

Peter Seamer
Treasurer

Note: These abridged financial statements are extracts from the audited financial statements of SCH as approved by the Board of Directors on October 2023. A copy of the audited Financial Statements is available on request from the registered office of St Kilda Community Housing Ltd.

Thanks To Our Partners



AlfredHealth



Servants
COMMUNITY HOUSING



116 St Kilda Road, St Kilda, Vic 3182

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www.stkch.org.au

St Kilda Community Housing Ltd acknowledges that we are on the traditional land of the Boonwurrung and Wurundjeri people and offer our respects to the elders past, present and emerging.