

The South Australian Housing Trust

Proud Past, Uncertain Future

The South Australia Housing Trust (SAHT) was established in 1936 in recognition of the social and economic value of providing South Australians with affordable, appropriate and secure public housing. The SAHT is governed by the SA Housing Trust Act (1995). Up until the 1990's, SA was a national leader in providing a comprehensive range of housing assistance programs and public rental housing developments, characterised by a social and economic mix of households.¹

Over the last decade, declining levels of Commonwealth and State Government funding for public housing, the introduction of targeted housing policies in 2000, coupled with debt of \$810 million and an ageing housing stock requiring high levels of maintenance, have resulted in concerns about the long-term financial viability of the SA Housing Trust.²

As a consequence, housing stock levels of the SAHT have reduced by 14,743 dwellings from 63,014 in 1993 to 48,271 in 2003.³ Part of this decline is due to transfers of housing stock to the South Australian Community Housing Authority (SACHA) and the Aboriginal Housing Authority (AHA). Even so, there has been a decline of 10,353 dwellings in social housing (i.e. SAHT, AHA and Community Housing combined) from 64,549 in June 1993 to 54,196 in June 2003.⁴

The decline in housing stock levels of the SA Housing Trust may have contributed to increasing levels of homelessness, continuing high levels of wait list demand, increasing length of time that applicants are required to wait for public housing, and increasing numbers of households renting privately that are experiencing 'housing stress'.⁵

In addition to the public rental housing program, the SA Housing Trust administers a number of other programs including: Private Rental Assistance Program, Supported Accommodation Assistance Program, Crisis Accommodation Program, Disability Housing Program, Student Housing Program, On-Arrival Accommodation Program and the Emergency Hotel / Motel Accommodation Assistance Program. It also leases boarding houses and transitional housing to community organisations.⁶

SNAPSHOT 10

JULY 2004

Shelter SA
Torrens Building
220 Victoria Square
Adelaide
SA 5000

Phone: 08 8221 6488

Fax: 08 8221 6292

Email: sheltersa@sheltersa.asn.au

Web: www.sheltersa.asn.au



Shelter SA
Housing: a basic human right

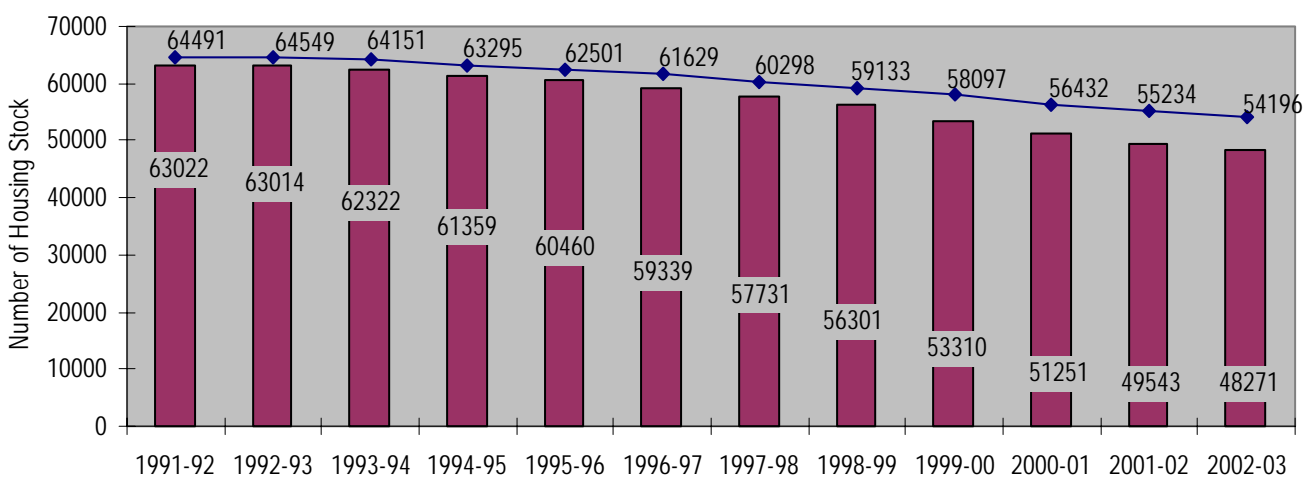
SA Housing Trust

Number of People Living in SAHT Dwellings

- ◆ There were 63,511 occupants in SAHT properties that received a rental subsidy as of June 30th 2003, comprising 49,491 adults and 14,005 children. In addition, a further 7,240 households were paying market rent.⁷
- ◆ As of June 30th 2003, the SA Housing Trust had a rental stock of 48,271 dwellings, comprising 27% detached houses, 56% attached houses, 5% flats, and 12% cottage flats.⁸
- ◆ As of June 30th 2003, 13.3% of dwellings had one bedroom, 33.2 % two bedrooms, 51.2% three bedrooms and 2.2 % four bedrooms.⁹
- ◆ 46% of the rental stock is located in metropolitan Adelaide, 31% in outer metropolitan Adelaide and 23% in country SA.¹⁰
- ◆ In 2001, SAHT dwellings accounted for 8.8% of all rented dwellings in South Australia.¹¹

Decline in Housing Trust Stock

- ◆ From June 1992–June 2003, there was a decline of 14,751 dwellings from SAHT rental stock, or an average of 1,341 dwellings per year.¹² The most rapid decline in stock numbers has occurred from 1999-2003.
- ◆ *The South Australian Housing Trust Triennial Review 1997/98-1999/2000* predicts that unless there is more commitment to public housing by State and Commonwealth Governments, coupled with internal reform, the decline will continue until there are just 30,000 SAHT properties in 2020-21.¹³
- ◆ Growth in community housing stock and Aboriginal Housing Authority stock has not compensated for the decline in SAHT stock, resulting in a net loss of 10,295 dwellings in social housing stock over the past 10 years.¹⁴
- ◆ The decline in SAHT stock continues despite the SA Labor Party Housing Platform stating that *Labor will end the sell-off of public housing (unless balanced by new development)*.¹⁵



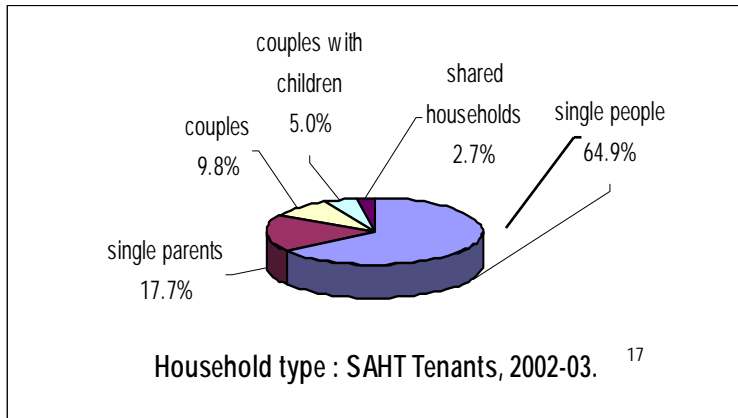
Decline of SAHT and Social Housing Stock, SA, 1992-2003

16

SAHT Stock
Total Social Housing Stock

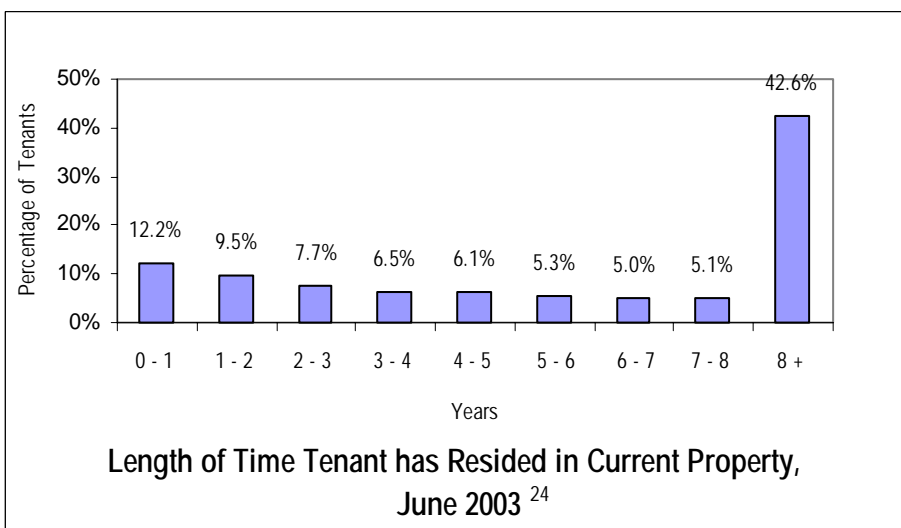
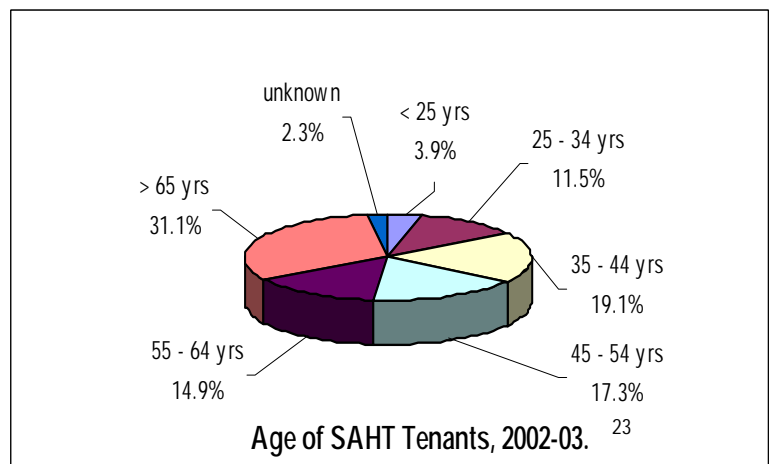
SA Housing Trust

Characteristics of Housing Trust Tenants



- ◆ The average weekly household income of new tenants in 2002-03 was \$297, which represented 33.2% of Average State Weekly Earnings.¹⁸
- ◆ 85.3% of existing tenants and 93.1% of new tenants received a rental rebate during 2002-03.¹⁹
- ◆ 96% of SAHT tenants who received a rent subsidy were recipients of a Centrelink income, (as of February 2004).²⁰

- ◆ There is a mismatch of existing dwelling sizes and household demographics. While over 60% of SAHT tenants are single people, SAHT housing stock is predominately three bedroom houses, (51.2% of overall housing stock).²¹
- ◆ 59% (149 out of a total of 252), of all new dwellings built by the SAHT in 2002-03 were two bedroom houses.²²
- ◆ Note: The SAHT advise that due to a data error the percentage of Single Person households is slightly overstated in the above graph .



- ◆ 12.2% of tenants have resided in their current property for less than 1 year.
- ◆ 23.7% for 1-4 years.
- ◆ 21.5% for 4-8 years.
- ◆ 42.6% for more than 8 years.²⁵

SA Housing Trust

Eligibility Requirements

To be eligible to apply for a service with the SA Housing Trust, a person/household:

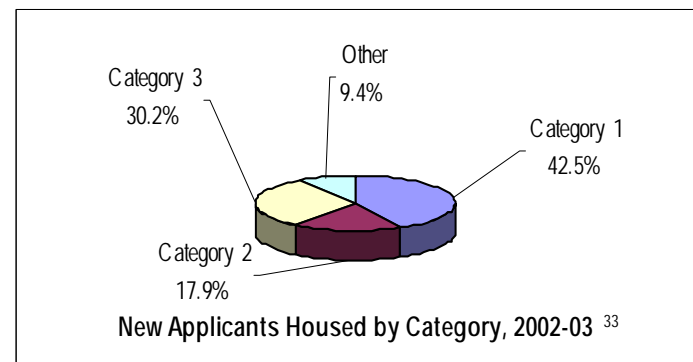
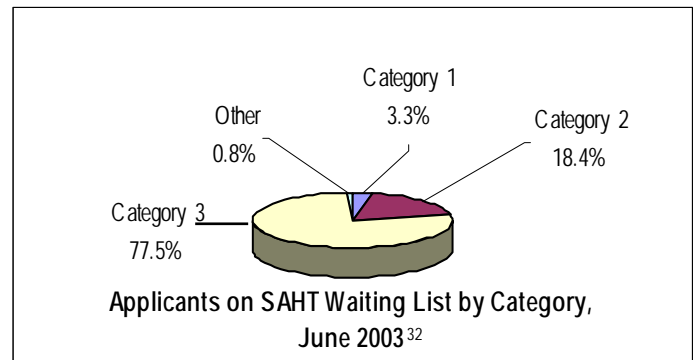
- ◆ Must be a resident of South Australia.
- ◆ Must be in receipt of an independent income (regular wage, salary or Centrelink payment, etc.)
- ◆ Must not hold ownership in residential property.
- ◆ Must meet Income and Asset Limits and / or a Needs Test.
- ◆ Income Limits (as of June 2004) were \$585 gross income per week (\$30,413 p.a.) for a single person up to \$1,215 gross income per week (\$63,166 p.a.) for a couple with 4 or more dependents.
- ◆ Asset Limits (as of June 2004) were \$257,500 for a single person households up to \$320,500 for couple households. (Note: both the income and asset limits are updated regularly).²⁶

In 2000 there were significant changes to eligibility and wait list management policies for public housing, including a requirement to target public housing to those applicants most in need. As a result, four categories of applicants were introduced:

- ◆ Category 1: Applicants in urgent need of housing.
- ◆ Category 2: Applicants who have high housing need and are unable to access or maintain other long-term housing.
- ◆ Category 3: Applicants who pass an income and asset test but do not have high housing need.²⁷
- ◆ Category 4: Existing SAHT tenants who wish to transfer to another SAHT property because of personal preference.²⁸

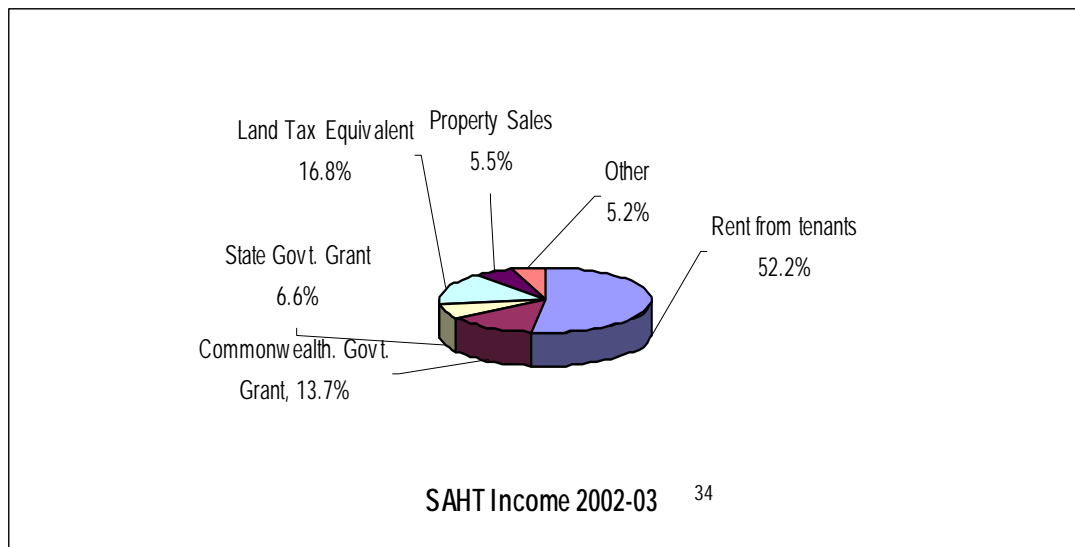
Characteristics of New Tenants

- ◆ There were 26,670 households on the SA Housing Trust waiting list as at June 30th 2003, which continues to indicate high levels of demand for public housing services.
- ◆ Of these applicants:
 - 3.3% were Category 1.
 - 18.4% were Category 2.
 - 77.5% were Category 3.
 - 0.8% were 'low demand' or to be determined.²⁹
- ◆ There were 9,058 new applicants during 2002-03:
 - 10.0% were Category 1.
 - 20.5% were Category 2.
 - 65.5% Category 3.
 - 4.0% were 'other'.³⁰
- ◆ 4,187 new tenants were housed in 2002-03, which is approximately 50% less than in 1993-94. 42.5% of these were in Category 1.³¹



SA Housing Trust

SAHT Income 2002-03



Income of the SAHT for 2002-03 was \$347.4 million:

- ◆ Rent received from tenants: \$181.5 m.
- ◆ Commonwealth Government Grants: \$47.5 m.
- ◆ State Government Grants: \$23.0 m.
- ◆ Land Tax Equivalent Reimbursement: \$58.4 m.
- ◆ Property Sales: \$19.1 m.
- ◆ Other (recovery of debt, interest, sundry): \$17.8 m.³⁵

Properties Sold:

- ◆ 607 dwellings, vacant land allotments created by the SAHT capital program, and some 'inventory vacant land' were sold during 2002-03.
- ◆ The sale proceeds were \$80.66 m.
- ◆ The profit or revenue realised by the sale of the 607 houses (i.e. the sale proceeds minus net book value of asset and any costs associated with the sale of the properties), was \$10.65 million. This represents an average of \$17,500 profit for each dwelling sold.
- ◆ In 2002-03, 37% of sales were to existing SAHT tenants and 63% were to private buyers.³⁶

Houses Transferred:

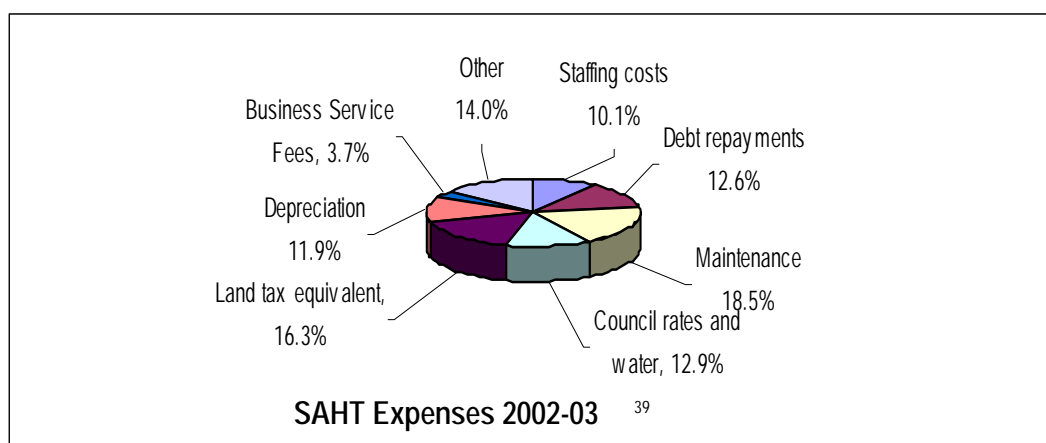
- ◆ 152 houses were transferred to the SA Community Housing Authority during 2002-03.
- ◆ 31 houses were transferred to the Aboriginal Housing Authority during 2002-03.³⁷

Customer Debt (as of June 30th 2003):

- ◆ Unpaid rent or maintenance charges, lost bonds, excess water charges: \$14.5 m.
- ◆ 73% or \$10.6 m was being repaid by customers through regular repayments.³⁸

SA Housing Trust

SAHT Expenses 2002-03



Expenses for the SAHT during 2002-03 were \$356 million:

- ◆ Staffing costs: 704 staff (676 FTE) were employed as of June 30th 2003, at a cost of \$36 million (equivalent to \$745 per dwelling per year). ⁴⁰
- ◆ Borrowing costs: \$44.88 million in interest was paid to the Commonwealth Government on the outstanding loan of \$810 million. The interest payment represents 94% of the grant provided to the SAHT by the Commonwealth Government. The weighted average interest rates for the loan is 4.19%. The loan is repayable over 53 years with the final instalment scheduled for 2042. \$16.46 million was paid off the principal in 2002-03, but this is not considered an expense (in accounting terms), but rather a reduction in liability. ⁴¹
- ◆ Maintenance costs: \$65.65 m.
- ◆ Council rates and water charges: \$46.1 m.
- ◆ Land tax equivalent: \$58.1 m.
- ◆ Depreciation: \$42.3 m.
- ◆ Business Service Fees: \$13.0 m. (Fees charged by other units within the DHS for services to the SAHT).
- ◆ Other: Rent of administrative properties: \$3.84 m.; Lease rental expenses, rental properties: \$1.7 m.; Insurance: \$3.5 m.; Bad and doubtful debts: \$7.9 m.; Grants (Private Rental Assistance and Crisis Accommodation): \$11.9 m.; Other (administration, writing off value of houses that were demolished etc): \$21.1 m. ⁴²

Houses Purchased and Constructed during 2002-03:

- ◆ 18 houses were purchased at a cost of \$3.3 million (average cost of \$183,000).
- ◆ 252 dwellings were built by the SAHT during 2002-03.
- ◆ 59% of new dwellings built were two-bedroom, 33% were three-bedroom, and 8% were four-bedroom.
- ◆ The median cost of a two-bedroom house (excluding land) in 2002-03 was \$92,000. ⁴³

Probationary Tenancies and Evictions:

- ◆ During 2002-03 there were 5,207 probationary tenancies. Of these 89.4% (4,655) were changed to an ongoing tenancy, 9.5% (404) had their probationary period extended, and 1.0% (52) did not have their tenancy renewed and were asked to leave. 0.2% (10) of tenants terminated their tenancy. ⁴⁴
- ◆ In 2002-03 there were 328 eviction applications by the SAHT and 141 eviction orders made by the Residential Tenancies Tribunal. The majority of these were for debt, and others were for disruptive tenancies. ⁴⁵
- ◆ The vacancy rate for 2002-03 was 4% of the total stock, or 1,931 dwellings. ⁴⁶

SA Housing Trust

Shelter SA Position Statement 10 South Australian Housing Trust

- 10.1 Shelter SA supports the retention and expansion of public housing stock, and strongly opposes the reduction in numbers of public housing.
- 10.2 Shelter SA supports the one-for-one replacement of public housing stock.
- 10.3 Shelter SA believes that when public housing stock is to be sold, priority of purchase should be given to the existing tenant, and secondly to other South Australian Housing Trust tenants or people on low incomes.
- 10.4 Shelter SA urges Commonwealth and State Governments to each increase funding commitments to public housing to considerably increase the supply of public housing stock.
- 10.5 Shelter SA urges the State Government to provide more than the amount of funding required to match Commonwealth funds in the Commonwealth State Housing Agreement (CSHA).
- 10.6 Shelter SA urges the Commonwealth Government to forgive state housing debt.
- 10.7 Shelter SA supports the South Australian Housing Trust in efforts to assist South Australian Housing Trust tenants who are at risk of eviction, in sustaining tenancies.
- 10.8 Shelter SA supports public housing dispersed through local communities in urban, rural and regional areas.
- 10.9 Shelter SA supports the location of public housing in areas close to employment opportunities, public transport, shops, health and education services.
- 10.10 Shelter SA supports broad eligibility for public housing to promote a social mix of tenants.
- 10.11 Shelter SA supports public housing rents set at a maximum of 25% of household income, up to full South Australian Housing Trust rents.
- 10.12 Shelter SA supports the South Australian Housing Trust move to improve its viability through the inclusion of 15% of tenants who can afford full South Australian Housing Trust rent.
- 10.13 Shelter SA supports South Australian Housing Trust homes being designed to meet basic housing and energy efficiency criteria.



Shelter SA
Housing: a basic human right

SA Housing Trust

References and Further Information

*Charity, Business and Sentiment: The SA Housing Trust 1936-1986.** (Marsden,S; 1986).

Housing Advice and Support South Australia (HASSA). Telephone: 8305 9459 or 1800 060 462.

*Housing Creates (W) Health and Wellbeing.** (SACOSS and Shelter SA, 2001).

*Productivity Commission Report on Government Services 2004.**

Available at: www.pc.gov.au/gsp/reports/rogs/2004/index.html

Public Housing Appeals Unit. Telephone: 8207 0080 or 1800 676 350.

*Shelter SA's Submission for the State Housing Plan.** (Shelter SA, June 2003).

Available at www.sheltersa.asn.au

*South Australian Housing Trust Annual Report 2002-2003.**

Available at www.housingtrust.sa.gov.au

*South Australian Housing Trust Act (1995).**

Available at: www.austlii.edu.au/au/legis/sa/consol_act/

*South Australian Housing Trust Triennial Review 1997/98—1999/2000.**

South Australian Housing Trust: Trust in Focus 2002-2003, Policies and Procedures*, Fact Sheets*.*

Available at www.housingtrust.sa.gov.au or at any SAHT office (policies not on website).

(* denotes that this reference is available in the Shelter SA library).

- | | | |
|---|-----|---|
| Footnotes | 20. | Information provided by SAHT |
| 1. SACOSS & Shelter SA, 2001, <i>Housing Creates (W)Health and Well-being</i> , p.11 | 21. | Ibid, p.32 |
| 2. <i>SAHT Annual Report 2002-03</i> , p.34 & <i>SAHT Triennial Review 1997-2000</i> , p.61 | 22. | Ibid, p.32,38 |
| 3. <i>Trust in Focus 2002-03</i> , p.48-49 | 23. | Ibid, p.6 |
| 4. <i>Trust in Focus 2002-03</i> , p.49, <i>SACHA Annual Report 2002-03</i> ,p.46, & figures supplied by AHA. | 24. | Ibid, p.12 |
| 5. Housing Stress is defined as lowest 40% of income units paying more than 25% of gross income in rent. | 25. | Ibid, p.12 |
| 6. <i>SAHT Annual Report 2002-03</i> , p.16-18 | 26. | <i>SAHT Eligibility Policy and Guidelines Trust in Focus 2002-03</i> , p.7 |
| 7. Information provided by SAHT | 27. | <i>SAHT Eligibility Policy and Guidelines Trust in Focus 2002-03</i> , p.8 |
| 8. <i>Trust in Focus 2002-03</i> , p. 32, 49. | 28. | Ibid, p.7 |
| 9. Ibid, p.32 & figures provided by SAHT. | 29. | Ibid, p.9 |
| 10. Ibid, p.33 & figures provided by SAHT. | 30. | Ibid, p.8 |
| 11. Census data 2001, <i>Trust in Focus 2002-03</i> , p.49 | 31. | Ibid, p.7 |
| 12. <i>Trust in Focus 2002-03</i> , p.49 | 32. | <i>SAHT Annual Report 2002-03</i> , p.59-62 |
| 13. <i>SAHT Triennial Review 1997-2000</i> , p.98 | 33. | Ibid, p.58-62 |
| 14. <i>Trust in Focus 2002-03</i> , p.49, <i>SACHA Annual Report 2002-03</i> , p.46, & figures supplied by AHA. | 34. | Ibid, p.61 |
| 15. SA Labor Housing Platform: www.sa.alp.org.au/policy/platform/house.html | 35. | <i>Trust in Focus 2002-03</i> , p.41 |
| 16. <i>Trust in Focus 2002-03</i> , p.49, <i>SACHA Annual Report 2002-03</i> , p.46, & figures supplied by AHA. | 36. | <i>SAHT Annual Report 2002-03</i> , p.15-16 |
| 17. <i>Trust in Focus 2002-03</i> , p.6 | 37. | Ibid, p.59 |
| 18. Ibid, p.13 | 38. | <i>SAHT Annual Report 2002-03</i> , p.42,59, & information provided by SAHT |
| 19. Ibid, p.15 | 39. | <i>SAHT Annual Report 2002-03</i> , p.52,54,66 |
| | 40. | Ibid, p.59,66 |
| | 41. | <i>Trust in Focus 2002-03</i> , p.38-39 & information provided by SAHT |
| | 42. | Information provided by SAHT |
| | 43. | <i>SAHT Annual Report 2002-03</i> , p.16 |
| | 44. | Information provided by SAHT |
| | 45. | Information provided by SAHT |
| | 46. | Information provided by SAHT |

