



Government of **Western Australia**  
Department of **Housing**

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# **HOUSING FOR WORKERS APPLICATION GUIDELINES FOR NON-GOVERNMENT ORGANISATIONS**

Version 1.1 – July 2011

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# HOUSING FOR WORKERS – APPLICATION GUIDELINES FOR NON-GOVERNMENT ORGANISATIONS

## 1. INTRODUCTION AND SCOPE

These guidelines are provided to assist Non-Government Organisations (NGOs) in applying for housing as part of the strategic intervention to provide housing for NGO employees. The provision of NGO employee housing as part of this initiative will be guided by criteria established at location, organisational and individual levels.

### 1.1. LOCATION

Housing is only available in the locations listed below. The table indicates the number of houses in each location and specifies the house size by reference to the number of bedrooms.

Location	No. of Bedrooms				Total
	2	3	4	5	
<b>KIMBERLEY</b>					
BROOME	-	8	-	-	8
DERBY	6	-	-	-	6
HALLS CREEK*	6				6
KUNUNURRA	-	6	-	-	6
<b>KIMBERLEY Total</b>	<b>6</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>26</b>
<b>PILBARA</b>					
KARRATHA	-	7	1	1	9
ROEBOURNE*	4	4			8
NEWMAN	-	1	-	-	1
SOUTH HEDLAND	-	14	-	-	14
<b>PILBARA Total</b>	<b>8</b>	<b>17</b>	<b>1</b>	<b>1</b>	<b>32</b>
<b>TOTAL</b>	<b>6</b>	<b>31</b>	<b>1</b>	<b>1</b>	<b>58</b>

\*It should be noted that the construction of the housing in Roebourne and Halls Creek is not due to be completed until December 2011 in the case of Roebourne, and during the first part of 2012 for Halls Creek. Applications from NGOs for these locations will still be considered notwithstanding that the housing is not yet available. However, NGOs will have to demonstrate they will have a current contract to deliver services in that location at the time that the housing becomes available.

## 1.2 ORGANISATION

Eligible organisations must be:

- A registered not-for-profit, non-government organisation;
- Contracted and funded by the State Government to provide specific services to a location that meets the location eligibility criteria above;
- Able to demonstrate that the provision, or expansion of, services is being detrimentally affected by the lack of housing;
- Generating *local* employment in the town of at least 1 full time position consisting of a minimum of 30 hours per week;
- Providing services to the broader community rather than primarily to the resource sector;
- Willing to require their employees to provide full disclosure of household members as part of employee housing applications.

## 1.3 INDIVIDUAL

NGO employees must also meet the following criteria to be eligible for assistance:

- Be an Australian Citizen or otherwise eligible to work in Australia;
- Have a contract of employment with an NGO;
- Not own property (house and/ or land) within 50km of the town of employment (in the case of staff who provide services to multiple locations, the employee's base location shall be considered). This also applies to the employee's partner;
- Must not be eligible for other employee housing programs. This also applies to the employee's partner and dependants;
- Require assistance to access affordable accommodation due to income constraints;
- Must have an arrangement in place to pay any existing debt with the Department of Housing;
- Be willing to provide full disclosure of household members as part of their employee housing application.

## 2. STRATEGIC INTENT

This initiative directly supports the following government policy objectives:

- Royalties for Regions focus on supporting and maintaining stronger and more vibrant regional communities – and in particular, the Housing our Workforce initiative.
- The *Affordable Housing Strategy 2010-2020: Opening Doors to Affordable Housing* and its key goal of increasing affordable housing supply across the State.
- Economic Audit Committee reforms, including the role of NGOs in delivering government funded services, and the need to support their ongoing viability if community benefits are to be maximised.

### 3. OBJECTIVE

The “Housing for Workers” initiative seeks to provide a quick and targeted investment into NGO housing in high-cost regional locations to sustain the delivery of key State Government funded NGO services and:

- 1) Prevent the withdrawal of key community services through the provision of affordable housing to NGO employees involved in the delivery of State Government programs;
- 2) Support the social well-being and sustainability of regional communities by enabling NGOs to deliver valuable services in a sustainable manner;
- 3) Enhance the stability of NGOs by providing their employees with access to affordable housing; and
- 4) Be consistent with the *Affordable Housing Strategy*, to explore and trial options that facilitate new types of housing models for people currently under serviced in the traditional housing market in high cost locations.

### 4. GUIDELINES

#### 4.1. APPLICATION PROCESS FOR PROPERTY ALLOCATION

It is expected that there will be significantly greater demand for NGO employee housing than will be available under the strategic intervention initiative. Therefore, a process will be established to ensure properties are allocated fairly and equitably.

The Department of Housing will conduct application rounds as required, depending on housing availability. Eligible NGOs will have a period of three weeks during which to lodge an application. The indicative timetable for the lodgement and determination of applications is illustrated below:

	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7
Ministerial Announcement							
Lodgement of Applications							
Sorting and Distribution of Applications to panel							
Determination and consideration by Panel							
Successful/Unsuccessful letters							

## **4.2. ELIGIBILITY**

NGOs will need to complete and submit the attached application form and satisfy the eligibility criteria outlined in item 1.2 above in order to be considered.

NGO employees must also meet the criteria outlined in item 1.3 above to be eligible for assistance.

Those eligible NGOs that are not allocated a property initially may be considered as houses become vacant, provided they continue to meet the eligibility criteria.

## **4.3. ALLOCATIONS PANEL**

An Allocations Panel has been established to ensure that housing is targeted appropriately according to need and community impact. The panel will be chaired by the Department of Housing and will include representatives from the following:

- Western Australian Council of Social Service
- Kimberley Development Commission
- Pilbara Development Commission
- Department of Regional Development and Lands (as an observer)

The Allocations Panel may invite comments from relevant local community organisations, including LGAs, to assist in informing the decision making process.

In determining the eligibility of applicants the Allocations Panel will consider the following:

- Priority criteria (as detailed below);
- Distribution of properties across NGOs servicing the same location, including consideration of the FTE of each organisation; and
- Information obtained from other relevant sources relating to the service need of a particular location.

The decision of the Allocations Panel will be final and cannot be appealed. Canvassing of panel members will result in NGO disqualification from the applications process.

## **4.4. PRIORITY CRITERIA**

### CRITICALITY

- Presence of other NGOs or Government agencies that provide the same or similar services in the same location and to the same target group
- Consequences to the NGO if not provided with access to housing
- Consequences to the community if the NGO ceased to deliver funded services
- Established need for services provided by the NGO

#### STRATEGIC IMPACT

- Impact of the NGO's services on the community in which it is based
- Existing partnerships between the NGO and other organisations within the local community
- Impact on the people requiring the services provided by the NGO if the service were not delivered

#### RELATIVE NEED

- Other housing/funding options available to the NGO and its employees
- Relative risk associated with not providing housing to the NGO

### **4.5. PROPERTY AND TENANCY MANAGEMENT**

The Department of Housing will manage the properties delivered under this strategic intervention using its existing regional network and expertise.

### **4.6. PROPERTY AGREEMENTS**

Properties will be head leased to NGOs for a fixed period coinciding with the NGO's existing service delivery contract with the State Government. The Department of Housing will prepare a tenancy agreement between the employing NGO and their individual employee. As authorised by the head lease, the Department will sign the tenancy agreement on behalf of the NGO, as the agent of the NGO.

The combination of a head lease and an individual tenancy agreement formalises the relationships between all parties. In addition, it clearly sets out tenancy obligations, better enabling the enforcement of tenancy standards and debt recovery. The NGO will be responsible for paying rent to the Department of Housing.

#### HEAD LEASE AGREEMENT

The head lease agreement will be between the Department of Housing and the NGO and will in effect 'tie' the NGO to the property for a set period coinciding with the NGO's existing service delivery contract. Should the property be allocated and unoccupied for a continuous period of three months, the NGO will be required to satisfy the Department of Housing that there are justified reasons supporting the vacancy. Should the NGO fail to provide a suitable explanation, the Department is at liberty to reallocate the property to another qualifying NGO.

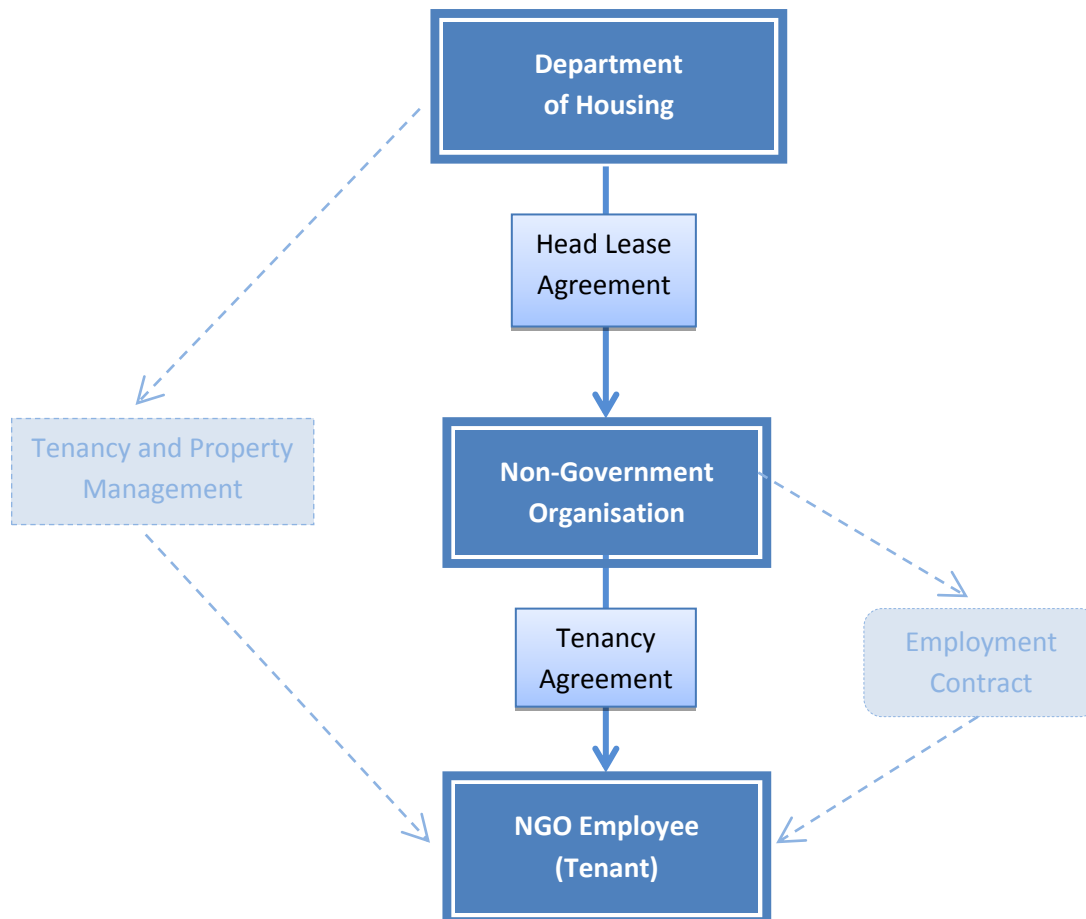
In the event that an NGO's service delivery contract comes to an end and is not renewed, the NGO's eligibility for housing will cease and the property must be vacated. The Department of Housing may, if necessary, check the ongoing eligibility of all parties at any point during the lease period.

Under no circumstances will the NGO or the tenant be permitted to sublet or transfer allocated properties or alter the signed agreements. The NGO is encouraged to support willing employees to share accommodation to maximise the use of allocated properties.

## TENANCY AGREEMENT

The tenancy agreement will take the form of an individual agreement between the NGO and its employees, however the Department will sign the tenancy agreement as the agent of the NGO. This agreement will tie the continuation of the tenancy to the employee remaining employed by the NGO, which is head leasing the property in which they reside. The NGO will be responsible for the collection of rent from the employee (which may or may not be subsidised by the NGO) and the subsequent payment of the total rent to the Department of Housing. The occupant will be liable for any consumption charges and will be liable for any damage to the property.

The diagram below represents the proposed lease structure that will apply to the housing allocated to the employees of NGOs as part of the strategic intervention.





## 4.7. RENT SETTING

The weekly rent payable by NGOs has been calculated using the NGO cost recovery rent calculator model, and for the first year will be set at between \$269 for a 1 bedroom property and \$567 for a 5 bedroom property, depending upon location. Rent will be reviewed annually.

The rent payable by NGO's under this initiative represents a significant discount in market rent in Karratha and South Hedland, where private rent for a three bedroom property is estimated to be \$1,339 and \$1,272 respectively.

NGOs will have three options in recovering the rent costs from tenants, as outlined below.

NGOs may adopt the current Government Regional Officers Housing Tenant Rent Setting Framework (TRSF) which calculates tenant rent by applying a number of levels of discounts to the Perth Median Rent. The Perth Median Rent is then discounted by 20% for high amenity properties, 40% for medium amenity properties and 60% for low amenity properties. Further discounts are then applied according to ratings against the following:

- Distance from Perth
- Distance from a major regional centre
- Distance from the coast
- Level of the location amenity

The following table illustrates the tenant rent calculation for a High Amenity Property using the Tenant Rent Setting Framework (TRSF).

No. Bedrooms	Unadjusted Perth Median Rent*	Less 20% discount	Sub Total	Less location discount of 24%	TRSF Rent Payable
1 - 2	\$315.00	\$63.00	\$252.00	\$60.48	\$191.52
3	\$340.00	\$68.00	\$272.00	\$65.28	\$206.72
4 - 5	\$410.00	\$82.00	\$328.00	\$78.72	\$249.28

\* As at June quarter 2009-2010

As an alternative, the public housing rent model may be applied where rent is set at 25% of income.

Both rent options relieve housing stress for NGO employees; however, they also result in a weekly shortfall of between \$77 and \$370, which represents the difference between the cost recovery rent charged to NGOs and the rent set for individual tenants.

A third option would be for the NGO to pass on the full cost recovery rent to employees, thereby avoiding the need to fund any rent shortfall.

In implementing any of these options the NGO will need to carefully consider the full consequences on both the NGO and its employees. The following table provides details of the amount that will be charged to NGO's based upon the number of bedrooms and the tenant rent options described above.

No. of Bedrooms	Cost Recovery Rent (Paid to DoH by NGO)	Tenant Rent Options		
		TRSF Rent – high amenity in Karratha	25% of household income (based on \$41,000pa)	Full cost recovery rent
1	\$269	\$191.52	\$197	\$269
2	\$344	\$191.52	\$197	\$344
3	\$418	\$206.72	\$197	\$418
4	\$492	\$249.28	\$197	\$492
5	\$567	\$249.28	\$197	\$567

## 5. AUTHORITY AND HISTORY

The authorisation and amendment history for this document must be listed in the following table.

<i>Version</i>	<i>Authorised by</i>	<i>Approval Date</i>	<i>Effective Date</i>	<i>Sections modified</i>
1.1	Director Affordable Housing Policy	23 July 2011	28 July 2011	n/a

## 6. SUMMARY INFORMATION

<b>Policy Hierarchy link</b>	<b>NGO Housing Policy</b>
<b>Responsible Officer</b>	Director, Affordable Housing Policy
<b>Contact Officer</b>	Jacqui Herring, Principal Policy Officer, Affordable Housing Policy 9222 4502, <a href="mailto:jacqui.herring@housing.wa.gov.au">jacqui.herring@housing.wa.gov.au</a>
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<b>Associated Documents</b>	