

## Issues Evaluation Report - WA Moratorium End

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### Executive Summary

**Issue:**

WA has seen a drastic increase of homelessness and decrease of affordable/social housing in result of the moratorium being revoked on March 28th 2021. The moratorium (residential tenancy laws to prevent tenants from being forced out of their rental properties) was implemented in response to the COVID-19 pandemic to help individuals who lost their jobs or could not work due to mandatory lockdowns resulting in difficulty to pay rent.

The lift of the moratorium saw tenants immediately being kicked from their homes as properties were sold or tenants unable to pay rent which in some cases raised by more than \$100 a week. A rental crisis was declared as rent prices skyrocketed and WA was reported to have a crippling social housing deficit with a shortfall of 50,000 social/affordable homes.

**Impact:**

Mission Australia's reputation is on the line as the ability to meet our mission statement is affected by fast increasing numbers of homeless individuals in WA. Our small WA establishment does not meet the supply and demand of the post-moratorium issue as our funding fails to match the cost required.

Mission Australia's stakeholder relations are seeing tension as our funding partners feel the pressure to respond to the housing issue while our employees and volunteers struggle to support the issue with the lack of resources and funding.

**Risks:**

- Mission Australia unable to support growing number of homeless individuals
- Individuals unable to find housing and at risk of homelessness
- Funding and stakeholder relations are impacted negatively
- Not enough funds to support growing homelessness issue and lack of social housing
- Not enough supplies to reach the demand

**Issue management goal:**

'To continue our mission helping people find safe and affordable housing, limiting the risks of WA homelessness by raising funds to support Mission Australia's reputation and business functions through creating a structure for communicating with our internal and external stakeholders and funding partners.'

**Recommendations:**

Additionally to recommendations already outlined by the organisation in response to nation-wide homeless and social housing issues, WA and post-moratorium specific recommendations have been provided which address the issue, the impact on the organisation, Mission Australia's image and reputation, and stakeholder relations.

## Issue Overview

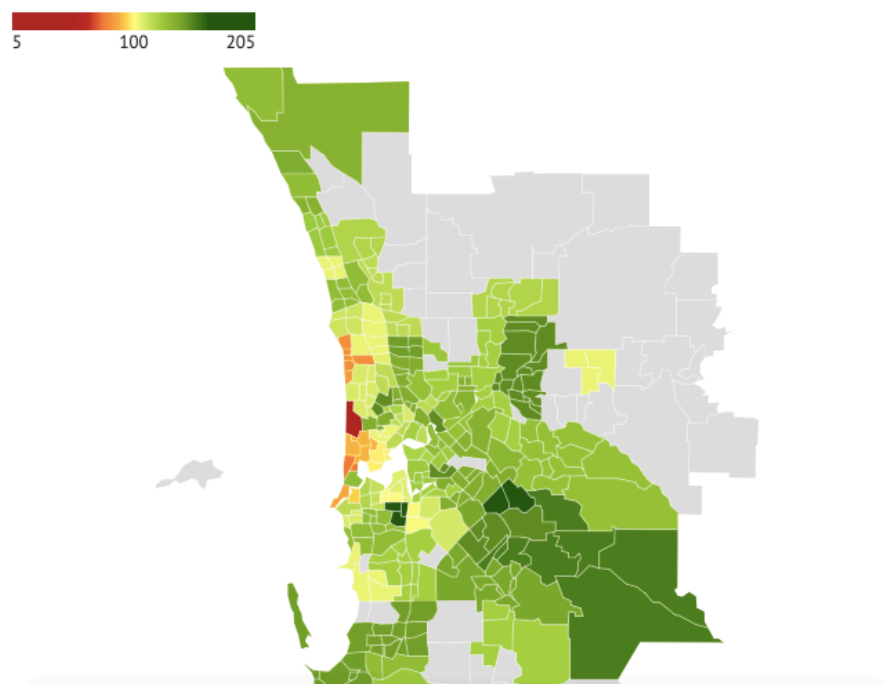
### End of the Residential Tenancy Laws

During the COVID-19 pandemic, due to mandatory lockdowns, many individuals lost their income and were unable keep up with payments. As a response to this, “the West Australian government passed laws to prevent tenants from being forced to move out of their rental properties or be made homeless. Long-stay residents in residential parks, boarders and lodgers paying rent were also covered” (Legal Aid, 2022). This moratorium was revoked on March 28th 2021 and the effects of this have caused Perth's vacancy rate to decline to one percent, the lowest it has been in 40 years (Collins, 2021). As such, REIWA officially declaring a ‘rental crisis’ (Hastie, 2020). “Across Western Australia, tenants have been told their rent is increasing now the moratorium is over, or the property is being sold and they have to get out” (Perpitch & Moodie, 2021). A 30 million residential rent relief grant hoped to save 4000 tenancies, however, this was clearly not enough. “There are currently 9000 people experiencing homelessness in the state and 15,000 people on the social housing waitlist” (Meachim & Lynch, 2020).

Since 2000, minimum wages only increased by 92% while the Perth house prices have increased more than 200% (Oliphant, 2021). “REIWA estimated rentals would now go up by an average 15 per cent, but there have been cases of rent going up by \$100 or more a week, making it unaffordable for the tenants to stay” (Perpitch & Moodie, 2021). Due to this, now in WA “there is a crippling social housing deficit with a shortfall of 39,200 social and 19,300 affordable homes (Oliphant, 2021). On Census night in 2016 there were an estimated 9000 people who were homeless in Western Australia, and these numbers grow with the housing stress of the 2021 moratorium lift (Kaleveld et al., 2019).

The WA borders opened on March 3rd 2022 and this further added to the housing crisis as people moved into or back to Perth increasing the number of tenants to the declining number of affordable housing. Many had to move in with friends and family or face homelessness (De Kruijff, 2020). “Welfare groups warned of a wave of homelessness the likes of which the state has not seen before” (Perpitch & Moodie, 2021). “Australia needs a National Housing Plan, much more social and affordable housing, better tenancy laws, reforms of tax settings, new planning measures and the removal of incentives distorting our housing system” (Thompson, 2021). At this present moment in WA, there are simply not enough affordable living spaces for individuals earning less than \$90,000.

The Rental Affordability Index for households with the Greater Perth median income of \$90,000 as at Q2, 2021.



## Impact

As Mission Australia's vision, mission, and goal statements align in interest with the issues proceeding the moratorium lift, this situation has potential reputation and resource impact to the organisation and our stakeholders.

Until 2021, we have succeeded in following our mission statement which reads, "Mission Australia's integrated nationwide services help people find safe and affordable housing, support disadvantaged children and families, empower troubled young people, assist people with mental illness and disability, and much more." (Mission Australia 2022). However, our vision and goal to 'create an Australia where all of us have a safe home and can thrive, ending homelessness across the country by 2030' has been set back with the development of rising homelessness and lack of social housing post moratorium which our usual budget was unequipped for (Mission Australia 2022).

Our reputation as a housing charity sees Mission Australia as a National Tier 1 community Housing Provider of social and affordable housing, therefore, an organisation individuals will turn to amid a 'housing and homeless crisis'. While we would like to address those affected by the moratorium lift, the "current NHFIC activity is insufficient to generate the investment required to address the existing shortfall in social and affordable housing" (Mission Australia, 2022). Additionally according to our 2019 annual housing report, while Mission Australia is a nation wide organisation, our development in WA is significantly lesser to our presence in eastern states.

Previous CEO James Toomy made a statement on this issue:

"Finding an affordable home to rent has never been so difficult. Many are heading into 2022 already homeless, often unexpectedly, because there isn't enough accommodation options to go around for everyone who needs it. Simply put, we need more homes, in cities, suburban, regional and rural areas that address the critical shortage of social and affordable homes and the resulting homelessness crisis that we're facing. This crisis demands the Federal Government takes the reins of a national plan to end homelessness in Australia which focuses on long-term investment to address the stark shortage of social and affordable homes."

Reputation risk, therefore, is a factor we must prepare for as imbalance of supply and demand of our resources impacts our ability to address the homelessness and social housing issue in WA.

We must further consider the impact of this issue on our stakeholders. Mission Australia is funded through; government funding; corporate partners, trusts and foundations; and community support, all stakeholders with high influence and high interest (Mission Australia, 2022). These partners now have pressure to expand their support in relation to the growing housing and homeless issue to meet our funding requirements. This impacts our relations with them greatly.

As our relations to these stakeholders are so important, our internal stakeholders are impacted as well; volunteers; employees; executives; and board members, have to put pressure on those funding Mission Australia to help our key stakeholder group, our customers; tenants; homeless individuals; social housing owners; and communities, who are greatly impacted by our resources that do not meet the demand.

## Risks

ISSUE	LIKELIHOOD	RISK	RISK CATEGORY	CONSEQUENCES	MITIGATION
<b>WA Increasing Homelessness</b>	Almost certain	Mission Australia unable to support growing number of homeless individuals	External	<ul style="list-style-type: none"> <li>- Mission Australia has reputation risk</li> <li>- Homeless Individuals cannot find support</li> <li>- Partners and Sponsors are under pressure to act on issue</li> </ul>	<ul style="list-style-type: none"> <li>- Increase funding</li> <li>- Establish shelters and housing in WA</li> <li>- Follow issue management plan</li> <li>- Address issue and keep up communication with stakeholders</li> </ul>
<b>WA Lack of Social Housing</b>	Almost certain	Individuals unable to find housing and at risk of homelessness	External	<ul style="list-style-type: none"> <li>- Mission Australia has reputation risk</li> <li>- Homelessness rising</li> <li>- Partners and Sponsors are under pressure to act on issue</li> </ul>	<ul style="list-style-type: none"> <li>- Follow issue management plan</li> <li>- Address issue and keep up communication with stakeholders</li> <li>- Increase funding</li> </ul>
<b>Negative Mission Australia Reputation</b>	Likely	Funding and stakeholder relations are impacted negatively	Internal	<ul style="list-style-type: none"> <li>- organisation loses funding partners</li> <li>- Stakeholder relations are negatively impacted</li> </ul>	<ul style="list-style-type: none"> <li>- keep strong relations with stakeholders and funding partners through clear and consistent communication</li> </ul>
<b>Continuous Low Government Funding</b>	Moderate	Not enough funds to support growing homelessness issue and lack of social housing	Internal	<ul style="list-style-type: none"> <li>- organisation cannot support homeless or individuals struggling with housing</li> <li>- organisation goals cannot be reached</li> <li>- Stakeholder/ funding partners expectations cannot be met</li> </ul>	<ul style="list-style-type: none"> <li>- follow issue management plan</li> <li>- Apply for grants</li> <li>- Reapply for funding</li> <li>- Reassess funding agreements</li> <li>- Continue clear and consistent communication with government funding body</li> </ul>
<b>Mission Australia WA Establishment Too Small</b>	Likely	Not enough supplies to reach the demand	Internal	<ul style="list-style-type: none"> <li>- difficulty addressing the WA homelessness and affordable housing issue</li> <li>- Stakeholder/ funding partners expectations not met</li> <li>- Organisation has reputation risk</li> </ul>	<ul style="list-style-type: none"> <li>- put more funding into the Mission Australia WA department too keep up with the demand for services</li> <li>- Acquire state funding</li> <li>- clear/consistent communication with stakeholders</li> </ul>

## Issue Management Goal

Implementing an issues management communication response in regards to the WA homelessness and social/affordable housing issues, the goal for such will be:

‘To continue our mission helping people find safe and affordable housing through 2022-2023, limiting the risks of WA homelessness by raising funds to support Mission Australia’s reputation and business functions through creating a structure for communicating with our internal and external stakeholders/funding partners, measured by increased funds raised and lower WA homeless statistics.’

This goal ensures the issue management communication response directly supports our mission, to help those in housing crisis, achieved through committed upkeep to communicate with our stakeholders/funding partners who directly influence our ability to achieve this mission.

## Recommendations

Mission Australia previously undertook a response to the homelessness and social housing issue across Australia, outlining key recommendations in the 2021-2022 federal pre-budget submission:

- Develop a national plan with clear targets to end homelessness by 2030, including a specific target for youth homelessness and homelessness among older people.
- Fully fund and expand the Reconnect program to ensure it operates effectively to prevent young people experiencing prolonged homelessness and to meet rising demand.
- Fund the construction of new specialist homelessness residential aged care facilities through the Aged Care Approvals Round, based on an assessment of need.
- Invest in 30,000 social housing units over a four-year period under the proposed Social Housing Acceleration and Renovation Program.
- Activate the capacity of the National Housing Finance and Investment Corporation (NHFIC) to provide equity participation in affordable housing developments.
- Create a capital housing aggregator to leverage government co-investment and attract private sector investment in social and affordable housing. (Mission Australia, 2022).

These recommendations continue to be applicable in addressing the WA post-moratorium issue, however as addressed, the Mission Australia WA base has little establishment impacting our ability to affect the WA housing climate. Adjusted recommendations for WA specifically are:

- Fully fund the expansion of the WA Mission Australia home base, giving individuals easy access to the organisations resources.
- Increase funding from the NHFIC to provide equity participation in affordable housing developments in response to the WA post-moratorium issue demand.
- Invest in 9000 social housing units over 2022 under the proposed Social Housing Acceleration and Renovation Program.

In response to the impact of this issue on both Mission Australia and our key stakeholders our recommendations are:

- Improve stakeholder/investor relations through targeted stakeholder communication regarding the WA post-moratorium issue with up to date organisation developments.
- Invest in internal communications to establish a clear goal and development plan to all employees and volunteers.
- Release a media statement regarding our plan to address WA post-moratorium issue, up keeping our reputation and image.

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