

Murchison Region Aboriginal Corporation (MRAC)

Operational overview

Introduction

MRAC is a member based not-for-profit dedicated Aboriginal community housing organisation operating in the Mid West and Gascoyne Regions of Western Australia. MRAC is established and operates under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and is registered under the Office of the Registrar of Indigenous Corporations (**ORIC**).

MRAC is also a registered Tier three preferred provider with the Western Australian Department of Housing, however registration is currently suspended due to ORIC imposed special administration in 2015. MRAC has been unable to progress lifting this suspension as a new national regulatory code for housing providers will be implemented during 2017. MRAC is scheduled to be reassessed for housing registration under the new standards in the last quarter of 2017.

Grounds for objection

It is generally accepted that Aboriginal people as a class are in need of protection and assistance (see *Shire of Ashburton v Bindibindi Community Aboriginal Corporation* [1999] WASC 108; *In re Mathew* [1951] VLR 226 and *Aboriginal Hostels Ltd v Darwin City Council* (1985) 75 FLR 197). Accordingly, land used for the purpose of improving the economic position, social condition and traditional ties of an Aboriginal community will generally constitute a charitable purpose (see *Shire of Derby-West Kimberley v Yungngora Association Inc* [2007] WASC 233) and so will purposes directed towards the advancement and well-being of Aboriginal persons (see *Shire of Ashburton v Bindibindi Community Aboriginal Corporation* [1999] WASC 108).

Most MRAC tenants experience varying levels of disadvantage either through lack of access to suitable employment, reliance on full or part Centrelink and as a disadvantaged group within society with the consequent lack of access to the private rental market.

MRAC's status as a registered charitable organisation with deductible gift recipient status recognises that MRAC housing responds to the needs of this disadvantaged group through the provision of affordable quality rental accommodation.

MRAC's operations

MRAC offers eligible Aboriginal people quality affordable accommodation to approved applicants on the relevant waiting lists in date order the application is approved.

All MRAC's properties are dedicated to the provision of affordable rental accommodation with the main office; 25 Crawford Street, Webberton used to administer the services of the organisation.

Any profit generated through rental revenue is reinvested in upgrading properties and where possible, purchasing additional stock to meet the high level of demand for housing. No commercial activities are conducted by MRAC.

Housing eligibility

Housing eligibility criteria are:

- Aboriginality;
- Residency requirements;
- Rental history;
- Outstanding debts; and
- Capacity to pay rent.

MRAC determines the most appropriate housing size in consultation with the applicant. (See attached policy and procedure). Every applicant that lodges an application with MRAC that meets the eligibility criteria will be housed.

Housing need

Whilst MRAC does not formally consider need, where an applicant with specific needs is close to the top of the waiting list and a suitable property becomes vacant, the applicant may be housed out of turn.

These scenarios include access to specific schools where a special needs child has an existing worker in place, access to hospitals, medical or other support needs, or a specific location with a more than secure property for victims of family violence.

The same applies to applicants with limited mobility. Where a property becomes vacant that has good flat access and an appropriate bathroom, those applicants may be housed out of order.

Where applicants have some level of complexity of need; for instance, homelessness, challenging mental health issues, or women or women and children escaping family violence, MRAC will only house these applicants with a documented case and support plan in place.

Work is currently underway to establish Memorandums of Understanding (**MOUs**) with related support services to ensure once a case plan is in place, all parties are clear on their rights, responsibilities and information access.

All applicants still need to have lodged a housing application and waited their turn on the waiting list. Wait times vary but in general terms applicants for three bedroom properties in Geraldton are housed within 18 months of approved application to the waiting list.

Applicant/tenant profile

Most MRAC tenants and applicants receive full or part Centrelink benefits. Many are unable to rent in alternative rental markets due to their income type, their Aboriginality, previous tenancy history or long waiting lists for social housing.

In more remote areas, there is virtually no private rental market. Options for Aboriginal people who wish to reside in their cultural homeland and/or close to other family members are becoming more and more limited as successive governments reframe the delivery of remote Aboriginal housing.

Rent setting

MRAC calculates rent based on the number of bedrooms and the location of the property. For Geraldton and Carnarvon, the rent calculation is a percentage of market rent and in other areas, on a cost recovery basis.

Whilst market rents can fluctuate across locations; for example, currently there is an oversupply in the private rental market in Geraldton, a recent ATO private ruling has confirmed that MRAC rents are considered below the stipulated 74.9% of market rent. Charging rents at or below this benchmark enables MRAC to claim GST paid each quarter from the ATO.

No meaningful data analysis has been undertaken to date to determine whether rental charges ex Geraldton and Carnarvon are covering the cost of providing housing in these areas. A new chart of accounts has been implemented for the 2016-2017 financial year that will provide the required level of detail to contribute to this analysis.

Tenancy management

All new MRAC tenancies have a six-month fixed term 'trial' tenancy. During that period, MRAC monitors the tenancy for rental payments, maintenance of the property and neighbourhood behaviour. If there are issues during the trial period, MRAC works with the tenant to resolve them whether through referral to appropriate support services or direct support from MRAC.

MRAC has three options at the end of the fixed term tenancy:

1. Provide the tenant with 30 days' notice to vacate if it is deemed there is no doubt the tenancy will fail; or
2. Extend the trial period if the tenancy has been problematic but there have been improvements and/or support mechanisms established; or
3. Transfer to a periodic tenancy.

Once on a periodic tenancy, all MRAC tenants have security of tenure unless they breach their tenancy agreement. In the last 15 months, all tenancies have continued apart from one each in categories one and two.

MRAC considers that any eviction, whether in the trial period or subsequently, is a MRAC failure and every effort is made to sustain every tenancy, particularly as eviction is often straight into homelessness.

Tenancy support approaches include:

- Referral to support services for financial management and/or financial assistance; e.g. the Private Rental Aboriginal Loans Scheme (**PRAAL**), WA NILs, Red Cross and Salvation Army etc.;
- Referral to Centrelink to ensure correct payments like rent assistance are received;
- Referrals to health providers including occupational therapists, counsellors, drug & alcohol etc.;
- Reasonable repayment agreements to allow a tenant to catch up on any outstanding rental, tenant liability or water charges;
- Referrals to advocacy services so tenants have access to independent tenancy advocacy and advice;
- Stay orders rather than orders of possession to give the tenant every opportunity to repay outstanding debt and maintain their tenancy;
- In limited circumstances, tenancy transfers to move tenants to more affordable and/or appropriate accommodation where available. This approach, although not common, is not limited to instances of housing affordability but is also used for medical, social and educational reasons.

Other tenancy transfers may be approved for cultural reasons; most commonly related to death in the property of a family member. This is not advertised more broadly.

Property management

MRAC's property management approach is underpinned by two principles:

- A quality and responsive maintenance service to tenants; and
- Asset protection and improvement.

All legislated works reported by tenants is completed well within the required time frames and in many instances the same or next day.

MRAC aligns its response to maintenance with the Victorian Residential Tenancies Act (**RTA**) approach based on urgent works completed within 24 hours, priority works in seven days and normal works in 14 days. The WA RTA legislation is considered pro landlord and falls well short of MRAC's service standards.

Where MRAC relocates tenants for upgrade works, MRAC provides both financial and practical support.

Complaints, grievances and appeals processes

MRAC has developed a complaints, grievance and appeals process for applicants and tenants. This work is awaiting Board of Director approval scheduled for the next MRAC Board meeting in April 2017. All applicants and tenants will be able to lodge a complaint or grievance and appeal any non-legislated decision.

Rights and responsibilities

Anecdotal evidence and experience suggests that many Aboriginal people are unaware of their rights. MRAC is developing a rights and responsibilities framework so that all applicants and tenants are clear on what their rights and responsibilities are.

Mary Marshall

Chief Executive Officer

Murchison Region Aboriginal Corporation

30 January 2017

