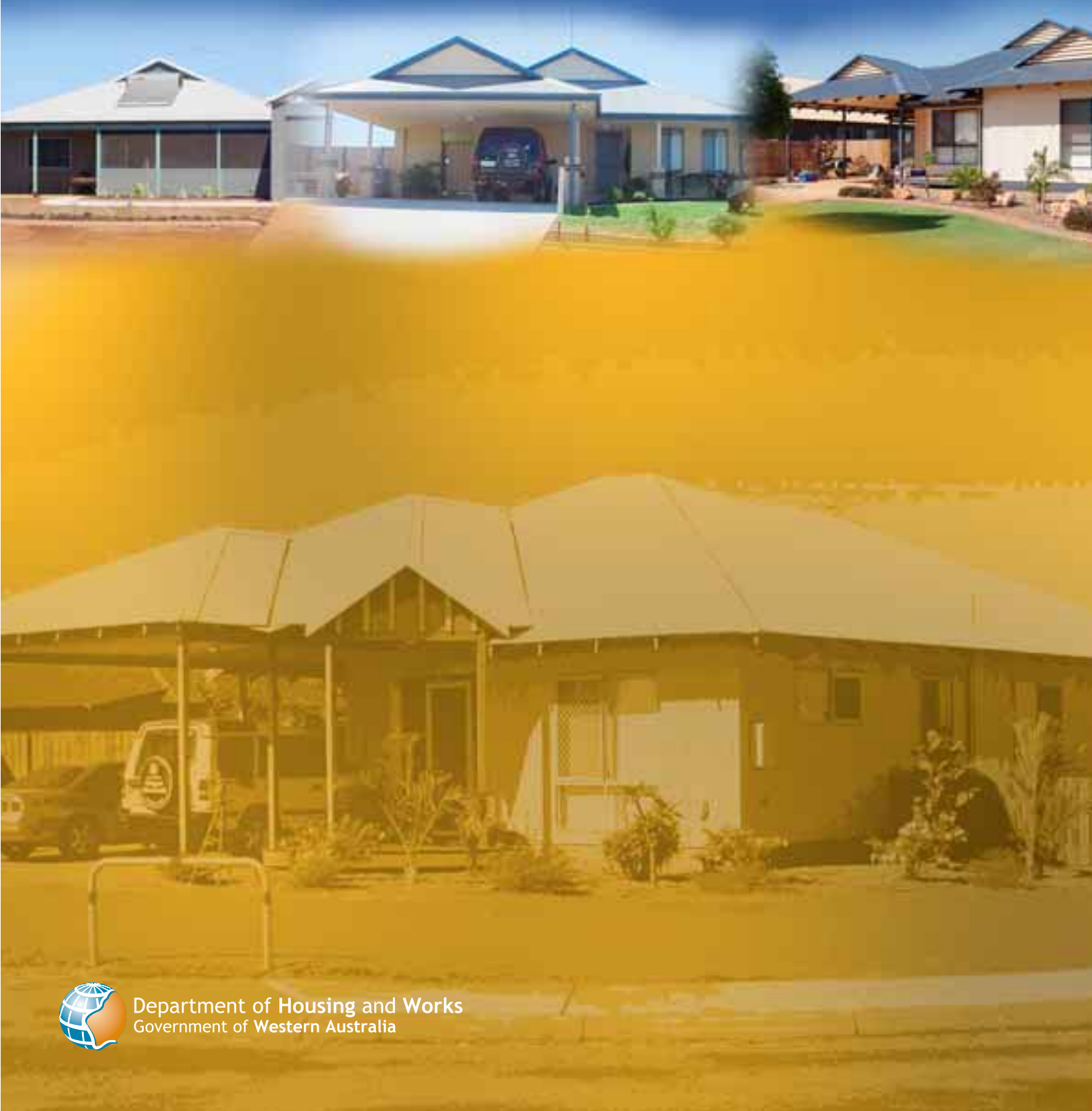




GOVERNMENT  
EMPLOYEES'  
HOUSING  
AUTHORITY

## ANNUAL REPORT 2004-05



Department of Housing and Works  
Government of Western Australia



**THE HON FRANCIS LOGAN MLA**

**Minister for Housing and Works; Heritage; Assisting in Planning and Infrastructure**

In accordance with Section 25 of the *Government Employees' Housing Act 1964*, and Section 66 of the *Financial Administration and Audit Act 1985*, I have pleasure in submitting the 40<sup>th</sup> annual report on the operations of the Government Employees' Housing Authority for the period 1 July 2004 to 30 June 2005.

A handwritten signature in blue ink, which appears to read 'H. Stewart'. The signature is fluid and cursive, written on a light-colored background.

HELEN STEWART  
Chairperson

31 August 2005

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## **Vision**

To be a competitive provider of quality housing services.

## **Mission**

To provide housing in country areas for Government employees to facilitate the operation of Government services.

## **Role**

The State Public Sector delivers many essential services, such as policing, education, justice and community services. In order to ensure services are delivered throughout the State, it is essential to attract qualified public sector employees who are willing to relocate to regional and remote areas.

Public sector employees not only deliver Government services - they also contribute to the economy and social capital of the regions.

The availability of quality housing is an important factor with many employees considering a regional placement. The Government Employees' Housing Authority has a key role to play in providing comfortable, attractive, well-maintained homes throughout the State.

The Authority is responsible for:

- providing accommodation to more than 4,000 employees in some 250 locations throughout Western Australia;
- increasing the supply and quality of accommodation provided;
- managing this accommodation so that Government departments can focus on their core business activities and attract and retain public sector staff in regional Western Australia.

The Authority provides these services without receiving any funding from consolidated revenues or from additional loan funds. The two exceptions to these arrangements are:

1. Permission to borrow money to fund \$10 million of construction in remote communities as part of the Government's response to the Gordon Inquiry; and
2. A grant from the State Government of \$2 million to install split air conditioners in GEHA-owned houses in the Pilbara.

## Chairperson's Report

With GEHA celebrating its 40<sup>th</sup> Anniversary this year, it is entirely appropriate that the Authority has entered the Premier's Awards for Excellence to celebrate both its birthday and its significant long-term contribution to the development of regional Western Australia.

In the past ten years, we have transformed ourselves from being a department that was totally dependent on State subsidies into an Authority with a mainstream construction program that is now self-funding.

One major feature of our recent success was the introduction of user-pays, or Cost Recovery Rents under the Authority's Strategic Plan 2002-05.

Under this scheme, Government departments pay rents to GEHA in line with the full cost of employee housing in 192 non-viable rental markets around the State.

The Cost Recovery Rent revenue funds the refurbishment of older properties, improving their amenity and extending their economic life.

The beneficiaries are the employees who occupy the improved homes, their employers who gain more satisfied employees and better retention rates, and the local communities, which depend on the vital services delivered by Government employees.

Another recent innovation has been the design of GEHA's Shared Housing Concept, which has come in response to changing demographics and the growth of single and two-person households across the State.

In 2004-05 construction was completed on an innovative, shared accommodation property at Kalumburu for teachers employed by the Department of Education and Training.

The design has allowed for two individual bedroom/bathroom wings and is separated by a communal living/dining and kitchen area. The home, which can also be adapted for a family with children, is being piloted with a view to exploring the suitability of the concept for single employees who wish to share housing, while also retaining their privacy.

We continue our efforts to assist tenants to maintain gardens to the appropriate standards by developing water-wise gardens in remote and dry regions.

We have encouraged GEHA tenants to enter garden competitions in their areas. In 2003-04, we wrote to every Local Government Authority, encouraging our tenants to enter a GEHA-specific category in the Tidy Towns initiative. As a result, 30 Shires have accepted our offer of sponsorship for their garden competitions.

Because of the difficulty of obtaining suitable land for GEHA homes in many areas, we plan to demolish older houses and, with the local councils' cooperation, build group housing with easily maintained courtyards on smaller blocks. This will be particularly effective in the Pilbara, where it has proved difficult to obtain suitable land.

GEHA must determine its future direction when it comes to major developments in regional areas such as the Kimberley, the Pilbara and the Goldfields due to the growth of mining companies' infrastructure.

It is likely to be difficult for us to meet accommodation needs of Government employees in these high growth towns without exploring options for alternative funding models. We have to recognise that although we are sustainable at present, we do not have the capacity on an ongoing basis to meet the housing needs in these massive growth areas.

The reporting that follows will show an organisation that is achieving real results from its strategic planning – for the ultimate benefit of Government employers and tenants throughout the State. On behalf of the Board, I would like to congratulate Trevor Clarey and all GEHA staff for their belief in the new directions we are taking and for their commitment in following it through.

I would especially thank GEHA Board Members for their professionalism and commitment during meetings and Board tours. The contribution of the Board, together with GEHA management and staff, has produced very positive outcomes for our client Departments and their employees.

Finally, I would like to thank the former Minister for Housing and Works, the Hon Nick Griffiths LLB, MLC for his leadership in the first part of the financial year and also express my thanks to the Hon Francis Logan, MLC, Minister for Housing and Works, for his continued interest and support.



HELEN STEWART  
Chairperson

31 August 2005



## Director's Summary

Our Strategic Plan 2002-05 introduced a range of revolutionary strategies to consolidate initiatives put in place to establish a commercial and sustainable housing service for our client departments. Many of the initiatives flowing from these strategies have been implemented, and the Authority has made major advances towards fulfilling its mission as a competitive provider of quality housing for Government employees living in country areas.

We have reviewed the outcomes from this Plan and strengthened the existing objectives in the 2005-08 Plan, with the aim to further consolidate the work that has been undertaken over the past three years. A new objective has been introduced, with a strong focus on improving service delivery in the areas of maintenance, allocation of houses, tenancy management, marketing and communication.

The Plan will continue to ensure that the Authority works towards a more competitive, rigorously managed accommodation service, which optimises Government's expenditure on its employees' accommodation in regional Western Australia.

Throughout the year GEHA completed a total of 50 new homes within the mainstream Capital Works Program, six of which were for the Gordon Inquiry. A further 21 units of accommodation commenced during the year at a total cost of approximately \$5.7 million.

The planned expansion of the Northwest Gas Shelf and other resource initiatives announced recently, is placing considerable pressure on GEHA to supply additional accommodation for Government employees in the Pilbara region. This is being progressed in conjunction with Government agencies, mining companies and Local Government.

The refurbishment program now moves into its second financial year with the emphasis on the Pilbara region. A \$2.9 million program is scheduled for 2005-06, with funds continuing each year.

Our leasing portfolio continues to grow as a viable solution to meeting departmental requirements in terms of quality housing and the flexible response it provides to any *ad hoc* requests received during the year.

I look forward to the coming financial year with great expectation of the challenges ahead, to ensure our service delivery is enhanced throughout regional Western Australia through the supply of quality housing for Government employees.



TREVOR CLAREY  
Director

31 August 2005

## Highlights of the Year

### *Achievements ~*

- **Capital Works Program** -Throughout the year GEHA completed a total of 50 new homes within the mainstream Capital Works Program, six of which were for the Gordon Inquiry. A further 21 units of accommodation were commenced during the year at a total cost of approximately \$5.7 million.
- **Air Conditioner Replacement Program (Pilbara)** -The State Government allocated a one-off \$2 million grant to GEHA for a project to replace 138 outdated ducted air conditioners with modern, energy-efficient split-system air conditioning systems in GEHA-owned homes in the Pilbara.
- **Refurbishment Program** - The Authority expended \$1.6 million in 2004-05 refurbishing 38 units of accommodation around the State. The main focus in 2004-05 has been on the Pilbara region.
- **Shared Housing Concept** - In 2004-05 construction was completed on an innovative, shared accommodation property at Kalumburu for teachers employed by the Department of Education and Training.
- **Asset Management Plan** - GEHA has assessed all of its owned properties in order to develop an Asset Plan for 2005-6 to 2009-10. The Asset Plan will integrate with GEHA's long-term financial forecast to determine the future for every GEHA house in the next five years.

### *Challenges ~*

- **Provision of housing in response to major developments in regional Western Australia** - GEHA must determine its future direction when it comes to major developments in regional areas such as the Kimberley, the Pilbara and the Goldfields due to the growth of mining companies' infrastructure, in order to enable it to meet housing needs.
- **Improving service delivery to GEHA Clients** – Over the next year GEHA will focus on improving service delivery in the areas of maintenance, allocation of houses, tenancy management, marketing and communication.
- **Gordon Inquiry Construction.** The provision of housing and Government buildings in the Communities identified in the Gordon Inquiry will continue to provide numerous challenges, requiring extensive liaison and coordination between the Communities and Government bodies, to ensure suitable locations are identified, along with the necessary infrastructure and services.

## **Review of Operations**

### **Goal 1: People and Communities**

*“To enhance the quality of life and wellbeing of all people throughout Western Australia.”*

#### **Overview**

##### **Housing Solutions for Public Sector Employees**

Collectively, many thousands of employees of the Western Australian public sector are engaged in helping the Government achieve its “People and Communities” goal. Broadly, this goal is “to enhance the quality of life and well-being of all people throughout Western Australia.”

Over 4000 of these employees are accommodated by the Government Employees’ Housing Authority (GEHA) in regional and remote Western Australia. Their occupational groups range from teachers to police officers, park rangers, social workers and many others.

They could not live in remote and regional areas without suitable accommodation, not only for the employees, but also for their families. GEHA is responsible for providing housing solutions for these Government employees, and for ensuring that future housing needs will be forecast and met for the foreseeable future.

In this way, the Authority contributes to the goal, “People and Communities”, by securing, maintaining and managing accommodation for the people who deliver Government services to regional and remote communities throughout Western Australia.

##### **Response to Gordon Inquiry**

The State Government’s Gordon Inquiry has recommended the placement of more Government employees in remote Communities. Providing housing for these additional employees is GEHA’s responsibility.

The provision of housing and Government buildings in these Communities has provided numerous challenges, requiring extensive liaison and coordination between the Communities and Government bodies, to ensure suitable locations are identified, along with the necessary infrastructure and services.

During 2004-05, the Authority completed construction of six homes in the Kimberley: three at Kalumburu and three at Balgo. Staff from WA Police and the Department for Community Development have now taken up positions in these Communities implementing programmes to address the findings of the Inquiry. Construction is also nearing completion for the seven houses in Warburton Community (Ngaanyatjarraku).

The next phase of the project will require the provision of housing in Bidyadanga, Warakurna and the Dampier Peninsula. Designs for the housing are now being developed, with construction scheduled to commence in 2005-06.

Negotiations are currently taking place between the Communities of Jigalong and Warmun to identify a location for the Policing Facility and the housing. Once identified, designs will then be developed for housing in these Communities.

### **Shared Housing Concept**

The Authority is aware of the changing demographic profile of Western Australian families, in particular the growth of single and two-person households. In 2004-05, construction was completed on an innovative, shared accommodation property at Kalumburu for teachers employed by the Department of Education and Training.

The design has two individual bedroom/bathroom wings and is separated by a communal living/dining and kitchen area. The home will be piloted, with a view to exploring the suitability of the concept for single employees who wish to share housing, but also want to retain their privacy.

In addition to this project, GEHA recognises that a greater number of singles and couples who are transferring to country locations require smaller homes on more manageable lots. In response to this, 30 of the 37 dwellings which were either purchased or started construction during 2004-05 were targeted at this customer group.

### **Tenant Satisfaction Survey**

In May 2005 the Authority conducted a satisfaction survey of tenants throughout the State.

#### ***Survey of Tenants***

A survey of tenants was undertaken to follow up on the 2004 survey to determine any changes in the level of satisfaction with the condition of their accommodation and the standard of service delivery provided by the Authority.

The methodology used in the 2005 survey of tenants was a self-completion questionnaire forwarded electronically to GEHA tenants by their departmental housing liaison officers.

The research objectives for the survey ascertained:

- Tenant's level of satisfaction with their dwelling;
- Tenant's satisfaction with the services provided by GEHA in relation to their tenancy;
- Tenant's knowledge about policies and procedures;
- The degree to which GEHA officers are perceived to be delivering what is required by tenants;
- To gauge any changes since the previous year; and
- To investigate ways of improving GEHA's communications and timely dissemination of information to tenants.

Tenants confirmed that the following issues influence the level of satisfaction with their GEHA home:

- Cleanliness and condition of the house and condition of the garden when they first moved in;
- The maintenance service provided, ie time taken to repair and the punctuality of the tradesperson;

- Amount of notice provided to them by their employer prior to occupying or vacating their GEHA home;
- Provision of a Property Condition Report (PCR) on occupation that reflects the condition of their GEHA home;
- Helpfulness of the GEHA/DHW representative; and
- Timely provision of information relevant to GEHA's services and policies, especially for first time users of GEHA accommodation.

All aspects of the survey show that tenants have an increased awareness of GEHA's requirements since 2004, however GEHA will continue to assist departments to provide information to their employees regarding their rights and responsibilities whilst living in a GEHA home.

The GEHA / DHW representatives were rated more positively than the property managers / real estate agents for courtesy, helpfulness and responsiveness.

GEHA is conducting detailed analysis of the raw data, to determine which areas of service provision require greater focus for improvement.

### **Occupant's Handbook under revision**

The Occupant's Handbook, last revised in October 2003, is a booklet that provides tenants with information relating to their rights and responsibilities whilst living in their GEHA home.

This booklet is now under review and it is anticipated that the new edition will be distributed by October / November 2005. The current publication is available in PDF format on the Authority's website.

### **Website**

The Government Employees' Housing Authority website, at [www.geha.wa.gov.au](http://www.geha.wa.gov.au), was redeveloped during 2003-04 and is updated regularly.

The information on GEHA's website is arranged in a logical, user-friendly structure, and provides a comprehensive "window" on the Authority, its activities and services.

### ***GEHA takes new steps to handle Christmas rush. . .***

GEHA traditionally sees a steady 80-120 new tenant occupations across the State, every month, for ten months of the year.

However, this statistic soars to 300-400 in the first two months of the year, meaning that this year there were more new tenant occupations in January and February (733) than there were for the six months before that (710).

For the first time last Christmas and New Year, GEHA reacted to this surge in tenant movements by gaining approval for the appointment of extra staff at 10 of its 16 regional offices, thereby aiming to ease the stress for staff and clients alike. This is a challenging time of the year for GEHA's regional staff and managers, with the difficulty of retaining experienced officers adding another facet to the challenge.

However, the Authority believes it can improve on measures to cushion the potential impact of the seasonal rush over the next Christmas and New Year period, provided it takes action now.

With Board approval, GEHA is in the process of setting up a new organisational structure to provide local management and extra resources to its offices in Kalgoorlie, Karratha and Hedland.

The Authority is also asking regional officers for an estimate of Christmas workloads earlier this year so that appointments can be made well in advance of the peak period and staff can be provided with more training.

In addition, GEHA believes that improved and timely communications between its officers and client departments are critical if tenant enquiries are to be answered, house maintenance and cleaning organised, and inspections arranged.

Another area that GEHA believes needs improving is tenant communication with the Authority. In some instances, tenants have failed to give written notice to GEHA about the date they plan to vacate their rental homes or have given short notice of their intention.

In others, new tenants have failed to give GEHA notice of their arrival, or keys have been dropped off to GEHA offices by third parties, without notification. All of this leads to further delays and confusion for tenants and GEHA staff alike.

GEHA makes every effort to ensure homes are cleaned and ready for occupation by new tenants, provided departments and tenants give sufficient notice of their intended movements.

## **Obligatory Reporting**

### **Disability Services Plan**

The Authority is meeting the requirements of the Department of Housing and Works' Disability Services Plan, in compliance with the *Disability Services Act 1993*. This Plan aims to ensure that people with disabilities have the same access and opportunity as others.

The Disability Services Plan includes provision for the ongoing review of departmental offices to ensure accessibility for staff and customers. These offices include regional premises which serve as operational bases for Authority staff, and for Department of Housing and Works staff who service the Authority's clients under a Service Level Agreement.

Where required, the Authority provides modifications to homes to improve access for tenants with disabilities.

### **Cultural Diversity and Language Services**

GEHA observes the provisions of the Department of Housing and Works' Cultural Services Policy.

The Department of Housing and Works' metropolitan regional offices have on-site interpreter services, including a telephone interpreter service available on an "as needs" basis. Telephone interpreter services are also available to country regions and customers with hearing impairments.

GEHA is able to draw upon these resources to assist its own clients if this is required.

In February 2003, GEHA agreed to participate in the South Metropolitan Youth Link Structured Workplace Learning Program. This was a two-year, school-based Aboriginal trainee program whereby a student attended the working environment for two days each week during years 11 and 12. GEHA's student completed the second year of her Trainee Program in December 2004, having gained various skills in general office procedures, as well as knowledge of specific GEHA computer programs and business functions relating to property management and leasing.

### **Youth Outcomes**

Although the Authority has no direct relationships to regional youth programs, it does provide support where possible. This support has sometimes taken the form of work experience on Authority accommodation projects, in conjunction with local schools and/or TAFE Colleges.

## Goal 2: The Economy

*“To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.”*

### Overview

Through its capital works, maintenance and upgrades programs, GEHA delivers significant economic benefits to regional businesses and communities.

With its ongoing role of supplying and maintaining quality housing for Government employees, the Authority enters into many contractual and supply arrangements with the private sector, applying the Government’s “Buy Local” policy wherever appropriate.

In regions throughout the state, local builders, tradespeople, developers, investors, and real estate agents are growing their businesses by contributing to the provision of quality housing for Government employees.

### Capital Works and Acquisitions

Construction commenced on 21 new homes within the mainstream Capital Works Program, and 16 properties were acquired by means of spot purchase.

Expenditure for capital works and acquisitions during the 2004-05 financial year totalled \$15.32 million. This expenditure included:

Construction	13,999,852
Purchase of existing houses	814,738
Vacant land acquisitions	168,035
Crown Reserve acquisitions	134,105
Capitalised administration fees	200,324
	-----
	\$ 15,317,054

### ***New houses in Hedland***

Construction work on four new GEHA houses in Hedland has been completed at a total cost of \$1.26 million.

Two of the 4-bedroom dwellings have been allocated to the WA Police and the Department of Education and Training will occupy the other two houses.

A second GEHA project to build another four 4-bedroom houses is ready for tender, and the houses should be occupied some time in 2006.



### ***New GEHA properties in Wickham and Onslow***

Tenants from the Department of Education and Training and the WA Police have moved into four new GEHA properties in Onslow, while three new GEHA dwellings in Wickham will be ready for occupation by the end of September 2005.

Department of Education employees took up residency of one 4-bedroom dwelling and two 2-bedroom houses in Onslow over the last Christmas holiday period, while the Police occupied a new 4-bedroom property.

Three new 4-bedroom GEHA houses in Wickham, which are almost ready for occupation, have been allocated to the Police, the Department of Justice and Education.

Onslow now has a total of 22 GEHA properties, four of them leased privately and the rest owned by GEHA.

These properties are allocated to Education and the Department for Community Development and Police, while the remainder are allocated to Pilbara TAFE and Pilbara Public Health Unit.

In Wickham, GEHA now has a total of 52 properties, 16 of them leased privately, and the balance owned by GEHA.

The Department of Justice has 30 properties, Education 14 and Police six, with Pilbara TAFE and Hedland College occupying the other two houses.

### **User Pays Pricing**

User-Pays Pricing is a key element of the Authority's Strategic Plan. The User-Pays Pricing, also known as Cost Recovery Rent, was implemented from 1 July 2003 to recover the cost of providing homes in non-market locations.

It is an arrangement by which Government agencies pay for the full cost of employee housing, taking into account a number of factors such as the location of the accommodation, the age of the property, and its replacement cost. By charging rents in line with the cost of providing accommodation in remote areas, the Authority is able to generate additional revenue to fund future upgrade programs.

The implementation of User Pays Pricing also allows private investors to provide lease accommodation to GEHA at competitive rents in non-market locations where previously this was not possible. The beneficiaries are the employees who will occupy the new or improved homes, their employers who gain more satisfied employees as well as better staff retention rates, and the local communities that depend on the services delivered by Government employees.

### **Market Rent**

The Authority continues to charge departments a market rent in towns where there is a viable local rental market.

Independent Fair Market Rent Assessments were implemented in 2000 and are conducted annually in towns that have a viable rental market. A licensed valuer visits the GEHA properties in these towns on a rotational basis and reviews the rents for each property.

### **Summary Table: *Construction and Purchase of Housing***

<b>Town/Community</b>	<b>Number of units completed during 2004-05</b>	<b>Number of units spot purchased during 2004-05</b>	<b>Number of units commenced during 2004-05</b>
Balgo (Gordon Inquiry)	3		
Burringurrah			
Cue		1	
Denham		1	
Derby			
Esperance		1	
Fitzroy Crossing			6
Geraldton			
Halls Creek	6		4
Hedland (South)	4		
Kununurra	9		
Kalumburu (Gordon Inquiry)	3		
Kalumburu (shared design)	1		
Kojonup			
Kununurra			
Lake Grace			
Leonora	1		
Manjimup			
Meekatharra	6		2
Morawa			
Newman		12	
Norseman	2		
Northampton			
Onslow	4		
Ravensthorpe	2		3
Wannan			
Walpole		1	
Wickham			3
Wiluna	2		
Wingellina	2		
Wyndham	3		3
Yalgoo	1		
Yalgoo (Upgrade)	1		
<b>Total Units</b>	<b>50</b>	<b>16</b>	<b>21</b>

**Summary Table: *Land Acquisition Program***

<b>Crown Reserve Acquisitions</b>	<b>Lots Acquired</b>
Yuna	1
Harvey	1
Kununurra	1
Hedland (South)	2
<b>Sub Total</b>	<b>5</b>
<b>Other Land Acquisitions</b>	
Norseman (Leasehold)	2
<b>Sub Total</b>	<b>2*</b>
<b>Vacant Land Acquisitions</b>	
Camballin	4
Meekatharra	1
Onslow	3
Nullagine	1
Wickham	1
Yalgoo	1
<b>Sub Total</b>	<b>11**</b>
<b>Grand Total</b>	<b>18</b>

\*The lots are currently leasehold title and action is being taken to obtain freehold title.

\*\*These lots were acquired for use in the current and future construction program.

***Meeting Future Housing Demand in Ravensthorpe***

Construction of the BHP nickel mine at Ravensthorpe has commenced and, once completed, will significantly increase the region's population with an influx of mine employees and their families.

Since estimates predict that the mine has a long life, Government services will need to grow in order to cater for education, policing and other essential services in the town.

In 2003-04, the Authority commenced planning for new accommodation to house some 19 public servants over the next 10 years. Land is in short supply, requiring the Authority to demolish existing older homes, replacing them with duplex pairs and two-bedroom units to maximise the accommodation and cater for the needs of single tenants and couples without children.

During 2004-05 the Authority completed construction of two units of accommodation and commenced construction on a further three dwellings. It is also planned to commence construction on another three units of accommodation in 2005-06.

### **Refurbishment Program**

In accordance with the Strategic Plan, the Authority has continued to refurbish its accommodation to extend its useful life.

The Authority expended \$1.6 million 2004-05 refurbishing some 38 units of accommodation around the State. The main focus in 2004-05 has been on the Pilbara region, as a result of the high volume of target stock in the area and the high demand and low availability of quality homes. To ensure the Authority achieves this requirement, a dedicated project officer has been appointed to oversee the refurbishments.

### **Asset Management Plan**

GEHA has assessed all of its owned properties in order to develop an Asset Plan for 2005-06 to 2009-10. Once finalised, the Asset Plan will integrate with GEHA's long-term financial forecast to determine the future for every GEHA house in the next five years. This means that every address will be earmarked for replacement, sale, redevelopment, refurbishment or maintenance.

The Plan is based upon departmental priorities, stock conditions and GEHA's financial capacity, together with anticipated partnerships with the private sector through leasing.

### **Planned maintenance and break down repairs**

In 2004-05, the Authority expended \$8.4 million on maintenance and repairs, compared to \$8.2 million in 2003-04.

### **Furniture**

Expenditure on furniture was \$993,326 for 2004-05 - \$381,326 over budget. The over-expenditure has been attributed to construction programs focusing on remote communities where furniture is always provided, as well as additional leased homes in the North West of the State, to satisfy departments' *ad hoc* requirements.

### ***Pilbara Refurbishment Program***

The Project Manager commenced the Pilbara Refurbishment Program in October 2004 and headway has been made on houses in the following towns:

#### Newman

One property has been completely refurbished and another five have had tenders awarded. Work on these properties was scheduled for completion in July 2005.

#### Roebourne

Two properties have been totally refurbished, with another four properties currently being renovated. This work will be completed towards the end of September 2005.

There are an additional six properties in Roebourne that have been scheduled for refurbishment, and tenders will be called in the first quarter of the 2005-06 financial year.

#### Tom Price

Minor renovations to patios and external painting were completed on three properties. The Scope of Works has been prepared for another five properties, and tenders will be called for these early in 2005-06.

Renovations for two properties were commenced. Refurbishment of these, along with five other dwellings, will be completed in 2005-06.

#### South Hedland

The Scope of Works has been prepared for the South Hedland properties earmarked for refurbishment, and tenders will be called in July 2005. Tenders were called for the installation of patios in the latter part of 2004-05; however, these have not been built owing to the shortage of tradespeople in the Pilbara. Work will commence on construction of the patios in July 2005.

### ***Kalumburu GEHA homes stand up to Cyclone Ingrid***

Teachers at the Kalumburu Remote Community School say their GEHA homes stood up wonderfully well to the 149 kph winds packed by Cyclone Ingrid which hit the community on 16 March 2005.

The school's Deputy Principal Carol Thorsby says while there was some minor water damage to five of the older GEHA properties in Kalumburu, the newer dwellings stood up to the cyclone exceptionally well.

"We were very impressed with whoever designed and built them," said Ms Thorsby.

"The people in the older sections moved over to the newer sections and we were all teamed up together overnight in two homes while the cyclone was at its height.

When staff from the older GEHA properties returned to their homes late on 17 March they discovered water damage to carpets in two of the houses. In addition, pictures on the walls were hanging skew-whiff, indicating the houses had shaken and shuddered under the impact of the storm.

"The windows in the older homes are made of a sort of Perspex," says Ms Thorsby. "The force of the wind meant the windows were bowed in, allowing water to seep in."

Floor coverings damaged in this way have since been replaced with ceramic tiles.

"We were given plenty of warning," says Ms Thorsby. "We had worked out a plan for the health and well-being of the staff and students well in advance".

"We closed the school the day before to allow staff to secure the buildings and equipment. They also had time to prepare their own homes. We were very fortunate."



New Gordon Inquiry house at Kalumburu after a battering by Cyclone Ingrid

## **Sales and Leasing**

### **Sales**

This year the Authority exceeded its target for the disposal of surplus properties with the sale of 29 vacant lots and 49 dwellings worth \$7million. In accordance with the Strategic Plan, revenue from sales is directed into the Capital Works Program.

The forecast sale of surplus properties for 2005-06 will remain at similar levels to this financial year with a target of 74 sales with a value of approximately \$5 million. However, the sales and leasing team has set additional sales targets for a further 50 properties to be sold under the GEHA Asset Plan 2005-2010. The implementation of this Plan will accelerate improvements to the amenity level of properties for Government employees by replacing older properties with newly constructed accommodation and leases.

Under the Tenant in Occupation sales program a total of four tenant sales were approved in the 2004-05 year, valued at \$756,000. It is anticipated that at least four tenant sales will be approved in the 2005-06 financial year.

The combined sales target for the 2005-06 financial year will be the disposal of 128 properties worth approximately \$10 million.

### **Leasing**

While GEHA endeavours to satisfy most requests for accommodation from its own housing stock, the Authority cannot meet all the requirements for additional accommodation without the assistance of the private market.

To this end, GEHA either leases existing properties that meet its requirements, or encourages property developers and local governments to develop new housing for lease back to the Authority.

This leasing program helped GEHA achieve a net increase of 68 leased properties in 2004-05, resulting in a total of 1593 properties at 30 June 2005 now being leased by GEHA State-wide. To meet future demand for the 2005-06 financial year the Authority anticipates a net increase in the vicinity of 100 leases.

### ***Safe as Houses Program***

Under the *Safe as Houses* initiative, the Authority has established effective partnerships with local governments and property investors and developers across the State to construct housing that meets GEHA's design specifications.

This program supplements GEHA's capital works program by accelerating the replacement of older housing stock and increasing the amenity level of accommodation for Government employees.

By offering long-term leases and competitive rent structures based on the Cost Recovery Rent model, the Authority has attracted investment and increased available housing in a number of areas, particularly in "non-market" towns where property investment is not normally viable.

During the 2004-05 year the following housing was provided under the *Safe as Houses* program:

Location	Units of Accommodation	Type of Accommodation
Carnamah (Shire of Carnamah)	2	4-bedroom dwellings - currently under construction
Carnarvon	6	2-bedroom units
Corrigin (Shire of Corrigin)	3	4-bedroom SD dwellings
Dowerin (Shire of Dowerin)	2	4-bedroom SD dwellings
Gascoyne Junction	1	3-bedroom SD dwelling
Jurien Bay	2	3-bedroom town houses
Kalbarri	1	4-bedroom SD dwelling
Kalgoorlie	1	4-bedroom SD dwelling
Karratha	7	4-bedroom SD dwellings
Kellerberrin (Shire of Kellerberrin)	1	4-bedroom SD dwellings
Kulin (Shire of Kulin)	4	2 x 4-bedroom dwellings & 2 x 2-bedroom units currently under construction
Kununurra	1	4-bedroom SD dwelling
Menzies	2	2-bedroom units
Morawa (Shire of Morawa)	2	4-bedroom SD dwellings
Pingrup (Shire of Kent)	1	4-bedroom transportable
Wickepin	1	4-bedroom SD dwelling

### Private Tenancy Management System

If a department temporarily or permanently hands back an Authority-owned home, the property may be offered for lease to the private market. These private rental properties are managed for the Authority by local real estate agents. Permanently reverted properties are assessed against future requirements and subject to the outcome, are either retained or included in the surplus sales program.

### Summary Table: Sales

Sale type	2002-03		2003-04		2004-05	
	Number	Value \$m	Number	Value \$m	Number	Value \$m
Tenant sales	11	1.457	1	0.155	4	0.756
Surplus properties	115	10.001	52	4.632	49	6.153
Vacant land	4	0.037	4	0.090	29	0.864
<b>Total sales</b>	<b>130</b>	<b>11.495</b>	<b>57</b>	<b>4.877</b>	<b>82</b>	<b>7.773</b>

### Summary Table: Leasing

	2002-03	2003-04	2004-05
Number of leases as at 1 July	1388	1459	1525
Number of leases signed in financial year	174	189	194
Number of leases terminated	103	123	126
Number of leases as at 30 June	1459	1525	1593



## Goal 3: The Environment

*“To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.”*

### Overview

To comply with the Building Codes of Australia, all new housing developed by GEHA is required to attain a minimum four-star *FirstRate* house energy rating from the Sustainable Energy Development Office (SEDO).

To achieve this benchmark the housing incorporates many environmental features such as:

- the use of insulation in the walls and ceiling;
- restricted window area on the west and east facing walls;
- use of prevailing breezes to cool the house naturally;
- extensive shading on windows and walls; and
- orientation of the living areas to face north.

GEHA also continues to develop and implement strategies to encourage tenants to care for and maintain their gardens and adopt responsible water usage practices.

### Housing Design Specifications

The Authority has developed standard housing design specifications for new homes in the northern and southern areas of the State. In 2004-05, one modification made to the design for northern homes was the provision of ceramic tiles throughout the house, instead of using carpet or linoleum.

#### ***Air Conditioner Replacement Project in the Pilbara***

In 2004-05 the State Government allocated a one-off \$2 million grant to GEHA for a project to replace outdated ducted air conditioners with modern, energy-efficient split-air conditioning systems in GEHA-owned homes in the Pilbara.

The new split-system units have a significantly higher energy efficiency and lower running costs and will provide savings for both the tenants and for Government departments in the provision of the subsidy paid to their Pilbara employees to offset the air conditioning costs.

Since the project commenced, 138 new split-systems have been installed in 23 houses at Tom Price, 73 in South Hedland, 13 in Newman, 12 in Paraburdoo, 10 in Wickham and seven in Marble Bar, bringing welcome relief to GEHA tenants. All of GEHA's Roebourne properties have also had split systems installed.

### **Incentives for Water Wise Gardens**

The Authority encourages tenants to enter garden competitions in their local areas. The GEHA Board is particularly interested in encouraging tenants of GEHA houses to develop and nurture water-wise gardens.

The Authority wrote to every regional Local Government Authority in 2003-04, encouraging the participation of GEHA tenants by sponsoring a GEHA-specific category in the Tidy Towns initiative. The Authority offered a prize of \$200 for winning GEHA tenants. This is an ongoing offer to Shires wishing to avail themselves of GEHA's sponsorship offer.

As a result of this initiative, 30 shires have accepted GEHA's offer of sponsorship for their garden competitions. Another State Government department, the Department of Environment, coordinates the Tidy Towns initiative.

Five GEHA gardens won awards in local shire competitions during 2004-05, in the towns of Karratha, Kojonup, Laverton, Carnamah and Eneabba.

### **Obligatory Reporting**

#### **Sustainability**

GEHA acts in accordance with the State Housing Commission's Sustainability Code of Practice. The Commission has identified what actions it should implement in accordance with the State Sustainability Strategy under an Action Plan to be implemented over three years from 1 January 2005 to 31 December 2007. The full Plan can be downloaded from the Department of Premier and Cabinet's website.

#### **Waste Paper Recycling**

The Authority uses Paper Recycling Industries for waste paper removal. This Common Use Contract is for the removal of office waste paper and cardboard for recycling. The Contractor is able to collect all grades of paper and cardboard. The collection and destruction of confidential material is not included in this contract because there is generally a cost involved.

#### **Energy Smart Government Policy**

The Authority adopts the Department of Housing and Works' targets for energy efficiency. In accordance with the Energy Smart Government Policy, the Department is committed to achieving a 12 per cent reduction in non-transport related energy use by 2006-07.

## Goal 4: The Regions

*“To ensure that regional Western Australia is strong and vibrant.”*

### Overview

GEHA has a regional focus in all aspects of its operations and services. The Authority exists to provide quality accommodation for Government employees in the regions, who in turn work to deliver essential services to regional and remote populations.

Increasingly, the Authority is refining its approach to service delivery to reflect a more devolved approach, placing resources and expertise in regional areas where they can best serve the tenants and their employing agencies.

### ***Solutions for Regional Land Shortages***

One of the greatest obstacles to developing new housing stock is the shortage of available land in some regional towns. The Authority has developed a number of solutions to find suitable land for development. A number of strategies that have proved successful include:

- **Negotiations with local Shires**  
In response to a requirement for additional housing in Nullagine and Norseman, the Authority negotiated with the Shires to purchase lots to enable the provision of new housing in the towns.
- **Expressions of interest to land owners**  
The Authority is directly approaching landowners in regional and remote towns to encourage them to build homes for lease-back.
- **Demolition of existing properties**  
In Halls Creek, Wyndham and Ravensthorpe the Authority has been able to implement an ongoing redevelopment programme by demolishing its old, existing houses and utilising the land for a range of units or duplexes. This strategy has now also been applied in Fitzroy Crossing. On most occasions, this can only be achieved with the cooperation of tenants.
- **Building on one portion of land**  
Another strategy is to build a single home on a portion of a large block, in accordance with current residential zoning densities. Through prior negotiation with the local government authority, GEHA will then apply for rezoning of the block to enable construction of a second house.
- **GEHA worked closely with the Department of Planning and Infrastructure (DPI) and LandCorp for the provision of land (7 lots this year). Two units of accommodation in the 2004-05 program were built on DPI or LandCorp land at Meekatharra.**

## **Regional Heritage**

One of the Strategic Outcomes of the Government's Goal 4 is to "conserve and restore natural and built heritage."

The Authority owns properties of heritage significance and properties which are listed on the State Register of Heritage Places.

### Geraldton Police Barracks

In 2004-05, the Authority concentrated on completing the Schedule of Works for the Geraldton Police Barracks in preparation for sale. The building has now been strata titled and will continue to provide apartment-style accommodation unique to the Mid-West city. GEHA is negotiating with the Department of Housing and Works for the sale of this property.

### Assessment of Forestry Cottages

Following on from the preparation of the *Thematic History of Forestry Cottages* (Stage I) in February 2004, a heritage consultant was appointed in October 2004 to undertake work on Stage II of the project.

The consultant has worked with GEHA and the Department of Conservation and Land Management (CALM) to assess the heritage significance of individual forestry cottages under the Framework that was approved by the Heritage Council of Western Australia in February 2004.

It is anticipated that the consultant's Final Report and recommendations will be submitted to the Heritage Council in October 2005, enabling GEHA and CALM to determine the future of these properties.

### Wooroloo Heritage Precinct

GEHA is working with the Department of Justice (DoJ) and a heritage architect on the development of a Memorandum of Understanding between the Heritage Council of Western Australia, GEHA and DoJ for the Wooroloo Heritage Precinct (former Wooroloo Sanatorium), where GEHA still manages 10 properties.

## **Obligatory Reporting**

### **Regional Development Policy**

GEHA supports regional development in all aspects of its operations and services. The Authority's key role is to provide and maintain housing stock to meet Government department staff accommodation needs in the region.

This role is essential to the recruitment and retention of public sector employees who deliver services to regional Western Australia. The Authority also contributes to the economies of the regions through its purchasing and contracting activities, particularly in the areas of construction, maintenance and upgrades.

## GOAL 5: GOVERNANCE

*“To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.”*

### **The Government Employees’ Housing Authority Board**

The Minister for Housing and Works appoints Board Members under the provisions of the *Government Employees’ Housing Act 1964*. As a Statutory Authority, the Board Members are responsible for the administration of the Act and compliance under the provisions of the *Financial Administration and Audit Act 1985*.

#### **Composition of the Board:**

##### **Helen Stewart – Chairperson**

##### ***Former District Superintendent of Education***

Helen Stewart has an extensive background in education and has undertaken post-graduate studies in psychological counselling. Now retired, Ms Stewart has actively contributed as a member of Boards and Committees in the community and public sector.

##### **Assistant Commissioner Murray Lampard APM**

##### ***Western Australian Police***

Murray Lampard provides executive leadership and management to Regional Western Australia, which encompasses a policing region of 2.66 million square kilometers, geographically the largest single policing region in the world. His qualifications are at Masters and Diploma level in Business, Management, Executive Leadership, Investigations and Policing. He is an executive graduate and visiting fellow of the Australian Institute of Police Management, Manly NSW, and an Associate of the Sellenger Centre, Edith Cowan University.

##### **David Kelly**

##### ***State School Teachers’ Union of Western Australia (Incorporated)***

David Kelly is the General Secretary for the State School Teachers’ Union of WA and Secretary of the Australian Teachers’ Union (WA Branch). His qualifications in education include trade sector, primary, special education and career counselling, as well as qualifications in labour and industrial relations.

##### **Kenneth See**

##### ***Western Australian Police Union of Workers***

Ken See has been General Manager and/or Secretary for the Western Australian Police Union of Workers since April 1997, following an extended career with Westrail. His current position incorporates the statutory role of Secretary required under the WA Industrial Relations Act.

##### **Ken Smith**

##### ***Department of Treasury and Finance***

Ken Smith has been employed by the Department of Treasury and Finance since January 1989. He is currently Assistant Director in Agency Resources with responsibility for a range of agencies, notably Justice and those in the Housing and Works portfolio. He brings to the GEHA Board an extensive knowledge of Government operations and regulations and a substantial network of agency contacts.

##### **Bob Thomas**

***Department of Housing and Works***

Bob Thomas joined Homeswest in 1966 and has extensive experience in public housing, particularly in regional operations, community housing and property/tenancy management. He was appointed General Manager Housing and Facilities Management in July 1999 and is currently the acting Director General of Department of Housing and Works, following Greg Joyce's retirement in January 2005.

**Bevan Beaver**

***Department of Housing and Works***

Bevan Beaver joined the State Housing Commission in February 1966. He has extensive experience in public housing and a wide understanding of rental housing, home ownership activities and corporate matters. He was appointed Director Corporate Services in 1993 and in 1999 became Executive Director Business Strategies. He has been acting as the General Manager Housing and Facilities Management since January 2005.

**Kimbley Ward**

***Department of Education and Training***

Kim Ward is the Director, Staffing for the Department of Education and Training. He has over 20 years' experience in education, the majority of which has been in educational leadership positions involving change management; policy development, review and implementation; strategic planning; human resource management and establishing organisation-wide processes

**Toni Walkington**

***Civil Service Association of Western Australia***

Toni Walkington took up the elected office of Branch Assistant Secretary of the Civil Service Association in 1996. She was elected to the position of Branch Secretary in October 2001. She has served as the Union's Chief Industrial officer and has worked with the Equal Opportunity Commission.

**Brendon Hewson**

***Civil Service Association of Western Australia***

Brendon Hewson is the President of the Community & Public Sector Union/Civil Service Association (CPSU/CSA). He is a public servant, having joined the former Department of Conservation and Environment in April 1983. Brendon has an extensive scientific background based upon applied analytical procedures in industry, and leadership experience of more than 40 years duration. He is also a serving member of the Public Service Appeal Board at the Western Australian Industrial Relations Commission.

## Board Meetings

Eleven (11) Board meetings were held in 2004-05.

Board Member	Number of meetings attended
Helen Stewart	10
Murray Lampard	5
Ron Carey (Deputy to Mr Lampard)	2
John Ballantyne (representing Mr Lampard)	1
David Kelly	5
Michele White (Deputy to Mr Kelly)	1
Kimbley Ward	8
Greg Ryan-Gadsden (Deputy to Mr Ward)	1
Kenneth See	8
Ken Smith	9
Bob Thomas	6
Bevan Beaver (Deputy to Mr Thomas)	5
Brendon Hewson (representing Ms Walkington)	6
Toni Walkington	0

The Board Chairperson received a gross annual fee of \$15,350. Other Board Members did not receive remuneration for their services.

## Disclosure of Pecuniary Interests

The Code of Conduct of the Australian Institute of Company Directors, in respect of conflict of interest, governs all Board Members.

No declarations of interest were made in relation to senior officers or Authority members.

## Strategic Plan Implementation

In 2004-05 the Government Employees' Housing Authority continued to implement the key provisions of its Strategic Plan 2002-05.

The Strategic Plan proposes five key strategies:

- accurate, timely and rigorous demand forecasts;
- optimising the value of existing assets;
- user pays pricing;
- stimulating creative housing solutions; and
- managing the risks.

Measurable progress was made in the implementation of these goals, enabling the Authority to generate additional revenue for major capital works and refurbishment programs to ensure that future Government housing needs are met.

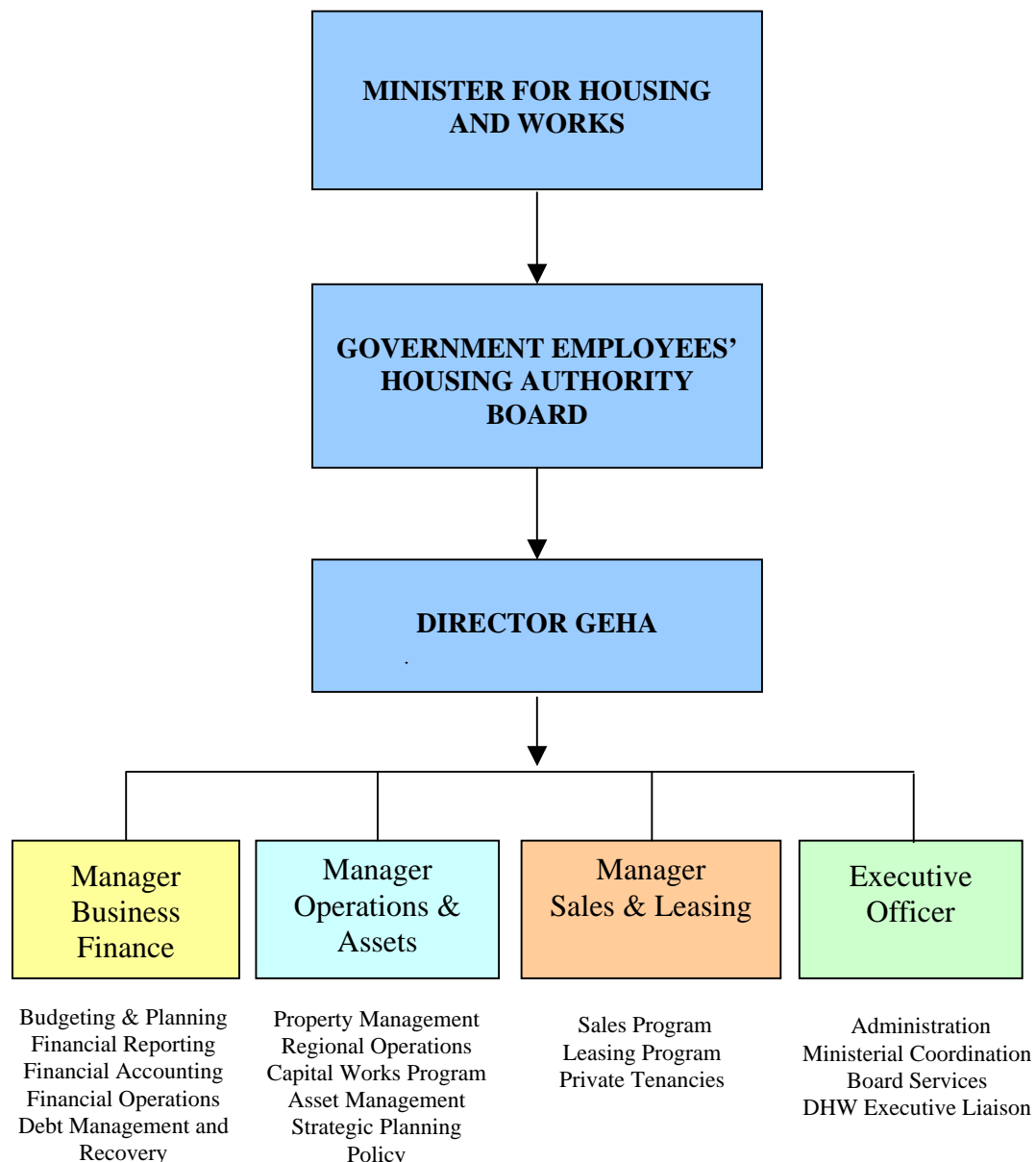
GEHA has developed a new Strategic Plan for 2005-08. Continuing the direction established under the previous approach, an additional objective has been added, namely "to continually improve key areas of service delivery".

This refinement adds a focus on key processes such as maintenance and tenancy management to the broader objectives of providing a sustainable supply of Government employee housing.

The new Strategy is available on GEHA's web site at [www.geha.wa.gov.au](http://www.geha.wa.gov.au) .

### Organisational Structure

The Government Employees' Housing Authority reports to the Minister for Housing and Works through the Board. The chart below shows the current organisational structure.





### ***GEHA Board Tour of the Pilbara***

Each year, the GEHA Board undertakes a tour of a specific region of the State to meet Government department representatives, Government employees' occupying GEHA properties, Local Government representatives and members of the local community.

In May 2005, the Board toured the Pilbara Region for three days, visiting the towns of Port Hedland, South Hedland, Roebourne, Wickham, Dampier and Karratha.

Open forum meetings were held in South Hedland and Karratha, with various issues being raised and vital feedback provided to the Members of the GEHA Board and Management regarding the problems and issues facing Government employees living in the Pilbara.

Of particular concern were issues relating to security, availability of maintenance contractors in the Pilbara, and the shortage of housing and land due to the mining growth in the region.

Some issues were immediately addressed following the tour and others will be acted upon in the coming months.

Board Members inspected various properties in the region, including new construction in Port Hedland, single person units identified for upgrade or redevelopment, refurbished properties in Roebourne, and properties leased from the private market.

In Roebourne, the Board met the OIC of Police Alan Rice, who briefed Members regarding significant issues facing Police officers living in the town.



*OIC Police Alan Rice speaking to Board Members on the Roebourne Police Station grounds.*

The Chairperson of the GEHA Board and Members would like to thank the Government department representatives and GEHA tenants who attended the meetings and opened their homes for inspection. This provided the Board with a much clearer picture of the issues in the Pilbara. Comments made at the meetings have been documented and updates will be presented at monthly Board meetings, as progress is made to address and resolve these issues.

### Full-Time Equivalent Staff Positions (FTEs)

Employee category	2000-01	2001-02	2002-03	2003-04	2004-05
Permanent full-time	28	29	27	29	28
Permanent part-time	-	1	0	0	0
Fixed Term full-time	3	2	1	4	7
Fixed Term part-time	2	2	1.5	0	1
Total FTEs	33	34	29.5	33	36

### Staff Recruitment and Training

GEHA employs 36 staff, located in Perth, Karratha, South Hedland and Kalgoorlie.

The Department of Housing and Works administers all staffing arrangements and provides support in ensuring compliance with the *Equal Opportunity Act 1984*, the *Public Sector Management Act 1994* and other relevant Acts.

### Trainee Program

In February 2003, GEHA agreed to participate in the South Metropolitan Youth Link Structured Workplace Learning Program. This is a two-year, school-based Aboriginal program whereby the student attends the working environment for two days each week during years 11 and 12. Our trainee completed the program in December 2004 and left GEHA for experience in another working environment.

### Service Level Agreement

The Service Level Agreement between GEHA and the Department of Housing and Works, which sets out control process and monitoring guidelines, has been further strengthened to provide greater devolution of processes and functions.

The Agreement allows for flexibility in deployment of resources to cater for work volume increases. For the first time last year, additional resources were put into place to deal with the high volume of client department tenant movements over the Christmas-New Year period. Traditionally the Department of Education and Training has a high volume of teacher changeovers, and in total the Authority saw over 700 tenancies changeover during the period December 2004 – February 2005.

### Workers' Compensation

There were no workers' compensation claims for the 2004-05 financial year.

### Policy

In 2004-05, various policies were reviewed and updated. GEHA is in the process of developing a tenancy management process and various policies that will support this process.

### Debtor Management

The Department of Housing and Works' Caretaker property / account / customer computer system is used for debtor management. This system keeps the account records for GEHA and produces all invoicing to GEHA clients.

GEHA's major debtors are the Government departments using GEHA's services. Rents are invoiced monthly in advance and departments are required to forward payment before the end of the month. A total of \$67.5 million was received in 2004-2005. GEHA generally experiences collection rates of 100% on Government rental debtors.

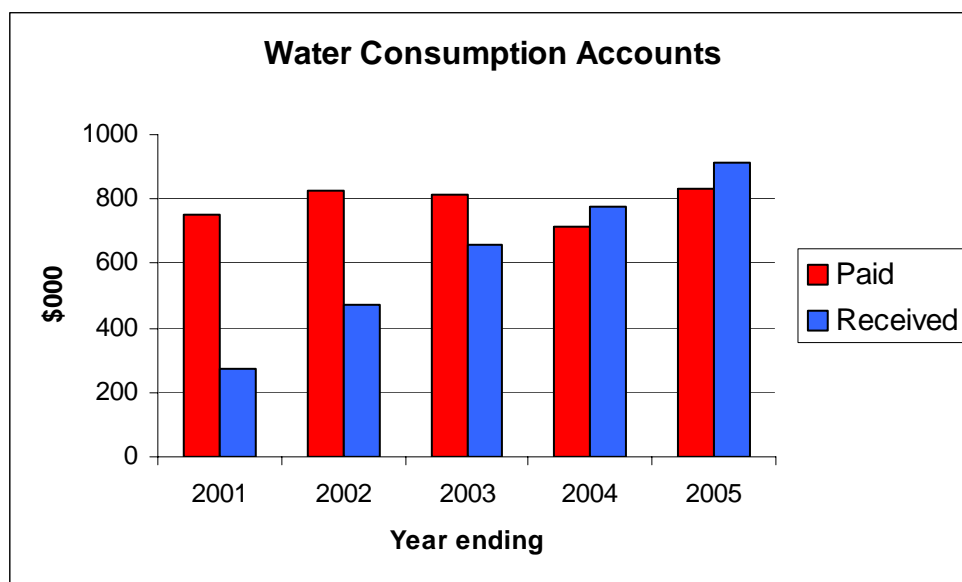
GEHA also bills tenants directly for water consumption. As owner or lessee for over 4,000 properties, GEHA is bound either statutorily or contractually to pay water consumption accounts to the Water Corporation and/or leased property owners. Reimbursement is then sought from the tenants.

While this is a much smaller activity compared to the Government rents, it is still significant in dollar terms.

Over recent years, GEHA has been working to improve systems and procedures in respect to water consumption, with various modifications made to Caretaker so that it can be used to manage this activity. In 2004-05, further system enhancements enabled Water Corporation accounts to GEHA to come through on a daily data transfer directly into Caretaker.

Previously, GEHA would receive these accounts weekly. Now a bulk monthly invoice is received by GEHA, with a requirement to make payment within six weeks.

The graph below demonstrates the success of these activities enjoyed in recent years. Please note that in 2003-04 and 2004-05, more was received from tenants than was paid out due to a) success in collecting outstanding amounts and b) in the case of 2004-05, a timing difference associated with paying Water Corporation monthly in arrears instead of weekly.



### Compliance with Legislation

The Government Employees' Housing Authority was established on 14 December 1964 under the *Government Employees' Housing Act 1964*. The Authority is responsible to the Hon Francis Logan, MLA, Minister for Housing and Works; Heritage; Minister Assisting in Planning and Infrastructure.

### **Internal Audit**

As required by the *Financial Administration and Audit Act 1985*, an independent audit of GEHA's operations was carried out during the year. GEHA uses the services of accounting firm Ernst and Young, retained under a contract managed by the Department of Housing and Works under the Machinery of Government reforms.

This review of operations is a service to management and assists the Accountable Authority (the Government Employees' Housing Authority Board) with its corporate governance responsibilities.

### **Appeals**

The Authority's Appeals Mechanism was introduced in 2000-01 to provide a means to address customer concerns and complaints. The Appeals Mechanism Policy is currently under review.

Under the new Service Level Agreement 2005-08 with the Department of Housing and Works, it is expected that issues of concern will be dealt with more effectively, hence reducing the number of appeals received.

In July 2004, 18 appeals were outstanding from 2003-04 and during the year a further 90 appeal applications were lodged. Of these appeals, 23 applications remain outstanding as at 30 June 2005.

### **Obligatory Reporting**

#### **Evaluations**

GEHA conducted a Survey of Tenants in May 2004-05. The outcome of this survey is described under Goal 1: People and Communities.

#### **Information Statement**

The Department of Housing and Works' Freedom of Information (FOI) Unit is responsible for administering the processing of FOI applications on behalf of the Authority, in compliance with the *Freedom of Information Act 1992*. Through the Department's FOI Unit, the Authority aims to make information available promptly, for the least possible cost. Wherever possible documents will be provided outside the Freedom of Information process.

Freedom of Information applications, payments, correspondence and general inquiries may be directed to the Department's Freedom of Information Unit, 99 Plain Street, East Perth, 6004 Tel: (08) 9222 4501; Fax: (08) 9221 1388.

During the reporting period no applications relating to GEHA were received.

#### **Statement of Compliance with State Records Act 2000**

The Department of Housing and Works administers all aspects of record keeping on behalf of the GEHA, in compliance with the *State Records Act 2000*.

## Advertising and Sponsorship

In accordance with the disclosure requirements of Section 175ZE of the *Electoral Act 1907*, the Authority incurred expenditure during the period 1 July 2004 to 30 June 2005 on the following:

Publications:

Period	Project	Company	Cost (\$)
July - September 2004	2002-2003 Annual Report	Publication – Van Zeller & Associates (Balance of writing & editing)	3,332
		Design AR Cover – Group Acumen	318
September 2004	Thematic History of Forestry Cottages in Western Australia	Reimbursement to the Department of Conservation & Land Management for half share of consultancy by Heritage & Conservation Professionals completed in February 2004	10,863
January 2005	GEHA News – Issue 11 (November 2004)	Publication – Van Zeller & Associates (writing and editing)	847
May 2005	40 <sup>th</sup> Anniversary Project – History of GEHA	University of Western Australia – Cooperative Education for Enterprise Development (CEED) Office	4,125
June 2005	Strategic Plan 2005-08	Design & Artwork – Graphic Elements	1,344

Company	Period	Project	Cost (\$)
Advertising agencies		Not applicable	Nil
<u>Market research agencies</u> - Taylor Nelson Sofres (TNS)	August 2004	2004 Survey of level of satisfaction of client departments and GEHA tenants	16,867 (50% of contract)
- Taylor Nelson Sofres (TNS)	April 2005	2005 Survey of level of satisfaction of tenants	10,670 (50% of contract)
Polling organisations		Not applicable	Nil
Direct mail organisations		Not applicable	Nil
Media advertising organisations		Not applicable	Nil

## Equal Employment Opportunity Outcomes -Training

Through 2004 and the first half of 2005 the internal training program through the Department of Housing and Works has had a strong emphasis on Equal Opportunity.

During 2004, 24 general awareness sessions were presented - four of these formed Day Two of the Department's Orientation Program for new employees, nine were held at Head Office for existing staff and eleven were presented throughout the Regions for new and existing staff.

A "Managing EEO Complaints" session was also presented at Head Office. Contact Officer refresher training continues to be held on an annual basis with another successful session held in August 2004.

In the first half of 2005, the department renewed its commitment to ensuring that all staff participated in EEO training. Thus, additional sessions were introduced in the metropolitan area following implementation of the original program. In order to meet the high turnover of staff in Regional areas, a number of sessions are planned for country branches.

### **Statement of Compliance with Public Sector Standards and Codes**

The Human Resources branch of the Department of Housing and Works (DHW) administers all staffing arrangements for GEHA. DHW is responsible for assisting the Authority to promote and maintain compliance with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the DHW Code of Conduct.

The Authority follows all procedures developed by DHW, based on equal opportunity principles, to ensure compliance with regard to human resource policies and procedures in the areas of recruitment, selection and training.

### **Corruption Prevention**

GEHA follows the Department of Housing and Works (State Housing Commission) policy and guidelines relating to fraud and corruption.

Fraud, corruption and misconduct detection and prevention forms part of the Department's business units risk management activities with appropriate reporting procedures established.

As the collective for the legal entities such as GEHA, the Commission has implemented a risk management policy which incorporates strategies to minimise the risks of fraud, misconduct and corruption which include policies and guidelines for:

- Information access;
- Information Security – Access Controls;
- Fraud and Corruption;
- Staff Induction;
- Gifts and Benefits;
- Segregation of duties in relation to payments and other internal controls.

These in conjunction with the audits of contractors, internal audit operations & the stringent controls on financial payments have developed a culture of potential fraud, corruption and misconduct awareness.

### **Public Interest Disclosures (PID)**

The Department of Housing and Works (DHW) is responsible for assisting the Authority to meet its obligations under the *Public Interest Disclosure Act 2003*. DHW

has appointed a PID Officer and has put in place procedures designed to ensure compliance relating to the Department's obligations under the Act.

During the reporting period no public interest disclosures were received.

<b>TABLE OF CLIENT DEPARTMENTS PROVIDED WITH ACCOMMODATION UNDER THE GOVERNMENT EMPLOYEES' HOUSING ACT 1964</b>			
<b>DEPARTMENT</b>	<b>30 JUNE 2004</b>	<b>30 JUNE 2005</b>	<b>% CHANGE</b>
Agriculture Department	106	104	-2%
C.Y. O'Connor TAFE	3	1	-67%
Central Great Southern Health Service	1	1	0%
Central West TAFE	6	6	0%
Conservation & Land Management	129	142	10%
Curtin University	30	25	-17%
Department for Community Development	118	113	-4%
Department for Planning and Infrastructure	7	14	100%
Department of Consumer and Employment Protection	3	4	33%
Department of Culture & the Arts	0	1	100%
Department of Education and Training	2072	2041	-1%
Department of Environment, Water and Catchment Protection	19	19	0%
Department of Fisheries	26	32	23%
Department of Housing and Works	32	41	28%
Department of Indigenous Affairs	17	17	0%
Department of Industry and Resources	33	29	-12%
Department of Justice	226	241	7%
Department of Land Information	3	2	-33%
Department of Sport and Recreation	5	6	20%
Disabilities Services Commission	8	7	-13%
East Kimberley Health Service	3	3	0%
East Pilbara Health Service	5	5	0%
Pilbara TAFE	112	114	2%
Eastern Wheatbelt Health Service	1	2	100%
Fire & Emergency Services Authority	6	6	0%
Forest Products Commission	14	10	-29%
Gascoyne Development Commission	3	4	33%
Gascoyne Health Service	1	1	0%
Geraldton Health Service	2	2	0%
Goldfields Esperance Development Commission	3	1	-67%
Kimberley TAFE	59	64	8%
Kimberley Development Commission	5	5	0%
Kimberley Health Region	3	3	0%
Legal Aid WA	9	8	-11%
Mid West Health Service	1	1	0%
Museum Western Australia	1	1	0%
North West Mental Health Service	8	8	0%
Path Centre	20	19	-5%
Perth Dental Services	20	19	-5%
Pilbara Development Commission	5	6	20%
Pilbara Gascoyne and Aged Care Service	0	1	100%
Pilbara Public Health Unit	3	4	33%
WA Police	917	952	4%
WA Tourism Commission	4	2	-50%
Water Corporation	78	85	9%



TABLE OF CLIENT DEPARTMENTS PROVIDED WITH ACCOMMODATION UNDER THE GOVERNMENT EMPLOYEES' HOUSING ACT 1964			
DEPARTMENT	30 JUNE 2004	30 JUNE 2005	% CHANGE
West Kimberley Health Service	3	3	0%
West Pilbara Health Service	20	17	-15%
Western Health Service	1	1	0%
Wheatbelt Development Commission	5	4	-20%
<b>TOTAL</b>	<b>4156</b>	<b>4197</b>	<b>1%</b>

TABLE OF PROPERTY NUMBERS BY LOCATION AS AT 30 JUNE 2005					
	GEHA OWNED	LEASED	TOTAL	SINGLE DETACHED HOUSES	DUPLEX APARTMENTS & FLATS
ALBANY	28	7	35	35	0
AUGUSTA	5	1	6	4	2
AUSTRALIND	0	1	1	1	0
BABAKIN	1	0	1	1	0
BADGINGARRA	2	0	2	2	0
BALDIVIS	6	0	6	0	6
BALGO HILLS	3	0	3	3	0
BALINGUP	0	1	1	1	0
BALLIDU	2	0	2	2	0
BEACON	1	1	2	2	0
BENCUBBIN	3	0	3	3	0
BERESFORD	1	0	1	1	0
BEVERLEY	8	1	9	7	2
BINDOON	1	0	1	1	0
BINNU	1	0	1	1	0
BLACKSTONE	3	0	3	3	0
BLUFF POINT	0	1	1	1	0
BODALLIN	1	0	1	1	0
BODDINGTON	11	1	12	6	6
BOLGART	2	0	2	2	0
BORDEN	3	0	3	3	0
BOULDER	38	45	83	58	25
BOYUP BROOK	3	1	4	4	0
BREMER BAY	1	3	4	4	0
BRIDGETOWN	7	2	9	9	0
BROOKTON	9	0	9	6	3
BROOME	81	198	279	243	36
BROOMEHILL	3	0	3	3	0
BRUCE ROCK	9	0	9	6	3
BRUNSWICK JUNCTION	2	0	2	2	0
BUNTINE	2	0	2	2	0
BUREKUP	1	0	1	1	0
BURRINGURRAH	5	0	5	3	2
BUSSELTON	5	18	23	22	1
CADOUX	1	0	1	1	0
CALINGIRI	1	0	1	1	0
CAMBALLIN	9	1	10	8	2
CANE	1	0	1	1	0
CANNING VALE	15	0	15	15	0
CAPE ARID	1	0	1	1	0
CAPE LE GRAND	2	0	2	2	0
CAPE RANGE NATIONAL PARK	1	0	1	1	0
CAPEL	1	0	1	1	0
CARNAMAH	9	0	9	7	2

TABLE OF PROPERTY NUMBERS BY LOCATION AS AT 30 JUNE 2005					
	GEHA OWNED	LEASED	TOTAL	SINGLE DETACHED HOUSES	DUPLEX APARTMENTS & FLATS
CARNARVON	86	64	150	117	33
CASCADE	2	0	2	2	0
CASSIA	5	0	5	5	0
CERVANTES	4	1	5	4	1
COLLIE	38	2	40	33	7
CONDINGUP	2	0	2	2	0
COOKE POINT	13	0	13	11	2
COOLGARDIE	7	2	9	7	2
COOROW	2	1	3	3	0
CORRIGIN	8	4	12	10	2
COSMO NEWBERY	2	0	2	2	0
COWARAMUP	1	0	1	1	0
CRANBROOK	3	1	4	4	0
CUE	7	2	9	9	0
CUNDERDIN	11	0	11	8	3
DALWALLINU	14	0	14	6	8
DAMPIER	7	7	14	14	0
DANDARAGAN	1	1	2	2	0
DARDANUP	1	0	1	1	0
DARKAN	5	1	6	3	3
DENHAM	12	8	20	19	1
DENMARK	8	1	9	7	2
DERBY	78	2	80	60	20
DJUGERARI	1	0	1	1	0
DONGARA	11	6	17	12	5
DONNYBROOK	6	1	7	5	2
DOODLAKINE	1	0	1	1	0
DOWERIN	7	2	9	7	2
DRYANDRA	1	0	1	1	0
DUMBLEYUNG	5	0	5	3	2
DUNSBOROUGH	2	4	6	6	0
DWELLINGUP	2	0	2	2	0
ENEABBA	3	0	3	3	0
ESPERANCE	32	63	95	75	20
EUCLA	8	0	8	8	0
EXMOUTH	19	18	37	36	1
FITZGERALD RIVER	1	0	1	1	0
FITZROY CROSSING	38	2	40	33	7
FORRESTER PARK	2	6	8	8	0
FRANKLAND	2	0	2	2	0
GAIRDNER	1	0	1	1	0
GASCOYNE JUNCTION	1	1	2	2	0
GERALDTON	15	19	34	21	13
GINGIN	7	4	11	8	3
GLENHILL	0	1	1	1	0

TABLE OF PROPERTY NUMBERS BY LOCATION AS AT 30 JUNE 2005					
	GEHA OWNED	LEASED	TOTAL	SINGLE DETACHED HOUSES	DUPLEX APARTMENTS & FLATS
GNOWANGERUP	10	0	10	7	3
GOOMALLING	5	0	5	5	0
GRASS PATCH	1	0	1	1	0
HALLS CREEK	50	2	52	40	12
HARVEY	30	7	37	33	4
HOPETOUN	1	0	1	1	0
HYDEN	4	0	4	2	2
JACUP	1	0	1	1	0
JAMESON	2	0	2	2	0
JARRAHDALE	13	0	13	13	0
JERDACUTTUP	1	1	2	2	0
JERRAMUNGUP	11	0	11	10	1
JIGALONG	6	0	6	6	0
JURIEN BAY	10	21	31	26	5
KALAMUNDA	1	0	1	1	0
KALANNIE	1	1	2	2	0
KALBARRI	9	8	17	15	2
KALGOORLIE	89	298	387	301	86
KALUMBURU	13	0	13	9	4
KAMBALDA	28	12	40	31	9
KARIJINI	3	0	3	3	0
KARLGARIN	1	0	1	1	0
KARNET	6	0	6	6	0
KARRATHA	175	251	426	348	78
KATANNING	66	4	70	50	20
KELLERBERRIN	13	1	14	11	3
KENDENUP	1	0	1	1	0
KIRUP	5	0	5	5	0
KIWIRRKURRA	3	0	3	3	0
KOJONUP	16	0	16	9	7
KONDININ	6	0	6	4	2
KOOMBANA	145	63	208	158	50
KOORDA	3	0	3	3	0
KUKERIN	1	1	2	2	0
KULIN	8	2	10	8	2
KUNUNURRA	93	90	183	143	40
LA GRANGE	12	2	14	10	4
LAKE GRACE	22	0	22	15	7
LAKE KING	2	0	2	2	0
LANCELIN	6	6	12	12	0
LATHAM	1	0	1	1	0
LAVERTON	22	2	24	20	4
LAWSON	8	0	8	4	4
LEEMAN	4	3	7	7	0
LEINSTER	0	8	8	8	0

TABLE OF PROPERTY NUMBERS BY LOCATION AS AT 30 JUNE 2005					
	GEHA OWNED	LEASED	TOTAL	SINGLE DETACHED HOUSES	DUPLEX APARTMENTS & FLATS
LEONORA	21	8	29	25	4
MAHOMETS FLATS	1	3	4	4	0
MANDURAH	1	0	1	1	0
MANJIMUP	44	11	55	50	5
MARBLE BAR	12	0	12	10	2
MARGARET RIVER	9	5	14	14	0
MARVEL LOCH	1	0	1	1	0
MECKERING	2	0	2	2	0
MEEKATHARRA	52	3	55	43	12
MENZIES	4	2	6	6	0
MERREDIN	66	5	71	52	19
MIDLAND	1	0	1	1	0
MILING	2	0	2	2	0
MILLSTREAM	5	0	5	5	0
MINGENEW	5	0	5	5	0
MOORA	34	4	38	28	10
MOORINE ROCK	1	0	1	1	0
MORAWA	21	5	26	20	6
MOUNT BARKER	8	8	16	16	0
MOUNT MAGNET	17	7	24	22	2
MOUNT TARCOOLA	9	36	45	45	0
MOUNT WALKER	1	0	1	1	0
MT MARGARET	2	0	2	2	0
MUKINBUDIN	13	0	13	9	4
MULGA QUEEN	1	0	1	1	0
MULLEWA	14	2	16	10	6
MULUDJA	3	0	3	3	0
MUNDARING	3	1	4	4	0
MUNDIJONG	1	1	2	2	0
MUNGLINUP	1	1	2	2	0
MUNTADGIN	2	0	2	2	0
NABAWA	1	0	1	1	0
NANNUP	20	1	21	21	0
NAREMBEEN	11	0	11	9	2
NARROGIN	72	3	75	54	21
NEWDEGATE	2	0	2	2	0
NEWMAN	79	16	95	66	29
NORSEMAN	27	2	29	23	6
NORTHAM	58	22	80	66	14
NORTHAMPTON	6	1	7	7	0
NORTHCLIFFE	5	0	5	5	0
NULLAGINE	8	1	9	9	0
NUNGARIN	2	0	2	2	0
NYABING	1	1	2	2	0
ONE ARM POINT	8	0	8	6	2

TABLE OF PROPERTY NUMBERS BY LOCATION AS AT 30 JUNE 2005					
	GEHA OWNED	LEASED	TOTAL	SINGLE DETACHED HOUSES	DUPLEX APARTMENTS & FLATS
ONGERUP	5	0	5	5	0
ONslow	18	3	21	17	4
OOMBULGURRI	4	0	4	4	0
PANNAWONICA	0	1	1	1	0
PARABURDOO	20	1	21	15	6
PEMBERTON	13	2	15	13	2
PERENJORI	4	0	4	4	0
PINGELLY	8	0	8	6	2
PINGRUP	0	1	1	1	0
PINJARRA	1	5	6	6	0
PORONGURUP	1	0	1	1	0
PORT DENISON	0	1	1	1	0
PORT HEDLAND	22	23	45	33	12
QUAIRADING	9	1	10	8	2
QUINNINUP	2	0	2	2	0
RANGEWAY	13	1	14	2	12
RAVENSTHORPE	13	1	14	12	2
ROCKY GULLY	1	0	1	1	0
ROEBOURNE	26	0	26	21	5
ROTTNEST ISLAND	4	1	5	5	0
SALMON GUMS	1	0	1	1	0
SANDSTONE	1	1	2	2	0
SCADDAN	1	0	1	1	0
SHELLBOROUGH	21	1	22	20	2
SOUTH HEDLAND	0	11	11	9	2
SOUTH STIRLING	1	0	1	1	0
SOUTHERN CROSS	19	3	22	16	6
SPALDING	1	0	1	1	0
SPINIFEX HILL	10	0	10	10	0
STIRLING RANGE NATIONAL PARK	2	0	2	2	0
STOKES NP	1	0	1	1	0
STRATHALBYN	0	2	2	2	0
STRELLEY	3	0	3	3	0
SUNSET BEACH	3	4	7	7	0
TAMBELLUP	4	1	5	3	2
TARCOOLA BEACH	2	18	20	20	0
THREE SPRINGS	11	0	11	11	0
TINCURRIN	1	0	1	1	0
TJIRRKARLI	1	0	1	1	0
TJUKURLA	2	0	2	2	0
TJUNTJUNTJARA	2	0	2	2	0
TOM PRICE	46	13	59	49	10
TOODYAY	7	0	7	7	0
TORNDIRRAP	1	0	1	1	0
TRAYNING	4	0	4	4	0

TABLE OF PROPERTY NUMBERS BY LOCATION AS AT 30 JUNE 2005					
	GEHA OWNED	LEASED	TOTAL	SINGLE DETACHED HOUSES	DUPLEX APARTMENTS & FLATS
TWO PEOPLES BAY	1	0	1	1	0
USELESS LOOP	1	0	1	1	0
WAGIN	16	1	17	12	5
WALNUT GROVE	3	0	3	3	0
WALPOLE	4	2	6	6	0
WALYUNGA NP	1	0	1	1	0
WANANAMI	4	0	4	2	2
WANARN	3	0	3	1	2
WANDERING	2	0	2	2	0
WANDINA	2	21	23	23	0
WANGKATJUNGKA	5	0	5	5	0
WARAKURNA	6	0	6	6	0
WARBURTON	5	3	8	8	0
WAROONA	8	1	9	7	2
WATHEROO	1	0	1	1	0
WELLSTEAD	1	0	1	1	0
WESTONIA	2	0	2	2	0
WICKEPIN	4	1	5	5	0
WICKHAM	35	18	53	37	16
WILLIAMS	8	0	8	6	2
WILUNA	17	0	17	11	6
WINGELLINA	4	0	4	2	2
WONGAN HILLS	10	2	12	7	5
WOODANILLING	1	0	1	1	0
WOOLAH	1	0	1	1	0
WOOROLOO	10	0	10	0	10
WUBIN	1	0	1	1	0
WUNDOWIE	3	0	3	3	0
WYALKATCHEM	8	1	9	9	0
WYNDHAM	35	6	41	30	11
YALGOO	8	1	9	7	2
YALLINGUP	1	0	1	1	0
YANCHEP	6	0	6	6	0
YANDEYARRA	6	0	6	6	0
YARLOOP	1	0	1	1	0
YEALERING	1	0	1	1	0
YERECOA	2	0	2	2	0
YINTARRI	2	0	2	2	0
YORK	12	2	14	12	2
YUNA	2	1	3	3	0
<b>TOTAL</b>	<b>2888</b>	<b>1593</b>	<b>4481</b>	<b>3623</b>	<b>858</b>

## STATEMENT OF COMPLIANCE

### Relevant Written Legislation

The Government Employees' Housing Authority has exercised all reasonable care to comply with relevant written laws, as amended from time to time, including but not confined to the:

*Government Employees' Housing Act 1964*  
*Residential Tenancies Act 1987*  
*Financial Administration and Audit Act 1985*  
*Dividing Fences Act 1961*  
*Public Sector Management Act 1994*  
*Freedom of Information Act 1992*

In accordance with Sections 62 and 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament the Report of the Government Employees' Housing Authority for the period 1 July 2004 to 30 June 2005.

The report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

As staff of the Government Employees' Housing Authority are employed by the Department of Housing and Works, comment on compliance in relation to standards and codes of conduct as required by Section 31(1) of the *Public Sector Management Act 1994* is made by that organisation.

At the date of signing the Authority is not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.



Helen Stewart  
Chairperson



B Thomas  
Board Member



Kevin Toop  
Principal Accounting Officer

31 August 2005



**GOVERNMENT EMPLOYEES HOUSING AUTHORITY**

**KEY PERFORMANCE INDICATORS**



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### GOVERNMENT EMPLOYEES' HOUSING AUTHORITY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Government Employees' Housing Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2005.

#### **Scope**

##### ***The Authority's Role***

The Authority is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

##### ***Summary of my Role***

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON  
AUDITOR GENERAL  
14 October 2005

# KEY PERFORMANCE INDICATORS

## OUTCOME:

GEHA has one outcome, which is the provision of housing in country areas for Government employees to facilitate the operation of Government services.

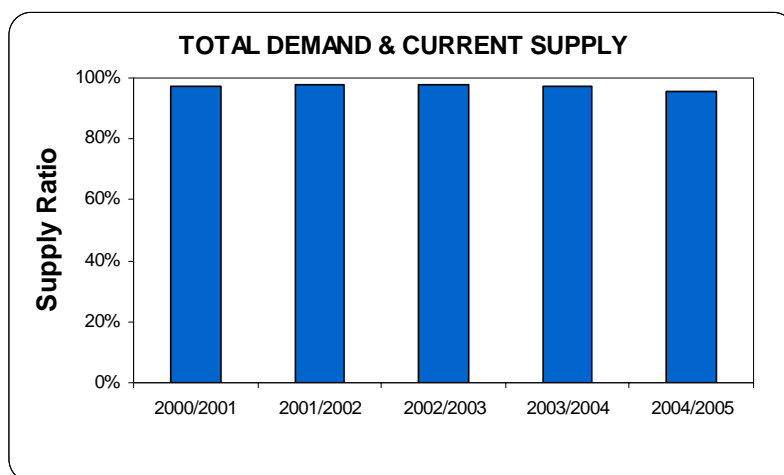
## EFFECTIVENESS INDICATOR 1

The extent to which the Government Employees' Housing Authority is responsive to the provision of housing to meet the needs of eligible Western Australian Government employees.

This indicator measures the Authority's capacity to respond to demand as expressed by departments' requests for accommodation. This is calculated by dividing the supply, or allocation of stock at the end of the year, by the demand for accommodation in the form of requests from departments for accommodation and allocation of stock at the start of the year. This is an indicator of the Authority's capacity to respond to demand for housing assistance for Western Australian Government employees.

The supply ratio indicates GEHA's level of success in providing accommodation in response to the demand from departments.

The level of demand and supply has remained relatively constant over the previous four years. The ratio of supply to demand has decreased in 2005 as GEHA experienced an increase in demand from the Department of Education and Training, GEHA's largest client department, while supply has remained constant. Demand also increased from the Western Australian Police and from the Department for Community Development in response to findings from the Gordon Inquiry.



**Table - Demand and Supply**

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Demand	4284	4237	4244	4262	4399
Supply	4174	4148	4140	4156	4197
Ratio	97%	98%	98%	98%	95%

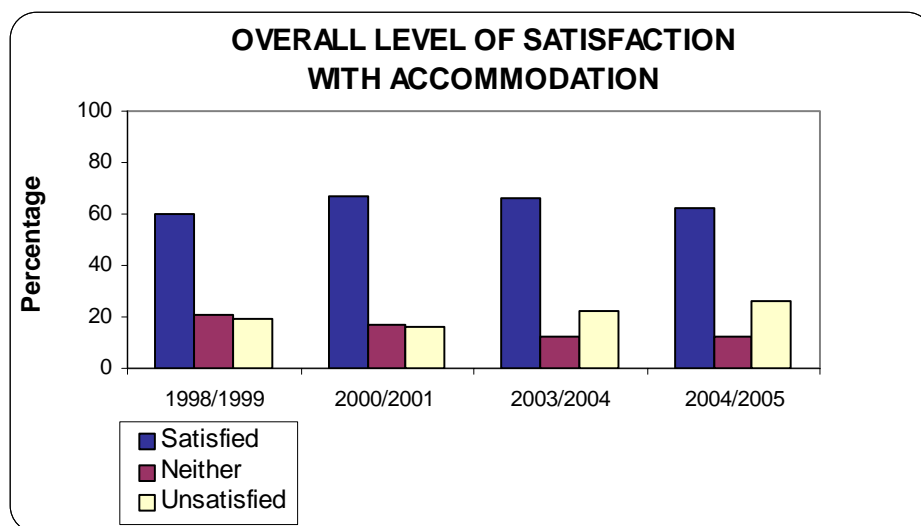
## **EFFECTIVENESS INDICATOR 2**

### **The extent to which Government employees are satisfied with accommodation provided by the Government Employees' Housing Authority.**

This indicator measures the Authority's capacity to respond to demand as expressed by the occupant's level of satisfaction with the accommodation provided. This overall satisfaction with accommodation has been measured in independent surveys conducted in 1998, 2000, 2004 and 2005. This is an indicator of the Authority's capacity to respond to demand for housing assistance for Western Australian Government employees.

The 1998 survey conducted by Corporate Logistics received a response rate of 73% with 2826 responses from 3850 questionnaires sent. The 2000 survey conducted by Donovan's Research received a response rate of 48% with 1947 responses from 3988 questionnaires sent. The 2004 survey by Taylor Nelson Sofres (TNS) Social Research received a response rate of 23% with 930 responses from 4100 questionnaires sent. The 2005 survey by TNS Social Research received a response rate of 21% with 843 responses from 4100 questionnaires sent out by departments. TNS Social Research has advised that there is a 3% allowance for sampling errors for the data (the Office of the Auditor General recommends a maximum of  $\pm 5\%$ ).

Almost two thirds of respondents (62%) expressed satisfaction with their home overall, whilst 26% expressed dissatisfaction. This is an increase from 22% of respondents dissatisfied in the previous year. The increase in the level of dissatisfaction relates to the condition and cleanliness of their GEHA home on occupation, which is affected by the period of time that the house was vacant before they occupied. One of the problems experienced is the lack of notification provided to GEHA when a tenant is vacating or occupying their GEHA home, which does not allow for maintenance or cleaning to be undertaken before the new tenant occupies the house.



#### ***Respondents Satisfaction with Accommodation %***

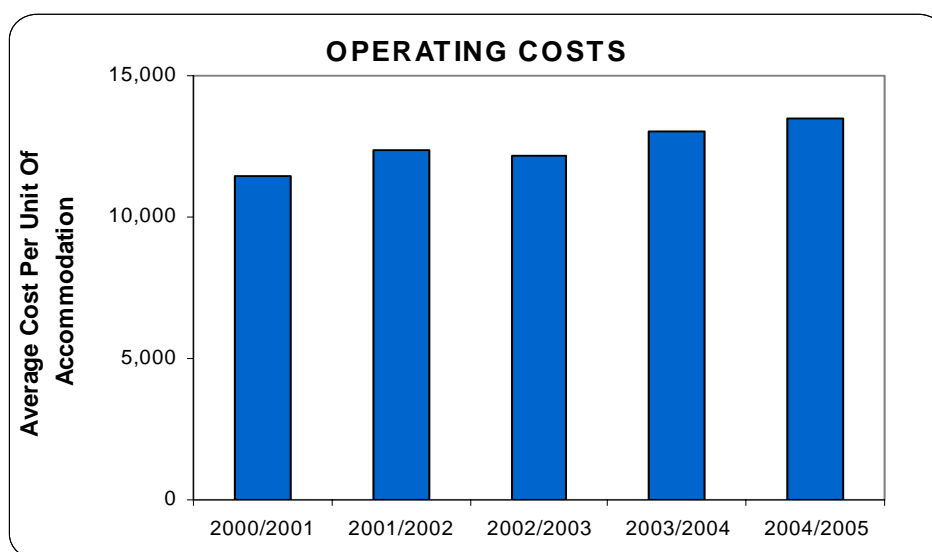
	1998/1999	2000/2001	2003/2004	2004/2005
Satisfied	60	67	66	62
Neither	21	17	12	12
Unsatisfied	19	16	22	26

## **EFFICIENCY INDICATOR 1**

### **Operating Cost per Property**

This indicator measures the cost efficiency of the provision of GEHA housing. It is calculated by dividing the total cost of output by the total number of properties. Pre 2004-05 expenditure is CPI adjusted to 2005 values.

The operating cost per property for the 2004-05 financial year has increased to \$13,491. This was mainly due to an increase in rental expenses. This increase is a result of increased expenditure on maintenance and improvements including a \$2M grant for replacement of air conditioning systems in the Pilbara region and increased lease and insurance premium expenses as a result of market forces.



***Table Average Operating Cost Per Unit of Accommodation***

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Average Cost	11,429	12,395	12,203	13,013	13,491

## CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Government Employees' Housing Authority's performance, and fairly represent the performance of the Government Employees' Housing Authority for the financial year ended 30 June 2005.



Trevor Clarey  
Director



Helen Stewart  
Chairperson



B Thomas  
Board Member

31 August 2005

**GOVERNMENT EMPLOYEES HOUSING AUTHORITY**

**FINANCIAL STATEMENTS**



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### GOVERNMENT EMPLOYEES' HOUSING AUTHORITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Government Employees' Housing Authority provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Authority at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

#### Scope

##### *The Authority's Role*

The Authority is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON  
AUDITOR GENERAL  
14 October 2005



## CERTIFICATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements of the Government Employees' Housing Authority have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2005 and the financial position as at 30 June 2005.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Helen Stewart  
Chairperson



Kevin Toop  
Principal Accounting Officer

  
B Thomas  
Board Member

31 August 2005

**Government Employees' Housing Authority  
Statement of Financial Performance  
for the year ended 30 June 2005**

	NOTE	2005 \$000	2004 \$000
<b>REVENUE</b>			
<b>Revenues from ordinary activities</b>			
<b><i>Revenue from operating activities</i></b>			
Rental Revenue		67,501	62,580
<b><i>Revenue from non-operating activities</i></b>			
Proceeds on disposal of non-current assets	2	7,212	4,801
Interest revenue		691	1,143
Other revenues from ordinary activities	3	289	102
<b>Total revenues from ordinary activities</b>		<b>75,693</b>	<b>68,626</b>
<b>EXPENSES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	4	2,013	1,750
Supplies and services	5	2,473	2,399
Rental Expenses	6	47,686	41,899
Depreciation expense	7	4,655	4,593
Borrowing costs expense	8	7,904	8,865
Accommodation expenses	9	310	182
Carrying amount of non-current assets disposed of	2	6,106	4,777
Other expenses from ordinary activities	10	38	-
<b>Total expenses from ordinary activities</b>		<b>71,185</b>	<b>64,465</b>
Profit from ordinary activities before grants and subsidies from State Government		4,508	4,161
Grants and Subsidies from State Government	11	2,000	-
<b>Net Profit</b>		<b>6,508</b>	<b>4,161</b>
Net increase / (decrease) in asset revaluation reserve		9,962	6,367
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>9,962</b>	<b>6,367</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS</b>			
		<b>16,470</b>	<b>10,528</b>

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

**Government Employees' Housing Authority**  
**Statement of Financial Position**  
**as at 30 June 2005**

	NOTE	2005 \$000	2004 \$000
<b>Current Assets</b>			
Cash assets	19(a)	12,678	19,176
Inventories	12	-	2,034
Receivables	13	4,739	4,651
<b>Total Current Assets</b>		<b>17,417</b>	<b>25,861</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	14	290,999	273,586
<b>Total Non-Current Assets</b>		<b>290,999</b>	<b>273,586</b>
<b>Total Assets</b>		<b>308,416</b>	<b>299,447</b>
<b>Current Liabilities</b>			
Payables	15	2,875	2,888
Interest-bearing liabilities	16	7,731	7,439
Provisions	17	230	240
<b>Total Current Liabilities</b>		<b>10,836</b>	<b>10,567</b>
<b>Non-Current Liabilities</b>			
Interest-bearing liabilities	16	101,249	108,998
Provisions	17	180	201
<b>Total Non-Current Liabilities</b>		<b>101,429</b>	<b>109,199</b>
<b>Total Liabilities</b>		<b>112,265</b>	<b>119,766</b>
<b>Net Assets</b>		<b>196,151</b>	<b>179,681</b>
<b>Equity</b>	18		
Asset revaluation reserve		176,506	166,544
Retained profits		19,645	13,137
<b>Total Equity</b>		<b>196,151</b>	<b>179,681</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**Government Employees' Housing Authority**  
**Statement of Cash Flows**  
**for the year ended 30 June 2005**

	NOTE	2005 \$000	2004 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rental Income		68,215	62,792
Interest Received		739	1,136
Other receipts		1,186	1,082
GST receipts on sales		33	2
<b>Payments</b>			
Employee costs		(2,099)	(1,809)
Supplies and services		(2,442)	(2,411)
Rental property payments		(48,766)	(42,807)
Borrowing costs		(8,115)	(8,994)
Accommodation		(310)	(182)
GST payments on purchases		(91)	(98)
GST payments to taxation authority		(448)	(311)
<b>Net cash provided by operating activities</b>	19(b)	<b>7,902</b>	<b>8,400</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		6,472	4,582
Purchase of non-current physical assets		(15,416)	(9,541)
<b>Net cash (used in) investing activities</b>		<b>(8,944)</b>	<b>(4,959)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(7,456)	(7,212)
<b>Net cash (used in) financing activities</b>		<b>(7,456)</b>	<b>(7,212)</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Grants and subsidies		2,000	-
<b>Net cash provided by State Government</b>		<b>2,000</b>	<b>-</b>
<b>Net Increase/(decrease) in cash held</b>		<b>(6,498)</b>	<b>(3,771)</b>
Cash assets at the beginning of the financial year		19,176	22,947
<b>Cash assets at the end of the financial year</b>	19(a)	<b>12,678</b>	<b>19,176</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Government Employees' Housing Authority**  
**Notes to the Financial Statements**  
**for the year ended June 30, 2005**

**1. Significant accounting policies**

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Revaluation of non-current assets

The Authority values certain non-current assets which subsequent to initial recognition, have been valued on the fair value basis in accordance with AASB1041 (5.1). Additions to non-current physical assets are measured at cost and are considered to represent fair value. For properties that are shown at valuation, independent valuations are provided by the Valuer General, G. Fenner AAPI, B Bus (Val) on an annual basis. The valuations are as at July 1 in the previous year. The Valuer General has valued land and dwellings at fair value. The fair value approach considers the value a given asset is likely to realise, assuming it was sold on the open market following a reasonable selling period.

(b) Rental Properties

Rental Properties are shown at fair value in the financial statements. Increments have been taken to the asset revaluation reserve, decrements have been offset against previous increments relating to this asset class. Independent valuations are provided by the Valuer General, G. Fenner AAPI, B Bus (Val) on an annual basis. The valuations are as at July 1 in the previous year. The Valuer General has valued land and dwellings at fair value. Properties less than one year old are measured at construction cost, which is considered to represent fair value, plus land at fair value.

(c) Leases

The Authority has entered into a number of operating lease arrangements for buildings where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

## 1. Significant accounting policies (continued)

### (d) Freehold Land

Freehold land consists of both broad hectare and developed lots, and have been valued on the fair value basis in accordance with AASB1041 (5.1). Additions to non-current physical assets are measured at cost and are considered to represent fair value. For properties that are shown at valuation, independent valuations are provided by the Valuer General, G. Fenner AAPI, B Bus (Val) on an annual basis. The valuations are as at July 1 in the previous year. The Valuer General has valued land and dwellings at fair value. The fair value approach considers the value a given asset is likely to realise, assuming it was sold on the open market following a reasonable selling period.

### (e) Other Properties

Includes offices and commercial properties which are owned or are leased from various organisations and individuals. Properties are shown at fair value in the financial statements. Increments have been taken to the asset revaluation reserve, decrements have been offset against previous increments relating to this asset class. Independent valuations are provided by the Valuer General, G. Fenner AAPI, B Bus (Val) on an annual basis. The valuations are as at July 1 in the previous year. The Valuer General has valued land and dwellings at fair value.

### (f) Buildings under construction

GEHA constructs housing for the requirements of its rental programme. Buildings under construction relates to dwellings at various stages of completion. These are recorded at cost, which includes all costs directly related to specific constructions plus capitalised administration charges as they are progressively incurred in connection with these activities. Upon completion the costs are transferred to the Rental Properties asset category.

### (g) Inventories

Inventories are represented by land held at cost. Cost includes the cost of acquisition/development and other capitalised costs. After development is completed, other holding charges are expensed as incurred.

In previous years, GEHA recorded vacant land lots available for building as Inventory. This implies that the lots were primarily for sale. However, these lots are primarily held for the future needs of the construction programme. Therefore it is considered that they should be more correctly regarded as Property Plant and Equipment, have been reclassified accordingly and have been moved to the fair value basis of valuation.

### (h) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on a straight-line basis, using rates which are reviewed annually. The costs of leasehold improvements to or on Shire Council leased properties are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Major depreciation rates are:

	2005	2004
Buildings	2%	2%
Office and computer equipment	10% - 36%	10% - 36%

## 1. Significant accounting policies (continued)

### (i) Rental Property Revenue

Rents are charged based on the rental of equivalent properties in the private market. Where there is no equivalent, the rents are based on the cost of provision. Rental property revenue represents the rental revenue charges due from departments less vacancies.

### (j) Revenue Recognition

Revenue from land and property sales is recognised when the contract for sale becomes unconditional.

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Authority obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

### (k) Insurance

In accordance with Treasurer's Instruction 812 the Authority maintains an appropriate level of insurance cover over all insurable risks.

A comprehensive review of insurances was undertaken in 2002/03. The insurance program continues to be a combination of insurance policies provided by commercial insurance providers and the Western Australian Government's RiskCover fund.

As per Treasurer's Instruction 825, insurance is complemented by a comprehensive approach to risk management and prudent management policies and practices.

### (l) Interest-bearing liabilities

Loans are recorded at an amount equal to the net proceeds received. Borrowing costs expense is recognised on an accrual basis.

### (m) Employee benefits

#### (i) Annual leave

This benefit is recognised at the reporting date in respect of employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

#### (ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided to employees to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (iii) Superannuation

Staff may contribute to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now closed to new members. All staff who do not contribute to this scheme become non-contributory members of the West State Superannuation Scheme, an accumulation fund. The Authority contributes to this accumulation fund in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These schemes are administered by the Government Employees' Superannuation Board.

## 1. Significant accounting policies (continued)

### (m) Employee benefits (continued)

#### (iii) Superannuation (continued)

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by quarterly payment of employer contributions to the Government Employees Superannuation Board.

The note disclosure required by paragraph 6.10 of AASB1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Authority. Accordingly, deriving the information for the Authority is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

### (n) Provision for Doubtful Debts

Collectability of accounts receivable is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exist.

### (o) Accrued Salaries

Normally, Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Authority considers the carrying amount approximates net fair value. However, in 2004/05 the last pay period did coincide with the end of the financial year.

### (p) Rental expenses

Expenses incurred relating to owned or leased properties are accounted for in the Supplies and Services line of the Statement of Financial Performance. These expenses include maintenance, rates, insurance expenses, lease property rental expenses, and renovations and improvements.

### (q) Comparative figures

Prior year figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

### (r) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars.



**2. Net profit/(loss) on disposal of non-current assets**

	<b>2005 \$000</b>	<b>2004 \$000</b>
<u>Profit on Disposal of Non-Current Assets</u>		
Rental furniture	13	14
Rental properties	1,368	13
<u>Loss on Disposal of Non-Current Assets</u>		
Rental properties	-	(3)
Land	(275)	-
<b>Net profit/loss</b>	<b>1,106</b>	<b>24</b>

**3. Other revenues from ordinary activities**

	<b>2005 \$000</b>	<b>2004 \$000</b>
Decrease in provision for doubtful debts	246	79
Miscellaneous revenue	43	23
<b>Total other revenues from ordinary activities</b>	<b>289</b>	<b>102</b>

**4. Employee expenses**

	<b>2005 \$000</b>	<b>2004 \$000</b>
Wages and salaries	1,811	1,578
Superannuation	167	162
Annual & long service leave	(32)	(58)
Other related expenses	67	68
	<b>2,013</b>	<b>1,750</b>

## 5. Supplies and services

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Other staff costs	144	124
Audit fees	30	23
Board expenses	13	16
Commissions and fees	16	22
Communications	32	35
Consumable supplies	56	60
Motor vehicles	18	18
Services and contracts	213	179
Other administration costs	1,951	1,922
	<b>2,473</b>	<b>2,399</b>

In the previous year's notes to the statements Supplies and Services included various rental property expenses now separated as below under Note 6.

Other staff costs includes staff travel, training and Fringe Benefits Tax expense.

Services and Contracts expense includes payments made for external consultancy services, internal audit services, and temporary staff. Other administration costs predominantly relate to payments made to the Department of Housing & Works for computing and corporate services, but also includes insurance premiums and miscellaneous costs.

## 6. Rental Expenses

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Maintenance expenses	8,184	7,777
Adjustment for tenant liability	46	(132)
Net maintenance	8,230	7,645
Furniture and fittings	993	710
General expenses	916	872
Insurance expenses	955	321
Rates expenses	3,732	3,678
Renovations and improvements	6,091	4,383
Leased properties expenses	26,769	24,290
	<b>47,686</b>	<b>41,899</b>

In the previous year's notes to the statements rental expenses were shown as part of Supplies and Services. For 2005 they have been restated separately for two reasons, the first being in the interests of improved disclosure.

The second relates to the Machinery of Government provisions. The State Housing Commission (SHC) is the Authority's parent organization under these initiatives. In the interests of greater compatibility with the parent, these expenditures have been restated to more closely follow the SHC format.

This required some amendments to the face of the Statement of Financial Performance. The revenue and expenditure totals of last year have been altered by the amount of tenant liability. Previously, the tenant liability amount was shown under other income, but in line with SHC procedure, is now shown as an adjustment to maintenance expenditure.

**7. Depreciation**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Buildings – residential	4,641	4,527
Furniture & Office Properties	3	3
Office equipment	8	8
Computer equipment	3	55
	<b>4,655</b>	<b>4,593</b>

**8. Borrowing costs expense**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Interest to:		
Western Australian Treasury Corporation	7,903	8,863
Others	1	2
	<b>7,904</b>	<b>8,865</b>

**9. Accommodation expenses**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Office rental	308	176
Office cleaning	2	6
	<b>310</b>	<b>182</b>

**10. Other expenses from ordinary activities**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Vacant land revaluation decrement	38	-
	<b>38</b>	<b>-</b>

The change of the vacant land asset from cost to fair value incurred a decrement which has been expensed accordingly.

**11. Grants and subsidies from State Government**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Appropriation – Air conditioner replacements	2,000	-
	<b>2,000</b>	<b>-</b>

This was a once-off payment from Government to replace older air conditioner units in the Pilbara.

**12. Inventories**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Land held for resale (Note 1(g)):		
Cost of Acquisition and development	-	1,959
Capitalised rates, taxes administration and interest	-	75
	-	2,034

In previous years, GEHA recorded vacant land lots available for building as Inventory. This implies that the lots were primarily for sale. However, these lots are primarily held for the future needs of the construction programme. Therefore it is considered that they should be more correctly regarded as Property Plant and Equipment, have been reclassified accordingly and have been moved to the fair value basis of valuation.

**13. Receivables**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Trade debtors	268	651
Bonds paid on private leases	2,005	1,831
Prepayments of lease rentals	2,290	1,996
Property sales	1	3
	4,564	4,481
Other debtors	446	692
Less provision for doubtful debts	(271)	(522)
	175	170
	4,739	4,651

**14. Property, plant and equipment**

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Freehold land at cost	-	2,405
Freehold land at fair value	2,513	-
	2,513	2,405
<b>Rental Properties at Fair Value</b>		
Land	65,253	60,502
Improvements	221,725	208,567
Accumulated depreciation	(4,535)	(4,371)
	282,443	264,698
<b>Leasehold improvements</b>		
At cost	68	85
Accumulated depreciation	(63)	(70)
	5	15
<b>Commercial properties</b>		
At fair value	239	231
Accumulated depreciation	(3)	(3)
	236	228
<b>Office and computer equipment</b>		
At cost	603	589
Accumulated depreciation	(483)	(477)
	120	112
<b>Buildings under construction</b>		
Construction costs	5,682	6,128
	290,999	273,586

## Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

2005	Free- hold land \$000	Rental Properties \$000	Leasehold Improve- ments \$000	Commer- cial Properties \$000	Office and Computer Equipment \$000	Buildings Under Construct- ion \$000	TOTAL \$000
Carrying amount at start of year	2,405	264,698	15	228	112	6,128	273,586
Additions	2,504	17,169	-	-	19	14,334	34,026
Disposals	(2,358)	(4,744)	-	-		(14,780)	(21,882)
Revaluation Increments	(38)	9,951		11			9,924
Depreciation		(4,631)	(10)	(3)	(11)		(4,655)
Carrying amount at end of year	2,513	282,443	5	236	120	5,682	290,999

## 15. Payables

	2005 \$000	2004 \$000
<b>Current</b>		
Accrued interest expense	1,955	2,166
Trade payables	899	692
GST Payable	21	30
	<u>2,875</u>	<u>2,888</u>

To improve disclosure, the accrued interest expense on WATC borrowings has been shown separately for 2004/05.

## 16. Interest-bearing liabilities

	2005 \$000	2004 \$000
<b>Current</b>		
Western Australian Treasury Corporation	7,731	7,431
Ex Shire Building Scheme	-	8
	<u>7,731</u>	<u>7,439</u>
<b>Non-current</b>		
Western Australian Treasury Corporation	101,249	108,980
Ex Shire Building Scheme	-	18
	<u>101,249</u>	<u>108,998</u>

**17. Employee Benefits**

	<b>2005 \$000</b>	<b>2004 \$000</b>
<b>Current</b>		
Annual leave	154	128
Long service leave	76	112
	<b>230</b>	<b>240</b>
<b>Non-current</b>		
Long service leave	180	201
	<b>180</b>	<b>201</b>

Employee Benefits

The aggregate employee benefit liability recognised and included in the financial statement is as follows:

Provision for employee benefits:

	<b>2005 \$000</b>	<b>2004 \$000</b>
Current	230	240
Non-current	180	201
	<b>410</b>	<b>441</b>

**18. Equity**

	<b>2005 \$000</b>	<b>2004 \$000</b>
<b>Reserves</b>		
Asset revaluation reserve (I)		
Opening balance	166,544	160,177
Net revaluation increments / (decrements)		
Rental Properties	9,962	6,367
Closing balance	<b>176,506</b>	<b>166,544</b>

- (I) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (a).

	<b>2005 \$000</b>	<b>2004 \$000</b>
<b>Retained profits:</b>		
Opening balance	13,137	8,976
Net Profit	6,508	4,161
Closing balance	<b>19,645</b>	<b>13,137</b>

## 19. Notes to the Statement of Cash Flows

### (a) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash refers to cash at bank. Cash at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Cash assets	12,678	19,176
	12,678	19,176

### (b) Reconciliation of profit from ordinary activities before grants to net cash flows provided by operating activities

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Net Profit from ordinary activities before grants	4,508	4,161
Depreciation and amortisation expense	4,655	4,593
Land revaluation decrement	38	-
Provision for doubtful debts	(246)	(79)
Interest payable	(211)	(130)
Net Profit on sale of property, plant and equipment	(1,106)	(24)
(Increase)/Decrease in receivables	1,014	1,133
(Decrease) in payables	(750)	(1,254)
Net cash flows provided by operating activities	7,902	8,400

## 20. Commitments for expenditure

### (a) Capital expenditure commitments

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	4,105	11,140
	4,105	11,140
The capital commitments include amounts for:		
Buildings	4,105	11,140

**20. Commitments for expenditure cont'd****(b) Lease commitments**

Commitments in relation to lease contracted for at the reporting date but not recognised as liabilities are payable as follows:

	<b>2005 \$000</b>	<b>2004 \$000</b>
Within 1 year	21,975	19,818
Later than 1 year and not later than 5 years	36,204	39,121
Later than 5 years	3,691	4,472
	<b>61,870</b>	<b>63,411</b>
Representing:		
Non-cancellable operating leases	<b>61,870</b>	<b>63,411</b>

These commitments are all inclusive of GST.

**21. Contingent Liabilities**

At the reporting date, the Authority had no contingent liabilities.

**22. Events Occurring After Reporting Date**

No events have occurred after the reporting date that would materially affect these financial statements.

**23. Explanatory Statement****(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.**

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are shown below. Significant variations are considered to be those greater than 10% or \$500,000.

	<b>2005 \$000</b>	<b>2004 \$000</b>	<b>Variance \$000</b>
Rental revenue	67,501	62,580	4,921
Proceeds on disposal of non-current assets	7,212	4,801	2,411
Interest revenue	691	1,143	(452)
Other revenues from ordinary activities	289	102	187
Employee expenses	2,013	1,750	263
Rental expenses	47,686	41,899	5,787
Borrowing costs expense	7,904	8,865	(961)
Accommodation expenses	310	182	128
Carrying amount of non-current assets disposed of	6,106	4,777	1,329



## 23. Explanatory Statement (continued)

### Rental revenue

Rental revenue is strongly influenced by market forces as the bulk of GEHA rentals are market based. Rental levels are also influenced by the quality of the stock on offer. GEHA has been making considerable efforts to replace older housing with new stocks. Inevitably this also leads to higher market pricing.

### Proceeds on disposal of non-current assets Carrying amount of non-current assets disposed of

This primarily relates to sales of properties no longer required for use by government departments. In 2004/05 numbers available were greater. In addition, due to continued good conditions the average sales values in 2004/05 were significantly higher than 2003/04.

### Interest revenue

Due to timing of capital flows cash balances were on average lower in 2004/05 than in the previous year, with a subsequent effect on interest revenue.

### Other revenues from ordinary activities

This relates to a further reduction in the provision for doubtful debts due to improved debt collection rates and reduced debtor balances.

### Employee Expenses

This is primarily due to the addition of four new staff positions early in 2004/05.

### Supplies and Services

Firstly, renovation expenditure budgets were increased as part of a program to improve the quality of GEHA's assets – this was made possible by the new rent charging regime as noted above. Secondly, increased market rent levels in many areas, coupled with an overall increase in the number of leased properties, led to increased rental outgoings on properties leased from the private sector.

### Rental expenses

This is due to two main factors. Firstly, the expenditure of a \$2 million once-off Government grant for the replacement of air conditioner units to dwellings in the Pilbara. Secondly, many regional areas were subject to strong rental market conditions resulting in increased rentals on properties GEHA leases from the private market.

### Borrowing Costs Expense

The interest paid has fallen as principal retirements reduce the outstanding debt balance from year to year.

### Accommodation expenses

In 2004/05 GEHA Head Office moved to new premises in a complex owned by the State Housing Commission (SHC). It was agreed that GEHA would pay for the relocation and fitout. In return no rent would be charged until these costs were completely offset. Therefore GEHA will gain the benefits in 2005/06.

(ii) **Significant variations between estimates and actual results for the financial year**

Details and reasons for significant variations between estimates and actual results are shown below. Significant variations are considered to be those greater than 10% or \$ 500,000.

	<b>Estimates</b>	<b>Actuals</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Proceeds on disposal of non-current assets	6,155	7,212	1,057
Other revenues from ordinary activities	25	289	264
Rental expenses	47,191	47,686	495
Carrying value of non current assets disposed of	5,624	6,106	482

Proceeds on disposal of non-current assetsCarrying amount of non-current assets disposed of

This primarily relates to sales of properties no longer required for use by government departments. The number of such properties available for sale was greater than expected. In addition, very good market conditions in 2004/05 led to properties sold achieving higher values than expected.

Other revenues from ordinary activities

This relates to a further reduction in the provision for doubtful debts due to improved debt collection rates and reduced debtor balances. The budget (conservatively) allowed for an increase in the Provision for doubtful debts expense. However after analysis of the debtor balances, the provision was topped down resulting in increased Other Revenue.

Rental expenses

Greater than expected demand for furniture provision in GEHA rental properties required additional expenditure on furniture purchases. This will be offset by increased revenue from furniture charges.

In addition some ancillary expenditure on leased properties was greater than expected.

## 24. Financial Instruments

### (a) Interest Rate Risk Exposure

The following table details the Authority's exposure to interest rate risk as at the reporting date:

			Fixed Interest Rate Maturity				
	Weighted Average Effective Interest Rate %	Variable Interest Rate \$000	Less than 1 Year \$000	1 to 5 Years \$000	More than 5 Years \$000	Non- Interest Bearing \$000	Total \$000
<b>2005</b>							
<b>Financial Assets</b>							
Cash	5.32	12,678	-	-	-	-	12,678
Receivables	-	-	-	-	-	4,739	4,739
<b>TOTAL</b>		<b>12,678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,739</b>	<b>17,417</b>
<b>Financial Liabilities</b>							
Borrowings:							
WATC	6.57	-	42,499	39,218	27,264	-	108,980
Payables	-	-	-	-	-	2,941	2,941
<b>TOTAL</b>			<b>42,499</b>	<b>39,218</b>	<b>27,264</b>	<b>2,941</b>	<b>111,921</b>
<b>2004</b>							
<b>Financial Assets</b>							
Cash	5.07	19,176	-	-	-	-	19,176
Receivables	-	-	-	-	-	4,651	4,651
<b>TOTAL</b>		<b>19,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,651</b>	<b>23,827</b>
<b>Financial Liabilities</b>							
Borrowings:							
WATC	7.11	-	44,728	39,218	32,465	-	116,411
SBS	6.99	-	8	18	-	-	26
Payables	-	-	-	-	-	2,888	2,888
<b>TOTAL</b>			<b>44,736</b>	<b>39,236</b>	<b>32,465</b>	<b>2,888</b>	<b>119,325</b>

### (b) Credit Risk Exposure

All financial assets are unsecured. The carrying amounts represent the Authority's maximum exposure to credit risk in relation to those assets.

## 24. Financial Instruments (continued)

### (c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements, with the exception of the financial liabilities WATC borrowings as follows:

WATC Borrowings	2005 \$000	2004 \$000
Carrying Value in Statement of Financial Position as at 30 June	108,980	116,411
Net Fair Value	113,276	120,698

The net fair value has been calculated using a discounted cashflow model based on a yield curve appropriate to the remaining term to maturity of the instruments.

## 25. Remuneration of Members of the Accountable Authority and Senior Officers

### Remuneration of Members of the Government Employees' Housing Authority.

There is only one member of the Accountable Authority that receives remuneration. The total of fees, salaries, superannuation, and other benefits received, or due and receivable, for the financial year, that fall within the following bands are:

10,001 - 20,000	2005 1	2004 1
	\$000	\$000
The total remuneration of members of the accountable authority is:	14	17

The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

No members of the Authority are members of the pension scheme.

### Remuneration of Senior Officers

The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits received for the financial year, fall within the following bands are:

\$	2005	2004
60,001 - 70,000	-	1
80,001 - 90,000	1	1
90,000 - 100,000	2	1
110,000 - 120,000	-	1
130,000 - 140,000	1	-

**25. Remuneration of Members of the Accountable Authority and Senior Officers (Continued)**

	<b>2005 \$000</b>	<b>2004 \$000</b>
The total remuneration of Senior Officers is:	412	364

The superannuation included here represents the superannuation expense incurred by the Authority in respect of senior officers other than those reported as members of the Accountable Authority.

No Senior Officers are members of the pension scheme.

**26. Remuneration of Auditor**

Remuneration to the Auditor General for the financial year is as follows:

	<b>2005 \$000</b>	<b>2004 \$000</b>
Auditing the accounts, financial statements and performance indicators	30	28

**27. Supplementary Financial Information**

Write-Offs

	<b>2005 \$000</b>	<b>2004 \$000</b>
Bad debts written off by the Board of the Authority during the financial year	7	-
Bad debts written off by the Minister during the financial year	-	435

**28. Impact of Adopting Australian Equivalents to IFRS**

The Government Employees' Housing Authority is adopting international accounting standards in compliance with AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS).

AASB 1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 on the IFRS basis. These financial statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

The Government Employees' Housing Authority is classified as 'Not for Profit' and complies with AASB standards with Australian 'Not for Profit' content and as modified by the Treasurers Instructions.

The information provided below discloses the main areas impacted due to the effects of adopting AIFRS. Management have determined the quantitative impacts using their best estimates available at the time of preparing the 30 June 2005 financial statements. These amounts may change in circumstances where the accounting standards and/or interpretations applicable to the first AIFRS financial statements are amended or revised.

(a) Reconciliation of total equity as presented under previous AGAAP to that under IFRS:

	<b>30 June-2005</b>	<b>1 July-2004</b>
	<b>\$000</b>	<b>\$000</b>
Total equity under previous AGAAP	196,151	179,681
Adjustments to retained profits - net of tax:		
Reduce accumulated depreciation for non -current assets available for sale (i)	35	20
Adjustment to cost on disposal of Non -current Assets(ii)	(493)	119
Write down of non-current assets available for sale(iii)	(318)	(186)
Increase to revaluation reserve on Asset held for Sale(iv)	824	102
Total equity under AIFRS	<u>196,199</u>	<u>179,736</u>

- (i) This is to reverse the depreciation raised under current GAAP after the asset would have been transferred to Held for Sale as assets held for sale are not required to raise depreciation.
- (ii) This adjustment to costs on disposal of assets takes into account the increase in the cost of the disposed assets due to a change in the valuation of the assets under AASB 5
- (iii) This is the write-down of non-current assets available for sale at reporting date from fair value to fair value less selling costs.
- (iv) The increase is due to the new valuations applied to the properties on reclassification to Held for Sale

### **Assets Held for Sale**

Under AASB 5 *Non current Assets Held for Sale and Discontinued Operations* the Government Employees' Housing Authority will be required to reclassify its assets held for sale. This will include surplus housing where there is a management commitment and a plan to sell. These assets will be shown separately in the financial statements at fair value less costs to sell. Whilst the carrying amount estimates the fair value, the more current revaluation upon transfer to Held for Sale has typically resulted in a revaluation increment. An impairment loss is likely on these properties representing the selling costs. A overall reduction in net profit on sale has resulted due to the higher carrying value of the properties Held for Sale. The Equity as shown below is affected

(b) Reconciliation of net profit as presented under previous AGAAP to that under AIFRS:

	<b>30 June-2005</b>
	<b>\$000</b>
Net profit for the period under previous AGAAP	6,508
De-recognition of depreciation expense for non-current assets available for sale (i)	15
Net effect on disposal of non-current assets(ii)	(612)
Write down of non-current assets available for sale(iii)	<u>(132)</u>
Net profit for the period under AIFRS	<u>5,779</u>

(c) Statement of Cash Flows

No material impacts are expected from adopting AIFRS with respect to the Statement of Cash flows.

**GOVERNMENT EMPLOYEES' HOUSING AUTHORITY**  
**Annual Budget 2005/2006**

**\$000**

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**Cashflow**

**OPERATING ACTIVITIES**

Revenue	
Rents Government	70,614
Rents Private	411
Interest	530
Other	944
	<hr/>
TOTAL Revenue	72,499

Payments

Rental Properties Payments	(51,937)
Administration	(5,263)
WATC Interest	(7,105)
	<hr/>
TOTAL Payments	(64,305)

NET CASH OPERATING ACTIVITIES	<hr/> 8,194
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**INVESTING ACTIVITIES**

Sales	9,812
Acquisitions	(22,336)
	<hr/>

NET CASH INVESTING ACTIVITIES	(12,524)
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**FINANCING ACTIVITIES**

WATC Borrowings	(7,731)
WATC Borrowings Recd Gordon	7,000
	<hr/>

NET CASH FINANCING ACTIVITIES	(731)
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NET MOVEMENT IN CASH	(5,061)
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OPENING CASH AT BANK	<b>12,678</b>
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CLOSING CASH AT BANK	<b>7,617</b>
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**GOVERNMENT EMPLOYEES' HOUSING AUTHORITY**  
**Annual Budget 2005/2006**

\$000

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**Statement of Financial Performance**

OPERATING INCOME	
Rent Revenue	70,642
Interest Revenue	530
Other Income	73
	<hr/>
TOTAL OPERATING INCOME	71,245
OPERATING EXPENSES	
Rental Properties Expenses	(50,634)
Administration Expenses	(5,336)
Net Interest Expense	(6,993)
Depreciation and Amortisation	(4,574)
	<hr/>
TOTAL OPERATING EXPENSES	(67,537)
OPERATING PROFIT LOSS	3,708
PROFIT LOSS ON DISPOSALS	1,152
NET PROFIT LOSS	4,860