

Registrar of Community Housing

4. Application Guide



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1. Introduction

This document provides guidance for each question in the Application Form and includes a required attachments checklist.

The Application for Registration requires a community housing provider to submit information and evidence about its performance against requirements for each of the eight performance areas under the Regulatory Code.

When completing the Application Form the applicant should also consult the Evidence Guidelines for further details on the evidence and information required. The Financial Performance Report must also be lodged with the Application Form.

Please ensure that all attachments required for your organisation's designated class are attached. **The required attachments for each class are listed at the end of the Application Guide and are also listed for each requirement in the Evidence Guidelines.**

In summary a complete application consists of:

- Application Form
- Financial Performance Report
- Attached documents

The Registrar of Community Housing requires a 'Complete' Application Form to be authorised by the governing body before it is submitted. Confirmation will be sent when the application is received.

1.1 Consent to obtain information from Housing NSW

The Registrar of Community Housing will require, on occasion, alternative information to be sourced from Housing NSW in order to determine whether a community housing provider complies with the Regulatory Code.

Consent from the governing body to obtain information from Housing NSW is sought as part of the application process.

What happens if a governing body does not give consent?

If a governing body does not give consent to obtain information from Housing NSW, the provider will still be assessed for registration or compliance purposes. However, by not giving consent, the Registrar may not be able to obtain a full understanding of a provider's performance and whether it complies with the Regulatory Code. This may affect the assessment outcome.

Consent can be withdrawn by writing to the Registrar. Consent will be automatically withdrawn if a community housing provider ceases to be registered.

1.2 Consent to obtain information from sources other than Housing NSW

The Registrar of Community Housing's office will not obtain information from other sources without prior written consent from a provider's governing body. The need for such information will be discussed with the provider.

Performance Area 1: Fairness and Resident Satisfaction

Outcome 1: Residents and applicants are treated fairly by community housing providers

Performance requirement 1.1: Fair and transparent processes

A registered community housing provider must ensure that it uses fair and transparent processes to determine eligibility for community housing, the allocation of community housing properties, rent and tenure and in terminating leases.

- 1.1.1 Does the provider have policies and procedures in place that include processes to determine eligibility, allocation of properties, rent and tenure and terminating leases?

These processes form the basis of resident/tenant allocation and management and are fundamental to a community housing provider's business. The provider must demonstrate to the Registrar that all applicants and residents/tenants are treated fairly through the application of these processes and that the processes are clear and accessible.

- 1.1.2 Where residency/tenancy management is outsourced, does the formal agreement show the agency undertaking residency/tenancy management is required to provide quality service delivery and protect the legal rights of residents?

'Outsourcing' refers to a formal agreement between your organisation and another agency to manage a service on your behalf. The formal agreement (e.g. contract) may include conditions for service delivery related to quality and the rights of residents/tenants. Answer questions 1.1.2 and 1.1.3 only if you outsource residency/tenancy management.

- 1.1.3 Where residency/tenancy management is outsourced, does the provider monitor compliance with requirements to provide quality service delivery and protect the legal rights of residents?

This question refers to processes and reviews by the agency managing the service to monitor compliance with the requirements of the formal agreement. For this question briefly list the main outcomes of the last two reviews.

- 1.1.4 Is information available to residents about applicant and resident management policies and procedures in a variety of formats?

- 1.1.5 Is information available to residents about internal and external complaints mechanisms in a variety of formats?

- 1.1.6 Is information available to residents about internal and external avenues for appeal in a variety of formats?

Information about eligibility, allocation and ongoing tenancy/residency management processes should be made available to applicants and residents/tenants to ensure that the processes are transparent and readily understood. Similarly, information about internal complaints and appeals processes should be accessible to applicants and residents/tenants. This information can be communicated through a range of media. Please select the formats that your organisation uses to provide this information.

- 1.1.7 Percentage of residents that have formal residency/tenancy agreements in place.

Residency/tenancy agreement relates to tenants with formal tenancy agreements and also to residents/clients with formal agreements for the length and terms of their residency.

- 1.1.8 Summarise the provider's internal and external complaints and appeals processes and describe applicants' and residents' access to these mechanisms.

- 1.1.9 Outline any appeals received within the previous 12 months including the reason for the appeal, action taken and the outcome.

Briefly list the processes followed for managing complaints and appeals of residency/tenancy decisions. Briefly describe how residents/tenants are guided to access these processes. List appeals over the last 12 months with reason for appeal, action/process followed and outcome described for each appeal.

- 1.1.10 Does the provider have internal or external monitoring (undertaken by or for the provider) that confirms compliance with its own policies and procedures on applicant and resident management?

This question asks whether the provider has a process to review the application and effectiveness of its own policies and procedures in this area. Briefly list the outcome of the last two reviews if you answered yes to this question.

Performance Area 1: Fairness and Resident Satisfaction

Outcome 1: Residents and applicants are treated fairly by community housing providers

Performance requirement 1.2: Resident satisfaction with overall quality

A registered community housing provider must ensure that it maintains a level of resident satisfaction with the overall quality of its services that is, in the opinion of the Registrar, satisfactory.

- 1.2.1 Does the provider have policies and procedures for the capture of resident feedback?

This question seeks to ascertain whether the gathering of tenant/resident feedback to gauge satisfaction with the organisation's services is implemented through organisational policy and guided by procedures.

- 1.2.2 Summarise the provider's methods for the collection of resident feedback (including frequency of collection).

This refers to how tenant/resident feedback is captured, for example through a survey, tenant/resident forums or a combination of methods.

- 1.2.3 Provide examples of how the feedback provided by residents has been acted on by the provider to improve services.

Provide several examples of improvements implemented as a result of tenant/resident feedback.

- 1.2.4 Percentage of residents expressing overall satisfaction with housing services in the most recent resident survey (at a point of time), as a proportion of number of residents responding.

Resident/tenant satisfaction refers to how the resident/tenant perceives the quality of services provided by a CHP in relation to maintenance, customer service, complaints and appeals, rental payment systems and participation opportunities.

Performance Area 2: Sustainable Tenancies and Communities

Outcome 2: Community housing services contribute to sustainable tenancies and communities

Performance requirement 2.1: Support arrangements for residents

A registered community housing provider must develop and maintain arrangements that are adequate, in the opinion of the Registrar, to ensure residents with support needs receive appropriate support and, if relevant, are able to maintain their tenancies.

- 2.1.1 Summarise how the provider develops and maintains support arrangements for residents with identified support needs.

Support arrangements may be formal via a written agreement, or informal via an unwritten agreement.

- 2.1.2 Does the provider monitor and report on the adequacy of support arrangements?

This may be achieved, for example, through regular tenant/resident surveys, reviews of support agreements or an annual meeting with support providers. Briefly list the main outcomes of the last two reviews.

- 2.1.3 List some specific examples of situations where residents with identified support needs have been supported through specific support arrangements.

Provide several examples of support arrangements implemented through your processes and the outcomes for residents/tenants.

- 2.1.4 List the number of residencies/tenancies terminated by the provider or resident within the last 12 months and the cause.

This question seeks to ascertain whether any residencies/tenancies terminated may have been due to a lack of appropriate support or dissatisfaction with support arrangements. Please list the causes of all residencies/tenancies terminated in the last 12 months and whether they were terminated by the provider or resident/tenant.

- 2.1.5 Do the provider's resident feedback mechanisms include determining resident satisfaction with support arrangements?

This question seeks to ascertain whether the provider's methods for the collection of tenant/resident feedback captures feedback on a resident's/tenant's level of satisfaction with their support arrangements.

Performance Area 2: Sustainable Tenancies and Communities

Outcome 2: Community housing services contribute to sustainable tenancies and communities

Performance requirement 2.2: Community involvement

A registered community housing provider must contribute to initiatives that promote the benefits of community housing and support the local community in areas where the community housing provider has a significant presence.

2.2.1 Does the provider have a documented business goal about promoting community housing? Please comment on how progress against this goal is monitored/reported.

‘Promoting’ community housing means promoting the services and benefits of community housing for people in need in your local community. If your business plan includes this goal or a similar goal, briefly comment on any reviews that measured achievement of this goal.

2.2.2 Does the provider have a documented business goal about contributing to the local community?

‘Contributing’ means involvement in initiatives that promote community housing and support your local community. If your business plan includes this goal or a similar goal, briefly comment on any reviews that measured achievement of this goal.

2.2.3 Does the provider have documented community profiles of the areas in which it operates that includes: demographics, the local housing market, and the human services environment?

An up-to-date community profile demonstrates to the Registrar that the provider analyses and understands the local context within which it operates. The profile can be used to contribute to community housing initiatives in the local community.

2.2.4 Identify the local government areas in which the provider provides housing

List the names of **all** the local government areas where the provider provides community housing.

Performance Area 3: Asset Management

Outcome 3: Community housing providers engage in strategic asset management to meet residents' housing needs and preferences at present and in the future

Performance requirement 3.1: Planning - Class 1, 2 or 3

A class 1, 2 or 3 registered community housing provider must undertake asset management planning, that is satisfactory in the opinion of the Registrar, to ensure suitable properties are available at the present time and in the future.

- 3.1.1 Does the provider undertake property management planning that includes maintenance, acquisition and (if relevant) disposal?
- 3.1.2 Does the provider have long term asset management planning goals in its business plan or a related document?
- 3.1.3 Does the asset management plan include long term portfolio strategy, managing property life cycle (procurement, maintenance and disposal), local housing needs, future demand, use of assets, planning policies/procedures and regular condition inspections?

Asset or property management planning refers to the provider's processes for ensuring properties are well maintained as well as the provider's business and strategic goals in relation to its property portfolio. Asset management involves knowing accurately the value of an asset, protecting the value of an asset, maintaining the value of the asset, ensuring proper use of the asset and ensuring obligations of funding agreements are met.

For further details and guidance for the asset management plan refer to the Evidence Guidelines.

Performance Area 3: Asset Management

Outcome 3: Community housing providers engage in strategic asset management to meet residents' housing needs and preferences at present and in the future

Performance Requirement 3.2: Maintenance

A registered community housing provider must ensure that its community housing properties are well maintained.

- 3.2.1 Summarise the processes used to identify both responsive and cyclical maintenance requirements, and outline the arrangements in place to ensure maintenance is undertaken in a timely manner.

Policies and procedures for maintenance provide a framework for identifying and addressing maintenance needs. Even where the organisation does not have legal responsibility for maintenance of capital properties it needs systems in place to ensure that responsive maintenance is delivered as required and to enable timely cyclical maintenance.

- 3.2.2 Is there a rolling 10 year (minimum) asset maintenance plan that addresses all capital properties, condition inspections, item lifecycles, projected annual maintenance and costs for each property, annual budget for all costs and links to financial targets?

The maintenance of a providers' property portfolio at an appropriate level is essential for the provision of a quality housing service. An effective asset maintenance plan ensures that maintenance is delivered according to plan as it provides a guide to when cyclical maintenance will need to be undertaken and how much it is likely to cost. The asset maintenance plan must be submitted with the Application Form. The Evidence Guidelines provides more detail on the main elements of the asset maintenance plan.

- 3.2.3a Are comprehensive inspections of capital properties undertaken at least every three years by a party with appropriate qualifications or experience in the building/construction/maintenance fields?

- 3.2.3b If yes, what are the qualifications/experience of the party undertaking these inspections?

- 3.2.3c If yes, what was the number of properties inspected at last inspection?

- 3.2.3d If yes what was the percentage meeting Housing NSW asset standards/other standards against which the property was inspected?

Regular on-site inspections of all capital properties by a suitably qualified and experienced person will confirm that properties are maintained to required industry standards. This is crucial in order to manage risk and provide safe, good quality housing for residents.

The appropriate level of expenditure per property can vary due to factors including age and type of property as well as tenant/resident type. The best evidence that a property is well maintained is its condition. The standard to which capital properties should be maintained is subject to the provider's contract with Housing NSW and may be checked.

Performance Area 3: Asset Management

Outcome 3: Community housing providers engage in strategic asset management to meet residents' housing needs and preferences at present and in the future

Performance requirement 3.3: Resident satisfaction with condition and maintenance of property – Class 1 and 2

A class 1 or 2 registered community housing provider must ensure that it maintains a level of resident satisfaction with the condition and maintenance of the property that is, in the opinion of the Registrar, satisfactory.

3.3.1a Percentage of residents expressing satisfaction with the condition and maintenance of their properties in a resident survey (at a point of time) as a proportion of number of residents responding.

3.3.1b Feedback on resident satisfaction with maintenance might be obtained by means other than a survey. If so, please explain briefly how satisfaction is measured in this area.

The level of tenant/resident satisfaction with maintenance procedures will assist the Registrar in determining whether the provider is conducting maintenance in a timely and effective manner. The method of capturing this feedback may be through a variety of means such as tenant/resident forums or individual consultation.

3.3.2 Describe how information about maintenance obtained through resident feedback is used to inform the planning and undertaking of maintenance.

Briefly describe how resident/tenant feedback informs maintenance planning.

Performance Area 4: Sound Governance

Outcome 4: Community housing providers have sound governance that supports confidence in the community housing industry

Performance requirement 4.1: Expertise of governing body

A registered community housing provider must have a governing body that, in the opinion of the Registrar, is effective and has a range of expertise that is sufficient for the scale and scope of the community housing provided.

- 4.1 Does the governing body include, or have access to expertise in the following areas: financial management; asset management; HR management; social services; and risk management?

Access to the areas of expertise outlined in this question supports effective and informed business planning and decision making. The Registrar will assess whether the skills possessed by the governing body, or the expertise available to the governing body, is sufficient in relation to the size and scope of the provider's operations.

- 4.1.2 How many times has the governing body met in quorum within the previous 12 months (Treasurer and financial expertise included)?

As a guide, the Registrar would expect that governing body meets at least six times per year in quorum with the Treasurer or other financial expertise.

- 4.1.3 Does the governing body regularly review its skills?

This refers to a process that is regularly undertaken to identify the skills of the governing body and any skill shortages. Briefly list the main outcomes of the last two reviews.

- 4.1.4a Does the provider's business plan include a goal that relates to achieving and maintaining the appropriate governance structure and expertise base?

- 4.1.4b Has the target been met?

Business planning to ensure that the structure and expertise of the governing body is relevant to the size and scope of the organisation demonstrates a provider's commitment to effective governance. This question seeks to ascertain the providers' commitment to, and achievement, of this goal.

- 4.1.5 Further to 4.1.4, how does the governing body ensure the relevancy of its skill base in view of planned growth and property development?

As a result of organisational growth and the development of community housing the range of skills required by the governing body may change. Outline here how your organisation plans for change in terms of the skills and expertise required by the governing body to achieve its strategic goals.

- 4.1.6 Please describe how the governing body manages its financial audits and risk management.

Briefly describe the processes for undertaking financial audits and the assessment and management of risk.

Performance Area 4: Sound Governance

Outcome 4: Community housing providers have sound governance that supports confidence in the community housing industry

Performance requirement 4.2: Decision-making - Classes 1, 2 or 3

A Class 1, 2 or 3 community housing provider must ensure that its operations are subject to such arrangements, controls and decision-making processes as are satisfactory in the opinion of the Registrar.

4.2.1 Does the governing body have an independent chairperson (a person who is not an employee of the organisation)?

This question seeks to ascertain whether there is a separation between the role of the Chairperson and the management of the organisation.

4.2.2 Does the provider have a set of policies, procedures and delegations for the CEO and staff outlining how the governing body exercises control over significant decisions?

The provider should have policies and procedures which have been approved by the governing body relating to governance which detail the responsibilities of the governing body for decision making. Delegations should be in place which authorise decision making for the governing body, management and operational staff.

4.2.3a Does the governing body receive and consider reports that inform decision making in relation to the following areas: financial status; residency/tenancy management; support services; human resources; asset management; and development projects?

4.2.3b What other reports does the governing body receive and consider to inform decision making?

Reports in the key operational areas listed in question 4.2.3a assist the governing body to make informed decisions. The question seeks to ascertain whether the provider receives appropriate information for the size and scope of its operation. The reports required for these questions may be from internal or external sources.

Performance Area 4: Sound Governance

Outcome 4: Community housing providers have sound governance that supports confidence in the community housing industry

Performance requirement 4.3: Compliance with legal and other requirements

A registered community housing provider must comply with such legal and regulatory requirements, professional standards and guidelines as are, in the opinion of the Registrar, relevant to its operations.

- 4.3.1 Describe how the governing body ensures that the provider complies with all statutory and contractual requirements.

To facilitate compliance with legal requirements, providers should demonstrate that they have processes in place for identifying their compliance obligations and for ensuring that these obligations are met. Briefly describe these processes.

- 4.3.2 Describe how the governing body ensures that the provider complies with all Housing NSW policies and guidelines.

To facilitate compliance with the Housing NSW policies and guidelines relevant to the provider's operation, a provider should demonstrate that they have processes in place for identifying their compliance obligations and for ensuring that these obligations are met. Briefly describe these processes.

- 4.3.3 Does the governing body undertake audits of its compliance with legal requirements?

- 4.3.4 If there have been instances where the provider has failed to meet legal or contractual requirements, what action has been taken to address the issue?

Audits or reviews of an organisation's legal and contractual compliance processes demonstrate to the Registrar that the governing body is monitoring its processes and managing risk in this area. For any instances of non compliance briefly outline the action taken to address the issue.

Performance Area 4: Sound Governance

Outcome 4: Community housing providers have sound governance that supports confidence in the community housing industry

Performance requirement 4.4: Planning - Class 1, 2 or 3

A class 1, 2 or 3 community housing provider must undertake planning that, in the opinion of the Registrar, adequately identifies the priorities and resources necessary to sustain the long-term delivery of community housing.

4.4.1 Which years does your current strategic plan cover?

4.4.2a Does the strategic plan include purpose, links to broader policy, goals/strategies linked to performance indicators, annual business/operational plan or similar and budget, as detailed in the Evidence Guidelines?

4.4.2b Does the strategic plan include a budget across the timeframe of the plan which is updated annually?

4.4.2c Does the strategic plan include an annual budget?

4.4.3 Is the strategic plan reviewed?

The strategic plan is the high level strategic, business or corporate plan that sets out the vision and mission statements, and the key directions and activities required to achieve strategic goals. It generally covers a 3-5 year period.

The Registrar expects that this document contains key elements which are further outlined in the Evidence Guidelines. These include an appropriate budget forecast which is regularly reviewed.

The strategic plan should be reviewed at least annually to measure progress toward the achievement of strategic goals. Briefly list the main outcomes of the last two reviews.

Performance Area 5: Standards of Probity

Outcome 5: Community housing providers maintain high standards of probity

Performance requirement 5.1: Fraud and corruption

A registered community housing provider must:

- (a) have systems in place that are designed to prevent, monitor, report on and respond to instances of fraud, corruption and criminal conduct of a similar kind; and
- (b) ensure that there are no serious or repeated instances of fraud, corruption or criminal conduct of a similar kind in connection with its operations.

5.1.1 Is the prevention of fraud, corruption or criminal conduct included in the provider's relevant policies and procedures?

5.1.2 Does the provider have a set of policies and procedures for the reporting (including whistle-blowing protection), investigation and/or referral of allegations of fraud, corruption or criminal conduct?

These questions seek to ascertain whether effective policies and procedures are in place, and have been implemented, and that this has ensured that where allegations of fraud, corruption or criminal conduct have been made that appropriate action has been taken in response to these allegations.

The provider should have policies and procedures that clearly outline the steps your organisation takes to report, investigate and refer fraudulent, corrupt or criminal conduct. These should include procedures for 'whistle blower' protection, which means measures to protect the confidentiality and liability of a person who discloses fraudulent activity.

5.1.3 Describe the processes used to identify actual and potential fraud, corruption or criminal conduct.

Please summarise here your policies and procedures for identifying misconduct. For example, these may be policies and procedures that ensure tenant/resident allocation is carried out in a fair and transparent manner, and that financial expenditure is controlled.

5.1.4a Have there been allegations in relation to fraud, corruption or criminal activities?

5.1.4b If so, broadly outline the allegation and action taken.

Although policies and procedures for preventing fraud and corruption are in place and followed, instances of impropriety can occur in any organisation. Please outline any allegations of impropriety your organisation has had and dealt with if your answer is yes to question 5.1.4a. The organisation's effectiveness in managing these instances will indicate to the Registrar the effectiveness of the organisation's processes in this area.

5.1.5 Is there a fraud and corruption prevention plan in place? If so, please list the date last reviewed.

5.1.6 Is the effectiveness of the fraud and corruption prevention plan reviewed (via audits or similar) by the provider at least annually? If so, please comment on the method of review and the outcome.

For Class 1 and 2 providers a fraud and corruption plan should be in place and regularly reviewed.

Performance Area 5: Standards of Probity

Outcome 5: Community housing providers maintain high standards of probity

Performance requirement 5.2: Code of Conduct

A registered community housing provider must have a code of conduct designed to ensure it maintains high standards of probity. The provider must ensure that there are no serious or repeated breaches of the code.

- 5.2.1 Is there a documented code of conduct for the governing body and all staff and volunteers? If yes, what was the date it was last reviewed?
- 5.2.2 Have all members of the governing body and all staff and volunteers provided a written undertaking to comply with a code of conduct?

The code of conduct describes the behaviour and responsibilities an organisation requires of its staff. The code of conduct will include requirements for ethical and appropriate conduct. A provider's code of conduct and a signed undertaking that a staff/board member has read, understood and will abide by the code of conduct demonstrates a provider's commitment to guiding staff in ethical conduct.

It is recommended that training and induction of staff and board members should include training in the code of conduct.

- 5.2.3 Does the provider have a set of policies and procedures for identifying, managing and removing or mitigating conflicts of interest?

A conflict of interest may be perceived or material, and must be appropriately managed. A conflict of interest policy and procedures for identifying, preventing and managing conflicts of interest for the governing body and staff should be in place.

- 5.2.4 Does the provider have a mechanism in place for preventing and investigating breaches of its code of conduct?

This question refers to policies and procedures designed to mitigate misconduct, and processes for the investigation of instances of misconduct when they occur.

- 5.2.5a Have there been any allegations in relation to potential breaches of the code of conduct involving the governing body or staff?

- 5.2.5b If yes, broadly outline what action was taken.

Please outline any breaches of your organisation's code of conduct that you have had and dealt with if your answer is yes to this question. The provider's effectiveness in managing these instances will indicate to the Registrar the effectiveness of the organisation's processes in this area.

Performance Area 5: Standards of Probity

Outcome 5: Community housing providers maintain high standards of probity

Performance requirement 5.3: Reputation and operations of the community housing sector

A registered community housing provider must notify the Registrar, in a timely manner, of any incident relating to its operations that damage, or may damage, the reputation of the community housing sector.

- 5.3.1 Does the provider have systems/procedures in place for notifying the Registrar of incidents relating to its operations that damages, or may damage, the reputation of the community housing sector?
- 5.3.2 Have there been any incidents in the last 12 months involving the provider, which damaged, or may have damaged, the reputation of the community housing sector?

While incidents may arise from time to time that affect or may affect the community housing sector, it is essential that these are managed appropriately and effectively.

To meet this requirement, providers should have systems in place for notifying the Registrar of any serious incidents. If you have had any serious incidents occur at your organisation please summarise the incident and provide details of actions taken to manage them.

Performance Area 6: Protection of Government Investment

Outcome 6: To ensure the protection of government investment in community housing

Performance requirement 6.1: Financial performance

A registered community housing provider must be solvent and:

- (a) in the case of a Class 1 or 2 registered community housing provider - must have an appropriate capital structure and be financially viable for the foreseeable future; and
- (b) in the case of a Class 3 or 4 registered community housing provider - must be financially viable for the immediate future.

6.1.1 Please ensure the Financial Performance Report, which forms the basis for assessing compliance with this performance requirement, is lodged with this application.

Financial viability underpins all aspects of a community housing providers operations and means that the provider is able to maintain its service commitments to tenants and to Housing NSW. It is essential that providers have the financial capacity to cover their costs and allow for growth in an efficient way while maintaining service levels. The Financial Performance Report requires the provision of data that will be used by the Registrar to assess a provider's financial viability and performance.

In the Financial Performance Report, Class 1 and 2 providers must provide financial projections for three years. Class 3 and 4 providers must provide financial projections for twelve months.

6.1.2a Were any qualifications noted by the auditor in the financial statements over the past three years?

6.1.2b If yes, provide an explanation and action taken.

Audited financial statements covering three previous financial years must also be submitted as evidence for this performance requirement. As a guide, audited financial statements would include, but not be limited to, the following elements:

1. Directors' Report
2. Auditor's Independence Declaration
3. Directors' Declaration
4. Auditor's Report
5. Income Statement
6. Statement of Changes in Equity
7. Balance Sheet
8. Cash Flow Statement
9. Notes to the financial statements
10. Income and Expenditure Statement (if available)
11. Discussion and analysis of the financial statements (if available)

If the financial statements contain a qualification it means the auditor has been unable to obtain sufficient information or disagrees with the measurement, presentation and/or disclosure of a matter in the financial statements. If a qualification has been noted in any audited financial statements over the past three years, please describe the qualification and any action taken to address the issue.

- 6.1.3 Is there a copy of the most recent audit management letter including a response from management?

An audit management letter will provide background information to the Registrar on the financial operations of the provider and how it has dealt with any issues that have arisen.

- 6.1.4 Do the audited financial statements contain a directors' declaration stating there are reasonable grounds to believe that the company is solvent, that the financial statements and notes comply with the accounting standards, and give a true and fair view?

- 6.1.5 If no, why not?

It is expected that the audited financial statements contain the above or a similar declaration from the directors. If this is not the case please detail the reasons for the omission.

- 6.1.6 Do the audited financial statements contain a note on contingent liabilities? If yes, please state the contingent liabilities.

A note on contingent liabilities indicates to the Registrar that the provider has financial obligations that may fall due in the future. If you answered yes to this question, please report the contingent liability.

- 6.1.7 Does the entity have any guarantees in place (including cross guarantees)? If yes, what are they?

The existence of guarantees indicates to the Registrar that the provider has financial liabilities that may fall due in the future. If you answered yes to this question, please detail the guarantees.

- 6.1.8a Are you aware of any current or pending legal action?

- 6.1.8b If yes, please describe.

Legal action by or against the provider may have a material affect on financial performance. If you answered yes to this question please describe any legal action that is current or pending.

- 6.1.9 What significant events or factors (if any) affected the provider's financial performance in the last financial year?

If there were major events and/or factors that affected the financial performance and results or your organisation in the most recent financial year please describe the nature of the events and/or factors. This will provide background information to the Registrar on financial performance.

- 6.1.10 Describe the assumptions on which the provider's current financial planning is based. These might include consideration of rent levels, vacancies, arrears, bad debts, loan assumptions and commitments, inflationary factors, and growth assumptions etc.

The assumptions recommended in this question have been identified as common assumptions for community housing providers and are not exhaustive.

Performance Area 6: Protection of Government Investment

Outcome 6: To ensure the protection of government investment in community housing

Performance requirement 6.2: Business planning - Class 1 or 2

A Class 1 or 2 registered community housing provider must undertake coherent and robust business planning that takes into consideration asset management information, loan agreements and any other relevant financial information.

6.2.1 The provider's business/operational plan or similar forms the basis for assessing compliance with this performance requirement. Please ensure it is attached to this application.

A business/operational plan is commonly a 12 month plan that guides an organisation's business and service delivery. The plan should typically operationalise the strategic plan, and include organisational objectives and performance indicators.

Using milestones and key performance indicators allows objectives to be measurable, and for progress against specified actions on the plan to be monitored. Progress on the business plan can also be reported, so that the governing body and management are informed and able to make key decisions as appropriate.

The provider's business/operational plan should consider the level of financial risk to which the provider and public assets are exposed, and include objectives that mitigate risks.

6.2.2 Describe the provider's business planning model and processes.

Effective business planning assists an organisation to understand the key issues that affect the organisation, the challenges and opportunities and provides a framework to realise business opportunities and strategic outcomes. Describe how business planning is conducted in your organisation.

Performance Area 6: Protection of Government Investment

Outcome 6: To ensure the protection of government investment in community housing

Performance requirement 6.3: Risk management planning - Class 1 or 2

A Class 1 or 2 registered community housing provider must undertake risk management planning that includes implementing controls for minimising the risk of government investment losses.

6.3.1 The provider's risk management plan should be attached to this application.

6.3.2a How frequently is the risk management plan reviewed?

6.3.2b List the date of the last review and comment on the outcome of the review.

The risk management plan is the basis for assessing this performance requirement. A risk management plan records all factors (from high to low risk) that can adversely affect the operations of an organisation. Sound risk management identifies both financial and non-financial risks to the organisation and implements strategies to minimise those risks.

Effective implementation of risk management is part of business best practice at a corporate and strategic level as well as a means of improving operational activities.

The risk management plan should meet the AS/NZS 4360: 2004 and ISO/DIS 31000 risk management standards as outlined in the Evidence Guidelines and be regularly reviewed to ensure currency and relevance.

Having appropriate insurance cover is also a risk mitigation strategy. The provider should also have current and sufficient insurance cover for their business operations.

Performance Area 7: Efficient and Competitive Delivery of Community Housing

Outcome 7: To ensure the community housing providers deliver community housing services with government assistance in an efficient and competitive manner.

Performance requirement 7.1: Efficiency

A registered community housing provider must efficiently utilise its community housing properties and any funding it receives.

Performance requirement 7.2: Competitive management costs - Class 1, 2 and 3

A Class 1, 2 or 3 registered community housing provider must demonstrate that the costs of the management of its community housing properties are, in the opinion of the Registrar, competitive.

7.1.1 Please ensure the Financial Performance Report, which includes a section on efficiency measures, is lodged with this application. This forms the basis for assessing compliance with this performance requirement.

Data on cost efficiency measures is collected through the Financial Performance Report. The following data requirements are for measuring efficiency in property utilisation and revenue.

7.1.2a-c Residency/Tenancy rate: Number of properties tenanted as a proportion of the number of properties.

This measure provides information to the Register on the level of property occupancy.

7.1.3a-c Average turnaround time for void properties. Number of void days divided by void properties.

A void property is one that is not available for immediate reletting due to external factors such as the requirement for major maintenance work or because of damage. This measure provides information to the Registrar on the average turnaround time (re-letting) for voided properties

7.1.4a-c. Average turnaround time for vacant properties. Number of vacant days divided by vacant properties.

A vacant property is one that is available for immediate reletting or available for reletting after minor repairs and maintenance. This measure provides information to the Registrar on the average turnaround time (reletting) for vacant properties.

7.1.5a-c Rent arrears as a percentage of total rental income.

This measure provides information to the Registrar on the efficiency of the provider's rent collecting processes.

7.1.6 Are reviews of market rent regularly undertaken?

Regular reviews of market rent should be undertaken to ensure that appropriate rent levels are calculated. Briefly list the main outcomes of the last two reviews.

7.1.7 Are reviews of resident income regularly undertaken?

Regular reviews of tenant/resident income should be undertaken to ensure rent is being collected at the appropriate levels. Briefly list the main outcomes of the last two reviews.

7.1.8 Does the provider's business plan include a goal in relation to efficiency measures and are these monitored? If so, please comment on how monitoring is undertaken.

Efficient management of assets and funding means that community housing properties are fully utilised and funds are effectively deployed. If your business plan includes a goal or goals related to operational efficiencies, comment on how progress towards the achievement of this goal or goals is measured.

Performance Area 8: Development Projects

**Outcome 8: Timely and on-budget completion of community housing developments
AND
Community housing projects deliver appropriate and affordable housing.**

Performance requirement 8.1: Planning and costs - Class 1 or 2

A Class 1 or 2 registered community housing provider must undertake community housing development project planning that is appropriate to the scale of projects undertaken and that demonstrates that projects will meet relevant statutory requirements and policy guidelines.

- 8.1.1 Does the provider have a set of policies and procedures for planning and conducting housing development projects?

Community housing development should be guided by organisational policies and procedures. This question seeks to ascertain whether the provider has processes in place for planning and undertaking development projects.

- 8.1.2 Please ensure that a summary report on planned or current projects is lodged, including the following per project: budgeted cost; variance from budget as at 30 June; planned timeframes for completion; and comment on progress.

The summary report will assist the Registrar to understand the nature and costs of current and planned projects. List the name of the project and the details as required. Please ensure a comment is provided on the progress of each project.

- 8.1.3 Does the provider have a project management methodology that includes business case, program of projects, budget and expenditure monitoring, project owner and manager, availability of relevant expertise and risk management; monitoring by the governing body?

- 8.1.4 Does each project business case cover: feasibility study; human resources; cost estimates; project and risk management; procurement; design plans; stakeholder requirements; checks by qualified surveyor; end value advice; and relevant Housing NSW guidelines?

For questions 8.1.3 and 8.1.4 the Registrar has identified the key elements of a project business case and project management methodology. These elements provide a guide to the contents of these documents and are not exhaustive.

Performance Area 8: Development Projects

**Outcome 8: Timely and on-budget completion of community housing developments
AND
Community housing projects deliver appropriate and affordable housing.**

Performance requirement 8.2: Financial leverage – Class 1

A Class 1 registered community housing provider must leverage its assets at a rate that, in the opinion of the Registrar, delivers sustainable and optimal growth.

- 8.2.1 Please ensure the Financial Performance Report is lodged with this application. This will assist in assessing compliance with this performance requirement.

The Financial Performance Report will provide data to assist the Registrar to assess whether the provider is utilising its assets to achieve growth relative to the size and scope of the organisation. See the Evidence Guidelines for further details in this area.

- 8.2.2 Does the provider have a business goal to pursue opportunities to leverage assets for growth? Please comment.

It is expected that Class 1 providers are actively seeking opportunities to source funds for growth. Indicate whether your organisation has included this goal in its business planning.

- 8.2.3 Has the provider commenced negotiations with any financial institutions about accessing private finance?

Organisations may develop new community housing using government funding and/or leveraged funds. Details of negotiations with financial institutions will indicate to the Registrar whether the provider has the capacity to access private finance and manage debt.

Appendix A – Required attachments

EVIDENCE / DOCUMENTS	CLASS				OUTCOME							
	1	2	3	4	1	2	3	4	5	6	7	8
ASSET MANAGEMENT												
Strategic asset <u>management</u> plan.	Y	Y	Y									
Asset maintenance plan	Y	Y	Y									
Example inspection report by a party with appropriate qualifications (as outlined in Evidence Guidelines)	Y	Y										
BUSINESS PLANNING												
Business/operational plan or similar:	Y	Y	Y	Y								
strategies for improving tenant satisfaction with property condition and maintenance.	Y	Y										
goal and strategies relating to asset management	Y	Y	Y									
analysis of performance against performance indicators	Y	Y										
budget, goals, targets and strategies relating to development projects, and internal reports on progress.	Y	Y										
annual budget	Y	Y							6.1	6.2		
Business/operational plan progress report												
on goal/s relating to appropriate governance structure and expertise	Y	Y	Y									
on the goals of promoting community housing and contributing to the local community	Y	Y	Y	Y	2.2							
including reporting against self-identified performance indicators.	Y	Y	Y									
DEVELOPMENT												
A summary report listing the provider's development projects (completed and ongoing) and including the following per project: budgeted cost, variance from budget as at 30 June, planned timeframes for completion, and comment on progress.	Y	Y										
GOVERNANCE												
Provider's constitution, charter, or equivalent.	Y	Y	Y	Y								
Documented governance structure.	Y	Y	Y	Y								
Documented skills and expertise required for governing body membership.	Y	Y	Y	Y								
Profiles of current governing body members, identifying their skills and expertise.	Y	Y	Y	Y								
Schedule/s of delegations.	Y	Y	Y									

EVIDENCE / DOCUMENTS	CLASS				OUTCOME								
	1	2	3	4	1	2	3	4	5	6	7	8	
Policy or similar document/s covering separation of governance and management, and the decision-making process.	Y	Y	Y										
Minutes of the most recent governing body meeting and associated governing body reports, including the most recent financial report considered by the governing body.	Y	Y	Y										
Records held by the provider showing that timely compliance with legislative, regulatory and professional standards are achieved.	Y	Y											
Reports on the results of any internal and/or external monitoring of compliance with legal or other requirements.	Y	Y											
Any formal certification of the provider relating to recognised professional business standards and/or good practice.	Y	Y											
FINANCIAL													
Financial performance report in a form prescribed by the Registrar.	Y	Y	Y	Y						6.1	7.1 7.2		
Audited financial statements	Y	Y	Y	Y					5.1	6.1			
Audit management letters	Y	Y	Y	Y									
The provider's financial plans and documented financial strategies	Y												
Financial management policies and procedures.	Y												
Copies of certificates of currency for all insurance policies.	Y	Y	Y	Y									
PROBITY													
Policies and procedures relating to reporting, investigation and/or referral of fraud, corruption or criminal conduct.	Y	Y	Y	Y									
Code of conduct.	Y	Y	Y	Y									
Policies and procedures for managing conflicts of interest.	Y	Y	Y	Y									
Fraud and corruption prevention plan	Y	Y											
Outline of systems and/or procedures to ensure the Registrar is notified of incidents.	Y	Y	Y	Y									

EVIDENCE / DOCUMENTS	CLASS				OUTCOME								
	1	2	3	4	1	2	3	4	5	6	7	8	
STRATEGIC PLANNING AND RISK MANAGEMENT PLANNING													
Strategic plan	Y	Y	Y										
Progress reports of performance against the strategic plan	Y	Y	Y										
Risk management plan and action logs (or similar) arising from monitoring/ review activities.	Y	Y							5.3	6.3			
Internal report on the effectiveness of the risk management plan.	Y	Y						4.4	5.3				
Documented risk management system.	Y												
TENANT FEEDBACK/SATISFACTION													
The provider's annual survey report of tenant satisfaction	Y	Y											
Analysis of tenant feedback gathered from a representative sample of tenants about their satisfaction with the provider and its services.			Y	Y	1.2								
De-identified summary of complaints from residents received by the provider over the past 12 months.	Y	Y	Y	Y	1.1 1.2	2.1	3.3						
TENANT MANAGEMENT													
Policies and procedures on applicant and tenant management, including: • the process to determine eligibility • the allocation of properties • rent and tenure • termination of leases.	Y	Y	Y	Y	1.1								
Sample internal management reports to Governing body on property allocations to tenants.	Y	Y	Y	Y	1.1								
List of all current partnership arrangements through which support is provided to tenants in need	Y	Y	Y										
Report on arrangements and/or partnerships in place to ensure tenants have the support they need to maintain their tenancies				Y									
Documented profile of the communities where the provider operates.	Y	Y											

For more information, please refer to the other guides in this series:

1. The Regulatory Framework
2. The Registration Process
3. The Evidence Guidelines
5. Financial Viability



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