



**Federation
Exchange Report,
September 2016**



**nsw Federation of
Housing Associations inc**

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Introduction

The Federation is the industry peak body for mainstream community housing providers in NSW.

One of the Federation's key roles is to help housing providers to develop and maintain and build the quality of their services and the skills and capacities in organisations, by supporting networks of people involved in various aspects of the business.

In this way, peers can learn from each other and share expertise, good practice and emerging issues.

The Federation Exchange was held on 21st and 22nd of September. As well as a consultation with FACS, the Federation's professional networks attended a number of concurrent sessions on a variety of topics which are summarised below.

Planning Network Review

Rebecca Richardson (Managing Director, Urbanista) explained that we are at a critical point in time and that we need to act now to avoid missing vital opportunities which can generate affordable housing. The group canvassed various research projects that can help strengthen our key messages. The projects that were considered to be a priority included setting affordable housing targets and mapping government land. Rebecca's slides are available [here](#).

Gary White (Chief Planner, Department of Planning and Environment) spoke about the changing nature of our cities and explained that structural changes are driven by mega trends. Megatrends are global forces that impact many aspects of our societies and define our future spaces. Gary noted that we are now experiencing a structural shift on the back of an emerging service economy and this requires a new spatial appreciation to plan towns, cities and regions. The planning system needs to be aware of these new megatrends and plan for them accordingly. In particular, the planning system should foster nodes which are hubs of new jobs and housing. These nodes can be a catalyst for creating healthy, liveable, vibrant and inclusive environments. To achieve this we need strategic place-based planning to provide the context of a particular place and its future directions.

The planning system must support these new megatrends by moving away from the prescriptive zoning segregation model to a new framework that allows greater flexibility for the market to respond and produce outcomes around housing and employment. Our planning system needs to give certainty around outcomes or processes to activate activity nodes and employment clusters. Gary's slides are available [here](#).

David Birds (Policy Adviser, Department of Planning and Environment) gave an update on the review of SEPPs. David explained that the housing policy team is reviewing the state planning policies and local housing strategies with the aim of producing a simpler and modernised planning system. The Department is focussing on enabling the delivery of the right type of housing in the right places. The Department has so far consulted with the Federation (and its members) along with other key stakeholders. More consultations will be held into the future. The Department is reviewing the following SEPPs:

- SEPP (Affordable Rental Housing) 2009
- SEPP No. 70 – Affordable Housing (Revised Schemes). Other Councils have approached the Department asking to be included within SEPP 70 which is under consideration.
- SEPP (Housing for Seniors or People with a Disability) 2004

The Department is also working on standardised guidelines for Councils. These Councils will be encouraged to consult with key stakeholders when preparing strategies. David noted that there is no silver bullet but there are many different elements that need to work together.

Asset and Development Network

Property information for transfers/tenders Part 1 – Mark Reader, Consultant

This session helped prepare participants for Paul Vevers' session in the afternoon. To set the context we heard a brief history of property transfers over the last 18 years in this state, we considered the transfer commitments made in Future Directions and we posed the following questions:

1. What do we know about the program already?
2. What don't we know?
3. What do we need Paul to tell us?

In summary, participants knew that:

- More than 20,000 properties would be transferred;
- That the transfers would be completed in less than 10 years;
- That title transfer is not an option;
- That there would be a competitive tender process;
- That LAHC will continue to control the asset through the Portfolio Strategy.

The discussion on what we don't know was, not surprisingly, focused very much on what we don't know about the assets. We don't know the condition of the portfolios and the attached maintenance liability, we don't know the terms of the lease as they pertain to the asset and we don't know whether CHPs will have to use existing LAHC maintenance contracts.

Participants determined that the three critical questions to get from Paul were:

1. What is the government trying to achieve through this program?
2. Will the transfers include estates?
3. Does the 35% commitment include SAHF and Communities Plus?

It was great to see CHPs working collaboratively to identify common issues. There was a clear recognition that prior to the announcement of the tender the best way to optimize outcomes was to work in this way.

NABERS for apartment buildings rating tool – Caroline Residovic, NABERS Senior Program Officer, Office of Environment and Heritage

Caroline Residovic updated us on the proposed NABERS (National Australian Built Environment Rating System) for apartments. She said that buildings use 40% of the world's energy and emit 40% of the world's carbon footprint. Whilst there are currently rating tools for shops, hotels, offices and detached homes there isn't currently anything rating the energy efficiency of apartment buildings. As cities across the world (including Australia) increase in density there becomes an ever increasing need for such a tool.

The development of this tool, due for release in July 2017, is something that both Asset and Development Managers should look out for. Not only will such a system help inform procurement decisions and make any rated properties you might wish to sell in the future more attractive to purchasers but there will also be a substantial reduction in energy bills for your tenants if you build/buy rated properties.

Property information for transfers/tenders Part 2 – Mark Reader, Consultant

In this session Asset and Development Managers had time to reflect on what they had heard from Paul Vevers (see below in **Management Transfers implementation planning**) and to consider the implications of what he had said for their bit of the business. Generally there was a view that there still remained more questions than answers and that it was disappointing that so much operational detail would be tied up in a Ministerial announcement. Issues of particular concern were as follows:

- The tender will be onerous and expensive;
- There was no response to the request to access the LAHC Portfolio Strategy or the Property Assessment Tool;
- It was still not clear whether there would be a capital upgrade grant attached to the portfolio;
- That the packages would be smaller than originally thought;
- That the 23,000 target does include properties transferred under Communities Plus
- What would happen to sites within portfolios which were redeveloped? Would they be allocated to the originally approved CHP or would it have to go back to tender. The groups preferred position was that the site would be offered to the existing provider to manage the redevelopment.
- It was disappointing to note that there was no LAHC representative accompanying Paul and therefore there is concern that LAHC will not be participating in the design of the program.

CEOs, Asset and Development, Finance Officers

Exploring strategic opportunities for clean energy – Alex Houlston, Director, Energy for the People

Energy for the People (EFTP) was established in 2012 by Alex Houlston, with the vision of helping to create and inspire a new energy market, which ensures its clients understand their clean energy options and have the tools in place to make sustainable and affordable energy choices.

Alex talked about a number of initiatives including St Kilda Community Housings Transition to Zero project and a Community Housing Limited project which could reduce tenant power bills by up to 30%. A project of particular interest is Renewable Newstead. There are about 500 homes in the Victorian town of Newstead and the town has the ambition to come off grid. The proposed approach would buy cheaper energy and the town has decided to reinvest those savings into education and training programs. Alex also talked about the various funding sources available for this type of project from impact investing, lease/power purchase agreements, equity investment and crowdfunding. EFTP also has an Energy Audit tool which looks at how to actively manage and predict usage and provides an automated business case detailing the type of system most applicable to specific circumstances.

This approach to aggregated procurement is one that CHPs might wish to consider.

Management Transfers implementation planning – Paul Vevers, Deputy Secretary, Southern Cluster of Districts and Housing Services, FACS (*CEOs, Asset and Development, Finance Officers*)

The three Network groups came together to discuss with Paul Vevers the type of data that CHPs would need firstly to make a decision about whether to participate in the tender process and secondly to enable them to make a strong tender submission.

Paul made it clear that there would be a robust procurement process based on the scale of the program (number of properties on offer, potential rental revenue, and number of clients). Paul was not able to give any detailed answers concerning elements such as locations, size of portfolios on offer, maintenance or contractual arrangements as these were subject to Cabinet approval and Ministerial announcement. He did however confirm that the tender would be released early in the New Year and that the Minister had asked him to complete the program within three years. The Federation has provided a written response to Paul's presentation which is available on request.

The new Exchange structure worked well in that we were able to bring all Networks together. This ensured we had a real depth and breadth of discussion and that all participants are now up to date on current thinking. The feedback session after Paul had left (also recorded in the response paper) provided participants with the opportunity to debrief on what they had heard.

Finance Officer Network

A discussion on risk scenarios was given by two experienced members of the community housing industry: anticipating and dealing with severe events that threaten organisational viability. Trevor Wetmore, former CFO of SGCH presented *externally*-imposed scenarios, while Joan Ferguson, CEO of The Housing Trust discussed potential *internal* scenario risks.

While the situations that were discussed in this session are difficult to anticipate, emerging community housing business complexity dictates an awareness of scenario thinking, especially for CFOs who understand and monitor financial risk. Both speakers presented relevant case studies. Trevor further described three categories of external scenarios that might be imposed on the community housing industry that would impact businesses.

To complement these external scenario risks, Joan Ferguson discussed potential *internal* scenarios that might threaten an organisation. Regardless of the actual scenario relating to business practice, financial procedures, or staffing matters, many internal risks stem from issues in organisational culture. The presentation emphasised that internal risk scenarios are often difficult for colleagues to discuss, but that the industry must speak about these and actively manage internal risks in order to avoid potentially damaging scenarios, which at this time of increasing community housing scrutiny could threaten the entire sector.

Community Development

Next generation tenant engagement; second bite – Natasha Jarratt, Policy Analyst at Incommunities on secondment at Link Housing

Natasha presented some case studies from the UK which showed innovation in tenant engagement practices. This included innovation in conducting tenant satisfaction surveys; developing scrutiny panels; tenant engagement on sustainability initiatives; and the use of tenant board members and tenant representatives. Natasha also shared her experience on delivering effective and value for money engagement following recent cut backs in the UK. She discussed the menu of choice model where tenants were given a 'menu' of which tenant engagement activities they could engage in and how much time each activity would require.

Natasha discussed what makes tenant scrutiny work. This includes:

- Meeting expectations
- Independent scrutiny
- Fair representation
- Remit and boundary of panel
- Demonstrating validity

The group then discussed current practices within the community housing sector and their experiences in using tenant panels. The group also discussed innovation from within the sector such as tenant mystery shopping.

New survey products and service update – Adam West, Service Deliver Manager, Federation

Adam discussed Introducing well-being surveys and well-being indicators into the sector tenant satisfaction survey. This allows us to measure the impact CHPs are having on tenants and their lives and demonstrate value of the sector. It is also part of Future Directions / FACS Outcomes Framework, SAHF and Communities Plus. City of Sydney has conducted some initial research into well-being surveys and many CHPs developing their own frameworks. This is an opportunity to get a co-ordinated, sector wide approach and therefore some aggregated and benchmarked data. The session gauged the interest from the sector and opened discussions on the topic. Adam introduced the Personal Well-being Index where respondents self-report their health as Excellent or Very Good etc. Categories include; Community Connectedness; Personal and Community Safety; Lifelong Learning and Financial Stress.

Adam discussed new surveys the sector may be interested and asked their priorities. New surveys could include:

- Recent tenants
- Home visits / needs surveys
- SAHF compliance
- Repairs
- Complaints
- New development / post –occupancy
- Seniors survey

New surveys could be set up as a Pulse survey or smart report. This would involve agreeing and standardise one sector survey for each area. The questions could be set up on a tablet device,

paper, online and produce automated report for each provider with benchmarking built in. This would be a low cost, high volume, and automated once set up.

Engaging tenants in energy efficiency focus group – Kate Hopkins, Project Officer, Office of Environment and Heritage

Kate gave an overview of the Home Energy Action Program. The goals of the program are to reduce energy hardship and financial stress, and improve quality of life. This involves higher cost, higher return energy efficient upgrades.

The program has a \$26.8 million budget which is a co-investment model to leverage on non-government funding. It aims to work at scale and ends on 30 June 2017.

There are three streams of the Home Energy Action Program

1. Subsidies for appliances
 - Help reduce the upfront cost of efficient appliances
 - Replacement for old fridges and televisions
 - 8,000 – 10,000 households
2. Retrofits for community housing
 - Address split incentive barrier
 - Solar PV, Insulation, lighting, heat pump HWS
 - 2,500 – 3,000 households
3. Clean energy solutions
 - OEH and energy retailer partnerships to help reduce the upfront cost of clean energy tech
 - Solar PV for energy hardship customers

Kate gave a brief overview of the energy efficiency training and engagement for Community Housing sector which is a new project between OEH and the NSW Federation of Housing Associations. OEH aims to co-design a communications strategy between Federation, OEH and the Community Housing sector through a suite of SMS tips, flyers and social media campaign. OEH can also support initiatives with high-level strategic communications advice, materials and support.

Creating employment opportunities for tenants through clean energy – Alex Houlston, Director, Energy for the People

An introduction to The People's Solar - a crowdfunding platform for community solar projects, where the financial value of energy savings are invested back in communities.

Alex discussed the case study with St Kilda Community Housing who joined with The People's Solar to establish the first ever crowd funding project to kick start the first round of funding needed to put 15Kw of power on the roof of one of their rooming houses. The First Step of the project was to raise \$30,000 through crowd funding. Then each year, for over twenty years, St Kilda Community Housing expects the average value of energy savings to exceed \$5,000. These savings will be used to support St Kilda Community Housing tenants through their T2M program, training them into semi-skilled work and employing them in property maintenance services. In some instances, savings will be passed on to tenants in need, to free up their disposable income. \$1,000 is enough to train one of their tenants into semi-skilled work.

Crowd-funding with The People's Solar is a community engagement tool and Energy for the People provides technical assistance, including energy and financial modelling. Pozible are a partner organisation who provide Crowd-funding advice and tips.

Tenant Network – Pam Pryor, Tenant Network

Pam gave an introduction and update on the work undertaken by the Tenant Network.

The Tenant Network is supported by the Federation of Housing Associations, SGCH, Bridge Housing, Metro Community Housing and North Coast Community Housing. Their aim is to provide a voice for community housing tenants to share experiences; what works, what improvements can be made. Other aims include:

- Promote effective tenant participation in the community housing sector
- Represent the interest of all NSW community housing tenants
- Comment and have into government policy matters

Recently the Tenant Network held an information morning for tenants to discuss Future Directions for Social Housing. The Tenant Network actively encourages new membership to increase their representation in the sector.

Middle Managers Network

The session included an opportunity to share sector related matters, including best practice examples. Consultant Sue Cripps provided an overview of the Domestic and Family Violence toolkit, including information about additional tools to assist providers to respond effectively to domestic and family violence and an update of the pilot being conducted by 6 x community housing providers.

Guest speakers Anna Doherty, Department of Premier and Cabinet and Rebecca Huntsman, Principal Project Officer, Customer Service & Business Improvement, FACS explained the results of a trial conducted by the Behavioural Insights unit, in partnership with the Department of Family and Community Services, in relation to testing whether behaviourally informed text messages encourage tenants to pay their rental arrears (or set up a payment plan) faster than those who only received a letter. The trial showed promising results and lessons learned from the process.

An interactive session with Yasmina Kovacevic A/Director, NSW Housing Appeals Committee, included checklists for balanced decisions for senior managers that offer some practical tools/templates/methodologies.

Kevin Saide, Training Manager, Centre for Training in Social Housing, provided an update about the roll-out of the new Certificate IV in Social Housing qualification, including the requirement for workplace examples (which may require the support/assistance from participant's supervisors/managers to assist participants to successfully complete their assessment tasks).

A Complaint Management Framework is being developed as a new resource for the Community Housing sector. Middle Managers were invited and encouraged to comment on the draft Framework content. In the changing and increasingly complex environment for CHPs, effective complaint handling systems are important to tenants, applicants, providers, government and other stakeholders.

As part of the NSW Community Housing Industry Development Strategy a complaint handling project was undertaken to facilitate a greater understanding of complaints handling issues, assist providers identify gaps in their current complaint handling systems and, where required, address them to provide good service delivery to tenants/clients and meet their contractual and regulatory requirements.

The Registrar of Community Housing has led the project in conjunction with the NSW Federation of Community Housing Associations and the Housing Appeals Committee. Elton Consulting was engaged to prepare the attached draft Framework. Once all feedback has been received the Registrar will look at options for a potential follow up project to convert the resources into an online tool.

HR Network

Adam West, Manager, Business Development at the Federation, spoke first about House Keys Workforce 2015. Adam is asking for feedback from HR managers for new indicators and system developments for House Keys: Workforce 2016. It is expected that a teleconference for HR members will be organised in October to carry this forward.

Kevin Saide, Training Manager at the Federation, then spoke generally about remuneration of staff and what instruments are used – the Equal Remuneration Order along with the SCHADS Award was most common. Higher level staff often have Individual Flexibility Agreements. The purpose of this discussion was to open up the issues and advise the HR network that they could bring any issues to the meeting.

A presentation by Jobs Australia at a future meeting on a range of matters was discussed and brief time was spent on Future Directions, Property Transfers and staffing and the impacts on CHPs.

The network discussed ideas for future meetings which included the following:

- Continuation of the discussions held on the day
- Performance management and appraisal
- Policies and procedures
- Recruitment processes
- Under-performance of staff
- Staff training needs analysis