

“ The SACHA Change Management Project”

~ FORUM BRIEFING NOTES ~

The following briefing notes were provided to all participants at the CHCSA Policy Forum on the Change Management Project, 12th March 2004.

1. Centralised Application System:

“SACHA:

The SACHA brief sets out two aims for the a Centralised Application System:

- Equitable access to community housing
- Accurate and efficient reporting mechanisms for SACHA to enable future planning of the sector

A stated objective is to “explore options for different levels of centralisation of the ... application system encompassing: application, information dissemination, assessment procedures and tenant selection by CHOs”

There are some perceptions of *problems with access* to Community Housing, eg: some referral agencies (apparently) have trouble placing clients with Associations; or that the process for application to housing co-operatives by letter is poor.

SACHA have proposed three models for a Centralised Application System.

All 3 models propose a centralised web-based system where CHOs, other referral agencies, or individuals could register applications. Depending on information provided, the system would assess the applicant as Category 1,2 or 3. This information would then be available to CHOs relevant to the applicant (eg in the right area). The applicant could limit access to their information to one CHO if they wanted to. SACHA use the system to generate reports on all applications coming into the sector (these would not contain personal information).

All 3 models still have CHOs doing their own interviews for applicants under their own criteria.

- **Model 1** has the web-based system managed by an external agency, but no face to face customer service for applicants.
- **Model 2** also has an external agency managing the system, but adds some customer service functions.
- **Model 3** proposes an even bigger role for the central agency in managing the system, assisting applicants and reporting to SACHA. Under this model SACHA regulates the agency doing the work.

CHCSA:

The Council has raised concerns about a number of issues:

- The prospect of a centralised system is seen very differently by different parts of the sector; some for, some strongly against.
- The system may present problems for country CHOs
- Reliance on untested, web-based technologies, as per the failed CHER system.

- The potential costs of the proposed new models when, perhaps, there's a simpler way."

2. Review of Funding Agreements:

"SACHA:

The SACHA Project Brief for the review of Funding Agreements identifies key objectives of:

- A simplified Funding Agreement
- Appropriate use of government funds
- Maintaining affordability for tenants
- Ensuring the financial viability of the sector

SACHA have raised a number of issues in their discussion papers, and through reference groups, with sector members attending.

The CHCSA has also consulted widely through:

- A previous Policy Forum in September 2003
- Regular monthly member forums

The **CHCSA Policy Committee** is working towards submitting a formal submission to the Change Management Project by the end of April.

Aside from issues of defining major and minor maintenance (which will be covered under the discussion on Asset Management) the following seem to be the main issues:

- *Operating levy issues:*

- SACHA figures show that CHO operating income, on average, is now less than average expenditure. (See information attached). If we accept the operating levy structure, how should it be calculated to ensure CHO viability?
- SACHA have proposed the idea of calculating Operating levies according to the capital value of properties (rather than the current 'flat' recommended levels.)

- *Rent issues:*

- Market rent as an alternative to ceiling rent
- Increasing Commonwealth Rent Assistance (CRA) into the sector.
- The policy of 'rent parity' across social housing, and what it means for member /tenant managed CHOs.
- Liabilities arising from long-term rent arrears.

- *Reporting and Accountability issues:*

- How can the system be simplified?
- Is it all necessary or useful?
- Should there be different requirements for different types of groups?"

3. Asset Management:

SACHA:

The SACHA Project Brief for this part of the Change Management Project identifies an objective of:

- Ensuring “accessible, affordable and appropriate housing stock that is in line with contemporary and future housing need”

Some of the key issues raised by SACHA in this part of the Project are;

- The Role of Comhouse in the sector, for example:
 - The effects of the five year no-draw down period on CHO maintenance, or membership in Comhouse
 - A possible role for Comhouse in assisting with strategic decision making: ‘mapping stock’ in the sector/ identifying redevelopment opportunities?
- Community Housing Stock Size Trends and Issues, for example:
 - The sector has a lot of 1 or 2 person households, but a majority of 3 bedroom housing stock.
 - The population of the sector is generally aging.
- Classifying Maintenance in Community Housing. SACHA have raised 3 options for change:
 - **Option 1:** Fine tune the current system; eg make stoves a major maintenance item
 - **Option 2:** Keep a major/minor split, but change how they’re defined; eg anything over \$500, or \$1000, is classified as ‘major.
 - **Option 3:** Combine major and minor in one overall maintenance fund

CHCSA:

In addition to the above issues the Council believes that the idea of a sector Asset Management strategy raises some other issues and questions:

- What is the proper role for SACHA in setting Asset Management directions for the sector as a whole?
- What initiatives can be taken in achieve better environmental outcomes, and demonstrate new housing models?
- Should the sector be building more boarding house-type facilities, or retirement housing, or Supported Residential accommodation?”