



The Build and Grow Aboriginal Community Housing Strategy



Human Services
NSW Aboriginal
Housing Office

Fact sheet 1:

The Build and Grow Aboriginal Community Housing Strategy - Introduction

The NSW Aboriginal Housing Office (AHO) has developed new initiatives to help the Aboriginal community housing sector to better meet the needs of its tenants and communities. Together, these new initiatives are called the *Build and Grow Aboriginal Community Housing Strategy* (the *Strategy* for short).

The *Strategy* is a new era for Aboriginal people in Aboriginal housing, and brings the opportunity to develop long-term sustainability of this important Aboriginal community resource.

Although there are many parts to the *Strategy*, the key point is the introduction of a new state-wide standard for Aboriginal housing and tenancy management. The AHO will support and assist Aboriginal Community Housing Providers that meet this standard, and work on alternatives with those that do not. The *Strategy* also brings changes to registration, monitoring and reporting processes, and policies on rent. These changes are described in the *Strategy* Fact Sheets, listed below.

Fact sheets

1. The *Build and Grow Aboriginal Community Housing Strategy* – Introduction
2. How does the *Build and Grow Strategy* work?
3. What happened to the *Sector Strengthening Strategy*?
4. The Provider Assessment and Registration System (PARS)
5. The Provider Assessment and Registration System (PARS) process
6. Provider support and assistance
7. Head leasing
8. A new approach to rent
9. Providers that pass assessment
10. Providers that conditionally pass assessment
11. Providers that do not pass or do not apply for assessment



Key Strategy terms

AHO - NSW Aboriginal Housing Office

CRA - Commonwealth Rent Assistance

A rent subsidy paid to low-income tenants by the Australian Government through Centrelink.

HNSW - Housing NSW

PARS - Provider Assessment and Registration System

A new system for assessing Providers for registration with the AHO.

A Provider can be registered as:

- an Approved Provider
- a Conditionally Approved Provider, or
- a Not Approved Provider.

PARS replaces the current registration system.

Provider - Aboriginal Community Housing Provider

An Aboriginal community organisation that provides social housing for Aboriginal people in NSW. Providers include Aboriginal Corporations, Cooperatives and Local Aboriginal Land Councils.

RIHNP - Remote Indigenous Housing National Partnership

An agreement between the Australian and NSW Governments that provides funding to the NSW Government for Aboriginal housing. As part of the agreement, the NSW Government receives funding on the basis that reforms are made to the Aboriginal community housing sector.

The following term is not used in the *Build and Grow Strategy*:

RAHMS - Regional Aboriginal Housing Management Service

This term is no longer used by the AHO. All Providers are either Approved, Conditionally Approved or Not Approved.

For more information on the *Build and Grow Aboriginal Community Housing Strategy*, please contact the AHO regional office in your area or check the AHO website.

Sydney/South Eastern Region:
ph 02 8836 9458

Northern Region:
ph 02 6691 9100

Western Region:
ph 02 6882 8700

Web: www.aho.nsw.gov.au



The Build and Grow Aboriginal Community Housing Strategy



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Fact sheet 2:

How does the *Build and Grow* Strategy work?

The *Build and Grow Aboriginal Community Housing Strategy* (the *Strategy*) will assist the Aboriginal community housing sector to grow in size and strength, and so provide more housing for Aboriginal people. It will do this by helping the sector improve its standard of housing and tenancy management, and by encouraging growth.

1. A new registration system

Tenants, communities and government need to be sure that organisations are performing well. In consultation with the NSW Aboriginal Land Council, Aboriginal Community Housing Providers and the NSW Registrar of Community Housing, the AHO has developed the Provider Assessment and Registration System (or PARS for short). The PARS system allows tenants and the AHO to understand how well Aboriginal Community Housing Providers (Providers for short) are managing houses and tenancies. Only well-performing Providers will be registered.

(See Fact Sheets 4 and 5)

2. Better-quality houses

Through the *Strategy*, the AHO will help improve the quality of the Aboriginal community housing sector by doing backlog maintenance to eligible houses. To be eligible, houses must be owned by:

- organisations with PARS registration
- or
- organisations that have head leased their houses to the AHO (for subleasing to eligible Providers).

Providers can then use money from rent, operating subsidies and Commonwealth Rent Assistance to keep houses up to standard.

Many houses are expected to need up to \$30,000 worth of maintenance. The AHO will arrange the repair work through Resitech, which is now called Housing NSW (HNSW) Asset Division. The AHO will work closely with Providers and HNSW Asset Division to organise the work and oversee its quality.

3. Operating subsidies for Providers with PARS registration

Most Providers that qualify for registration under the new PARS system get *Build and Grow* subsidies for up to 8 years in urban and regional areas and longer in remote areas. Currently, only Regional Aboriginal Housing Management Services receive operating subsidies. The subsidy can be used:

- to employ and train staff
- for ongoing maintenance on houses.



4. Attracting Commonwealth Rent Assistance

The *Strategy* supports Providers to collect Commonwealth Rent Assistance (CRA) as part of their tenants' rent payment. Unlike operating subsidies, which are available for a fixed time, CRA provides a long-term source of income for Providers.

Providers can use this income to employ and train staff and do ongoing maintenance.
(See Fact Sheet 8)

5. Moving from management agreements to leases

Leasing is an effective and stable way for one Provider to manage housing for another Provider. The *Strategy* means that Providers manage housing by head leasing and subleasing rather than by management agreement. Through the new leasing arrangements, Providers managing the houses:

- set the amount of rent and collect it
- manage rent arrears
- decide who is eligible for housing and keep waiting lists
- carry out on-going maintenance.

Providers managing the houses must do all these things in line with the law and in keeping with AHO policies, the NSW Aboriginal Housing Act, and the NSW Land Rights Act if it is relevant.

(See Fact Sheet 7)

6. Management alternatives for all Aboriginal Community Housing Providers

The *Strategy* focuses AHO resources on the strongest performing Providers. These are the Providers that pass assessment and become registered under the new PARS system. However, the *Strategy* also helps non-registered organisations to own well-managed and well-maintained housing. Providers that do not have PARS registration are encouraged to head lease their houses to the AHO so the AHO can sublease them to organisations with proven management records.

(See Fact Sheet 11)

7. More jobs for Aboriginal people

It is NSW Government policy that government agencies employ Aboriginal people when building or repairing Aboriginal housing. As part of a government agency, HNSW Asset Division must employ an agreed number of Aboriginal people for *Build and Grow* backlog maintenance.

8. More houses under direct Aboriginal control

The AHO wants to increase the number of houses under Aboriginal management. The AHO currently owns more than 4300 houses. During the next 10 years, the AHO will buy more than 310 houses as part of the Australian and NSW Governments' new agreements on Aboriginal housing. Providers registered under the new PARS system may become eligible to lease new and existing houses from the AHO.

The Build and Grow Aboriginal Community Housing Strategy



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Fact sheet 3:

What happened to the *Sector Strengthening Strategy*?

In 2008, the AHO drafted a strategy called the *Sector Strengthening Strategy* and held consultation forums.

In 2009, the Australian Government announced that it would give \$396.8 million to NSW over 10 years on the basis that reforms would be made to the Aboriginal community housing sector. The agreement under which these funds were made available is Remote Indigenous Housing National Partnership (RIHNP).

The *Build and Grow Strategy* has replaced the *Sector Strengthening Strategy*.

Comparison of the *Sector Strengthening Strategy* and the *Build and Grow Strategy*

	<i>Sector Strengthening Strategy</i>	<i>Build and Grow Strategy</i>
Same Aims	To enable the provision of affordable, appropriate and well-managed Aboriginal community housing	
How housing is managed	<ul style="list-style-type: none"> External housing management by Regional Aboriginal Housing Management Services (RAHMS) 	<ul style="list-style-type: none"> External housing management by any PARS-registered Provider. Includes stand-alone Providers <i>and</i> large organisations such as the current RAHMS.
Registration system	<ul style="list-style-type: none"> Current AHO registration system 	<ul style="list-style-type: none"> An expanded, more thorough registration system – the new PARS. (See Fact Sheets 4 and 5)
Assistance for housing organisations	<ul style="list-style-type: none"> Operating subsidies for RAHMS Accreditation and Service Improvement System 	<ul style="list-style-type: none"> Backlog maintenance on all eligible houses Operating subsidy for most PARS Approved and Conditionally Approved Providers <i>Build and Grow Business Development and Capacity Building</i> package available for all PARS-registered Providers (See Fact Sheet 6)
Rent policy	<ul style="list-style-type: none"> Existing AHO rent policy 	<ul style="list-style-type: none"> A new rent policy, to take advantage of Commonwealth Rent Assistance (See Fact Sheet 8)



Will the Regional Aboriginal Housing Management Services (RAHMS) continue?

Yes. The Regional Aboriginal Housing Management Services will remain an important part of the Aboriginal community housing sector, but they will no longer be called RAHMS.

Each RAHMS will be assessed under the new PARS system in the same way as all other Providers and called either an Approved, Conditionally Approved or Not Approved Provider.

Will there be new Regional Aboriginal Housing Management Services?

The new *Strategy* encourages growth in the sector. This means that some Aboriginal Community Housing Providers may wish to get together to form new, larger organisations. This is up to Providers. However, a Provider may also wish to continue as a stand-alone Provider but grow in size by managing more houses. All new Providers will need PARS registration.

Will the *NSW Standards for Governance and Management of Aboriginal Housing* be used? Will there be accreditation?

Accreditation will be voluntary and is not a part of the new registration process.

Accreditation is an option that Approved and Conditionally Approved Providers may want to take. Providers that take this option will need to have gone through PARS registration already. Accreditation is based on the *NSW Standards for Governance and Management of Aboriginal Housing*.

(See Fact Sheet 6)



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Fact sheet 4:

The Provider Assessment and Registration System (PARS)

What is PARS?

The Provider Assessment and Registration System (PARS for short) will replace the current registration system used by the AHO. Any Aboriginal Community Housing Provider that wants to be registered will need to use this new system. This includes Land Councils and Aboriginal corporations and associations.

PARS has been developed by the AHO in consultation with Aboriginal Community Housing Providers, the NSW Aboriginal Land Council and the NSW Registrar of Community Housing. PARS is similar to the new regulatory system introduced to the NSW community housing sector.

What are the benefits of PARS?

PARS has been developed so that:

- Tenants can be confident that Aboriginal Community Housing Providers are offering good quality housing management services
- Aboriginal communities can know that their housing management services are strong and professional
- Aboriginal Community Housing Providers can have confidence in their own ability to manage housing
- Government can have confidence in the sector.

What does PARS cover?

PARS has 8 Performance Areas:

1. Fairness and Resident Satisfaction (*Residents and applicants are treated fairly by Providers*)
2. Sustainable Tenancies and Communities (*Services help sustain tenancies and communities*)
3. Asset Management (*Providers have asset management plans for now and the future*)
4. Sound Governance (*Governance arrangements lead to Aboriginal communities and tenants having confidence in community housing*)
5. Standards of Probity (*Providers prevent fraud and corruption and operate by a Code of Conduct*)
6. Protection of Government Investment (*Government investment in community housing is used effectively*)
7. Efficient and Competitive Delivery of Aboriginal Community Housing (*Deliver community housing in an efficient and competitive way*)
8. Development Projects (*Housing projects deliver appropriate and affordable housing*). Please note that this performance area is unlikely to be assessed against for some years, and only when a Provider is doing housing development.



How does it work?

Each of the 8 areas has a number of performance requirements that a Provider has to meet.

To get registration, Providers will need to show evidence of how they are running their housing related activities – they will need to show the relevant paperwork.

Who will do the registration?

The Registrar of Community Housing will conduct the assessments. The Registrar is an independent body, so is not a part of Housing NSW or any mainstream housing organisation.

PARS is an AHO registration system so the final decision on registration will be made by the Chief Executive of the AHO.

Is there any help for Providers?

Yes,

- Providers can contact AHO regional offices for help. AHO regional staff will give Providers plenty of help to prepare the paperwork for their assessment. The Registrar of Community Housing also has a hotline that Providers can call.
- The AHO will commission training and information sessions to help Providers know what will be assessed.
- Providers will be given plenty of notice about the date of their assessment so they have time to prepare their paperwork.

What are the PARS registration categories?

Under PARS-based registration, Aboriginal Community Housing Providers will be rated as:

- Approved

or

- Conditionally Approved

or

- Not Approved.

(See Fact Sheets 9, 10 and 11 for details about each category)

Is there an appeals system?

A Provider that is not satisfied with the decision can apply for a review. The AHO is developing the review process.

How will performance standards be maintained?

Every six months Approved and Conditionally Approved organisations will have to report to the AHO on their performance in areas such as rent collection, turnaround time and vacancy rates, rental arrears, bad debts, and management strategies.

Monitoring will help the AHO understand the support needs of Approved and Conditionally Approved Providers. Support is available through the business development and capacity building package (See Fact Sheet 6). Monitoring will show if a Provider needs more support.

If problems cannot be solved, the AHO may need to do a new PARS assessment.

What do Not Approved Providers do after assessment?

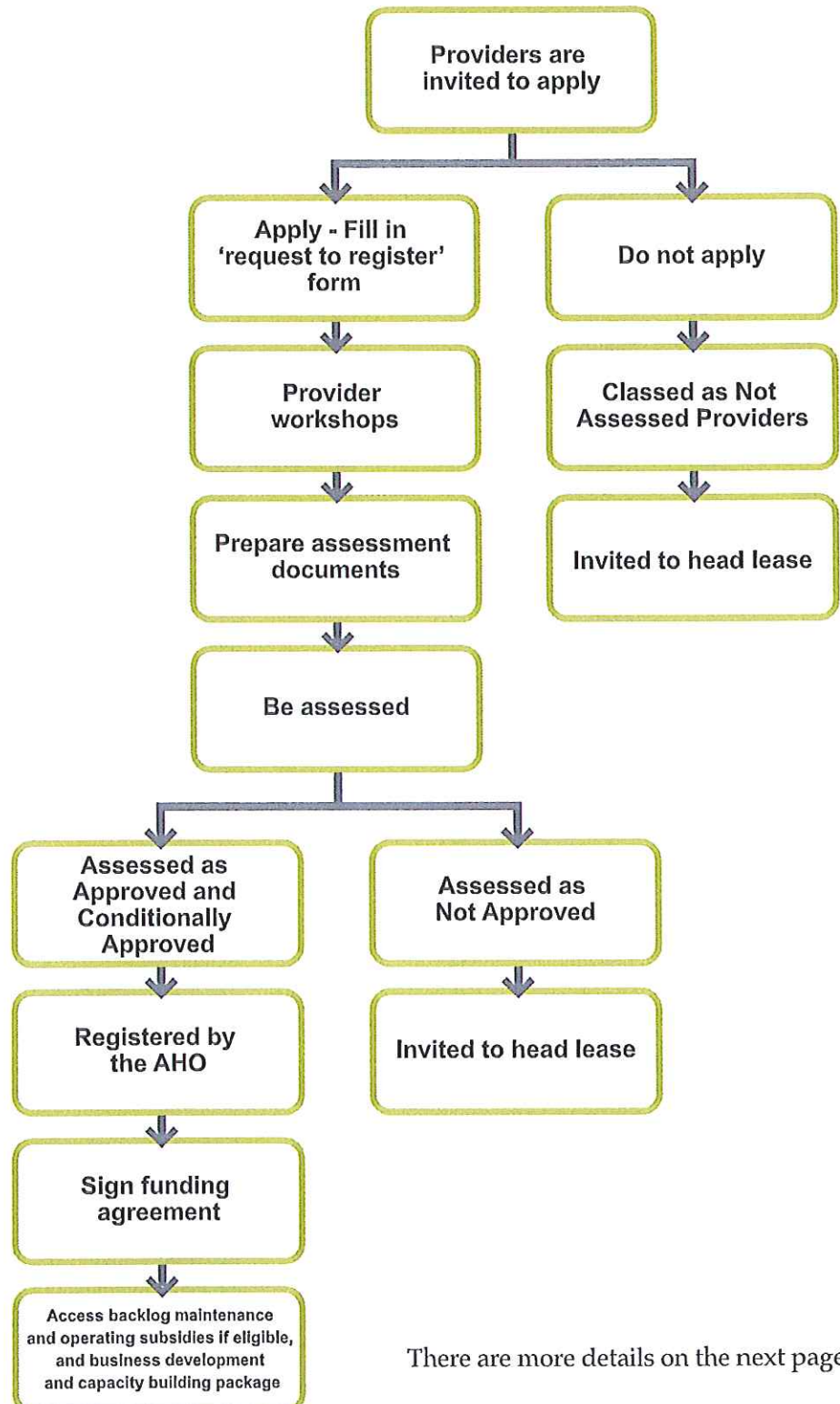
Not Approved Providers will be invited to lease their houses to the AHO so they can access the backlog maintenance program.

(See Fact Sheet 11 for more information)

Fact Sheet 5:

The PARS process

This diagram shows how the PARS process works.



There are more details on the next page



The PARS process in detail

Step 1. Registration rounds are scheduled

To give all Aboriginal Community Housing Providers a fair opportunity to apply for registration over the next two years, each Provider will be given a date in a registration round. Providers will be invited to attend a briefing session before their registration round, where they will receive guidance and support materials on the PARS process.

Step 2. Aboriginal Community Housing Providers are invited to be assessed

The AHO will invite Providers to apply for registration. Providers will be asked to fill out a 'Request to Register' form, and those that do not want to be assessed will become Not Assessed Providers.
(See Fact Sheet 11)

Step 3. Workshops are held for Providers

Workshops will be run to give Providers details of the assessment process.

Step 4. Providers prepare their application for assessment

Typical information will include: details on policies, budgets, evidence of meetings, financial records and asset management plans. Regional staff from the AHO will provide support during the PARS process.

Step 5. Providers are assessed

Each application will be assessed by going through the information submitted by the Provider. Assessments will be done by analysts working for the Registrar of Community Housing. The AHO will decide what the registration outcome is. Providers will be told they are either:

- Approved
- Conditionally Approved, or
- Not Approved.
(See Fact Sheets 9, 10 and 11 for details on each category)

Step 6. Approved and Conditionally Approved Providers are registered

Approved and Conditionally Approved Providers will be registered automatically with the AHO.

Step 7. Providers sign funding agreements with the AHO

Most Approved and Conditionally Approved Providers will be offered funding agreements with the AHO. These agreements set out the funds that Approved and Conditionally Approved Providers will receive, what the funds can be used for, and the performance outcomes that must be met.

Step 8. Most Approved and Conditionally Approved Providers get support and assistance

Backlog maintenance, operating subsidies, and business development and capacity building assistance begins.
(See Fact Sheet 6)

Step 9. The AHO monitors performance

The AHO will monitor the performance of all Approved and Conditionally Approved Providers against the terms of the funding agreement. The AHO wants Aboriginal Community Housing Providers to be successful. Monitoring will show the AHO when there are problems.



The Build and Grow Aboriginal Community Housing Strategy



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Fact Sheet 6:

Provider support and assistance

The *Build and Grow Strategy* offers three kinds of support and assistance to Providers:

1. work on backlog maintenance
2. an operating subsidy
3. a package to help Providers grow their business

Who is eligible for this help?

Most Approved and Conditionally Approved Providers are eligible for:

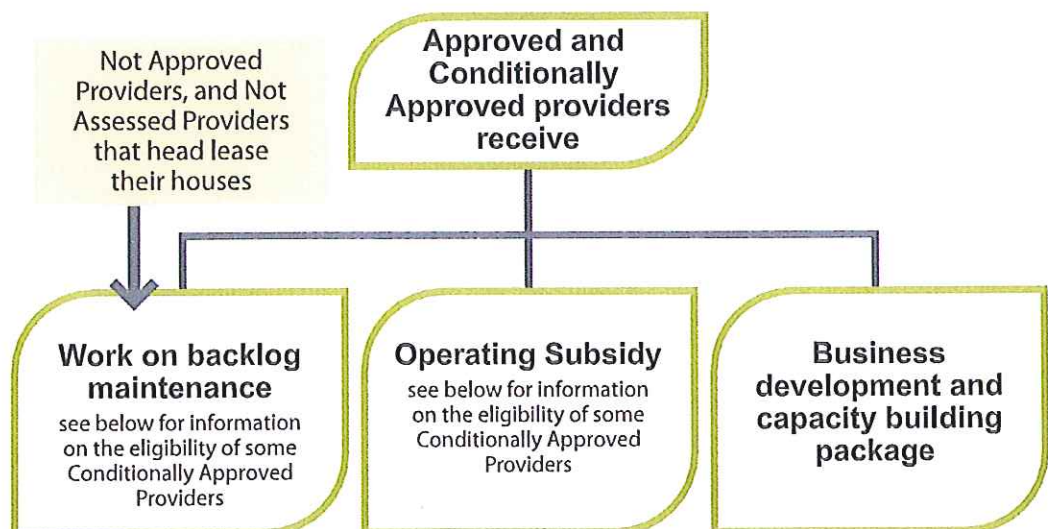
1. work on backlog maintenance
2. an operating subsidy
3. business development and capacity building package.

Some Conditionally Approved Providers will not be eligible for operating subsidies depending on their conditions. Member co-ops will also not be eligible for operating subsidies. All other Approved Providers will be eligible for operating subsidies.

Not Approved and Not Assessed Providers are eligible for:

1. work on backlog maintenance if they head lease their houses.

They are not eligible for operating subsidies or the business development and capacity building package.





1. Work on backlog maintenance

What is this?

The AHO will work with HNSW Asset Division (which was called Resitech) to carry out backlog maintenance on houses owned by Approved and Conditionally Approved Providers. The work will be carried out professionally and to a good standard.

Which houses are eligible?

Houses owned by Approved and Conditionally Approved Providers are eligible for work on backlog maintenance. Houses owned by Not Approved and Not Assessed Providers are eligible, but only if the houses are head leased.

How much backlog maintenance will be done?

The amount and type of work done will depend on the condition of each house. Each house will be assessed. The AHO is responsible for deciding on the work to be carried out.

2. An operating subsidy

What is the subsidy?

The AHO will pay a subsidy to eligible Providers for each house they manage. Providers can use the funding to employ and train staff and do ongoing maintenance on houses.

How much is the subsidy?

The maximum subsidy is \$2,500 each year for every house being managed. Houses in remote and very remote areas will attract an extra 20%. Houses in discrete communities (former reserves and missions) in remote and very remote areas will attract an extra 30%.

How long will the subsidy continue?

In most areas the subsidy is available for a maximum of 8 years. Eligible Providers in remote and very remote areas may get subsidies for more than 8 years.

What is the point of the subsidy?

The operating subsidy is to help Providers while they introduce the new rent policy that allows them to collect Commonwealth Rent Assistance.

(See Fact Sheet 8)

3. The AHO *Build and Grow Business Development and Capacity Building Package*

What is the Business Development and Capacity Building Package?

The package is made up of business development, capacity building and accreditation. Business development helps Providers with the business side of community housing. Capacity building develops the skills of people across all the housing related functions. Accreditation is a structured way of working through a quality improvement process. Accreditation is optional.

Will the *NSW Standards for Governance and Management of Aboriginal Housing* be used?

The *Standards* will be used in the accreditation process. These *Standards* were developed with the help of Providers in 2007. They identify good practice in Aboriginal community housing.

What is the difference between accreditation and PARS?

PARS is a registration system that Providers must take part in to register with the AHO as an Aboriginal Community Housing Provider.

Accreditation is an optional improvement program, available to all PARS Approved and most Conditionally Approved Providers.



The Build and Grow Aboriginal Community Housing Strategy



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Fact Sheet 7: Head leasing

What is a head lease?

A head lease is a lease between two parties that describes the roles and responsibilities of each. A head lease is not a transfer of title. The *Build and Grow Strategy* head lease is a way for Providers who did not apply for or pass PARS assessment to have access to backlog maintenance for their houses. Backlog maintenance will be done by the AHO through Housing NSW Asset Division.

How does it work?

The owner of the houses (Aboriginal corporation, association, cooperative or Local Aboriginal Land Council) head leases them all to the AHO. The AHO will also consider including additional conditions requested by the owner.

Then the AHO subleases the houses to an eligible community housing provider. The AHO will ask each of these providers to set up a committee to consult with and advise the owners of the properties. Providers will meet regularly with the property owners.

That Provider rents the houses to the existing tenants under Residential Tenancy Agreements. These will be the same tenants who were already in the houses. Tenancy does not change – tenancy agreements that are already in place will be updated so they reflect the new management arrangements.

The houses will now be eligible to have backlog maintenance work carried out.

Steps in the lease process

A Provider that is Not Approved
or Not Assessed




head leases its houses
to the AHO



which subleases them to
an eligible Provider



that rents them to the tenants



Will Land Councils that own and manage former reserves have to head lease the whole reserve?

No. Land Councils will be able to head lease just the houses on the former reserve.

Who will the AHO sublease properties to?

The AHO will sublease properties to:

1. Approved Providers
2. Conditionally Approved Providers that are close to becoming Approved, if they can show that they are ready to manage houses for other Providers.

If there is no Approved or Conditionally Approved Provider ready to sublease the houses, the AHO will sublease to a mainstream provider until an Aboriginal Community Housing Provider is ready. The AHO will always choose suitable Aboriginal Community Housing Providers before mainstream community housing providers. It will **not** sublease to Housing NSW.

Can the owner of the properties choose a Provider?

The owner of the properties can ask the AHO to sublease to a particular Provider. The AHO will ask the Provider if it wants to take on the properties, and will check if they are able to manage the extra work.

How can owners be sure that the AHO will sublease the houses?

The head lease is a legal document so must be followed.

One of the terms of the head lease is that the AHO **must** sublease to an Aboriginal Community Housing Provider, or to a mainstream provider until an Aboriginal Community Housing Provider is available.

What is the duration of the head lease?

The head lease is for five years with an option for the AHO to extend this for a further five years.



The Build and Grow Aboriginal Community Housing Strategy



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Fact Sheet 8:

A new approach to rent

A new rent policy

In 2009, the Board of the AHO approved a new rent policy, which will replace current AHO rent policies.

The new policy will help Providers to:

1. provide better services to tenants
2. set rents that are fairer and more consistent
3. have more money to employ and train staff
4. have enough money to pay for responsive maintenance
5. put money aside for planned maintenance
6. make sure that Aboriginal community housing is sustainable into the future.

The new rent policy is an important part of the whole *Strategy*.

How will the new rent policy make rents fairer?

It will make rents fairer by making them more consistent.

At the moment, Aboriginal Community Housing Providers use different ways to calculate rent. Many use a flat rate. Others use a percentage of household income or charge enough to cover the costs of rates and maintenance. This means that some tenants pay more rent than others for the same kind of property.

The new rent policy means that all Providers will use the same way of setting rents.

The new rent policy

All households will pay 25% of their total household income, but the rent charged can be no more than market rent.

Rents may increase for some tenants. However, the AHO will make sure that, if rents do rise, they rise slowly, with small rises over time.

Why will there be more money for housing management and maintenance?

Tenants who pay enough rent to qualify can get a rent subsidy from Centrelink. This is called Commonwealth Rent Assistance (CRA for short). As rents increase, tenants will qualify for CRA. Tenants apply for CRA by filling out a Centrelink form.

At the moment, hardly any subsidies are going into the Aboriginal community housing sector. With this new rent policy, Aboriginal community housing will receive about \$7 million extra in rent subsidies every year from the Australian Government through Centrelink.

Centrelink pays the rent subsidy to the tenant, and the tenant then pays the subsidy to the Provider. This means that rent for most

people in the future will be 25% of household income plus the subsidy provided by the Government.

The amount of CRA paid to tenants and then to Providers depends on a number of factors such as partnership status and number of children. These variations, details of rental thresholds and other CRA information will be explained at workshops to be run by the AHO in 2010.

How do CRA-based rents work?

One example, for a household with a total income of \$400.

Household income	\$400
Household will pay Provider	\$100 subsidised rent (25% of income)
Household gets	\$45 rent subsidy from Centrelink
Household pays Provider (total)	$\$100 + \$45 = \$145$
Provider gets (total)	\$145

The rent still costs this household \$100 but they can pay \$145 because of the subsidy.

The following table shows how CRA will increase Provider income over seven years. In this example, the household is a couple with no children. The table shows that, at the moment, the couple is not collecting CRA. Over the seven years, rent increases each year by \$10 a week. The maximum amount of CRA this household is entitled to is \$52 a week, as set by Centrelink. At the end of seven years, the household is paying an extra \$66 per week. **The Provider is collecting an extra \$119 per week.** (Please note that the figures have been rounded to the nearest whole number.)

	Start	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Starting Rent	60							
Less CRA retained								
Cost to household	60	70	80	90	100	110	120	126
Rent received	60	70	80	117	152	162	172	179
Including CRA of	0	0	0	27	52	52	52	52
Operating Subsidy	0	50	50	50	26	16	6	0
Total	60	120	130	167	179	179	179	179

Time to implement

The AHO knows it takes time to implement a new rent policy. Providers registered under PARS will have access to operating subsidies while they implement the new policy.

Will the AHO help Providers?

Yes. The AHO will work with Approved and Conditionally Approved Providers to help implement the new rent policy by providing tools and information, and it will hold regional workshops for Providers and tenants.

AHO regional staff will also be available to answer questions and meet with individual Providers to help them solve any problems.



The Build and Grow Aboriginal Community Housing Strategy



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Fact Sheet 9:

Providers that pass assessment

Providers that pass assessment under the Provider Assessment and Registration System (PARS) will be registered automatically with the AHO. This will mean that they are Aboriginal Community Housing Providers under the *Aboriginal Housing Act*.

An Approved Provider is a Provider that has passed the PARS registration assessment.

Conditionally Approved Provider should read Fact Sheet 10.

Why become an Approved Provider?

1. Approved Providers are eligible for operating subsidies (apart from member co-ops), backlog maintenance, and assistance with capacity building and business development. This will:
(see Fact Sheet 5)

1. improve the quality of their houses
2. deliver better support to tenants
3. provide better housing management
4. develop more effective and efficient business practices.

2. Approved Providers can apply to manage houses owned by other organisations.

Managing more houses means Approved Providers can get more rental income. It also means they can manage their business more efficiently.

The houses owned by other organisations that Approved Providers will be able to manage include:

- houses head leased to the AHO by Providers that have no PARS registration (that is, by Not Approved and Not Assessed Providers)

and


- houses owned by the AHO. At the moment these are managed by Housing NSW

and

- houses that the AHO buys or builds in the future.

How will the AHO make sure that Approved Providers are not overwhelmed by managing too many properties?

This is the main reason the AHO is asking Providers with no PARS registration to lease their houses to the AHO rather than directly to Providers. The AHO will work closely with Providers to make sure they are not being asked to manage more houses than is possible.



The AHO will sublease properties to Approved and eligible Conditionally Approved Providers in stages. The number of properties a Provider takes on will depend on its capacity to manage them.

Operating subsidies and business development and capacity building assistance will be available under the *Strategy*, and this will help Providers meet the demands of managing additional houses. Backlog repairs carried out by the AHO will make it easier for Providers to manage the houses.

Until there are enough Aboriginal Community Housing Providers able to manage all the properties, the AHO will fill the gap by subleasing to mainstream community housing providers. The AHO will only do this if necessary and only until Aboriginal Community Housing Providers are ready to take over. The AHO will not sublease houses to Housing NSW.

Will Approved Providers have to manage houses owned by Not Approved or Not Assessed Providers?

No. Approved Providers do not have to take on other houses if they don't want to – they can choose to manage only their own houses.

Can Approved Providers manage mainstream community housing?

Yes. Providers, however, need to be assessed for registration under the mainstream system by the Registrar of Community Housing, as well as seeking PARS registration.

Providers will not get paid an operating subsidy for managing mainstream community houses.

Can more than one Provider manage houses in the same location?

Yes. There is no restriction on area. This includes areas where large Providers (such as the Regional Aboriginal Housing Management Services) operate.

All Approved and some Conditionally Approved Providers can apply to take on the sublease of other houses.

Will Approved Providers be able to outsource any of their housing activities?

Possibly. The AHO will look at each case separately.

Will Approved Providers have their performance monitored?

Yes. The AHO is developing a performance monitoring system for Approved and Conditionally Approved Providers.

Providers will have to meet performance standards.

What happens if an Approved Provider performs poorly?

Reports from the AHO monitoring system will allow the AHO to see if problems have developed. The AHO may be able to help Providers prevent problems becoming serious.

The AHO can ask for a new PARS assessment if the problems become serious or continue. An Approved Provider may be reclassified as Conditionally Approved or Not Approved if it does not pass the assessment. (See Fact Sheets 10 and 11)

However, the assistance and support available to Providers in the *Build and Grow Strategy* is designed to prevent problems. (see Fact Sheet 6)

Fact Sheet 10:

Providers that conditionally pass assessment

Some Providers will become Conditionally Approved Providers because they have conditions attached to their registration so, although they are registered with the AHO, the PARS assessment process identified some performance problems the Providers need to fix.

What is the benefit of becoming a Conditionally Approved Provider?

1. Most Conditionally Approved Providers are eligible for operating subsidies and backlog maintenance

Most Conditionally Approved Providers will be eligible for the same operating subsidies and work on backlog maintenance that are available to Approved Providers.

Please note that some Conditionally Approved Providers will not be eligible for operating subsidies depending on what their conditions are. However, they **will** become eligible if they address these issues within an agreed time-frame.

If Conditionally Approved Providers do not address their performance problems, they will be re-assessed as Not Approved Providers and asked to head lease their houses to the AHO, which will sublease to an eligible Provider.

Conditionally Approved Providers that do head lease to the AHO will then be eligible to have backlog repairs done on their houses.


2. Conditionally Approved Providers are eligible for assistance with business development and capacity building

The AHO business development and capacity building package, along with backlog maintenance work and operating subsidies, will help Conditionally Approved Providers to:

1. improve the quality of their houses
2. deliver better support to tenants
3. provide better housing management
4. develop more effective and efficient business practices.
5. move to Approved Provider status.

3. Conditionally Approved Providers can apply to manage houses owned by other organisations

A Conditionally Approved Provider may apply to sublease properties from the AHO. This is possible if the conditions attached to its registration can be met easily. The properties are houses head leased to the AHO by Providers with no PARS registration (that is, by Not Approved or Not Assessed Providers).



What requirements are placed on Conditionally Approved Providers?

Conditionally Approved Providers will need to sign a formal agreement with the AHO that includes arrangements for head leasing properties to the AHO if the conditions are not met within the agreed time frame.

How long will Providers be given to meet their conditions?

It depends on the conditions. Some conditions will take a few weeks to meet, but others will take longer.

How does a Conditionally Approved Provider become an Approved Provider?

A Conditionally Approved Provider that meets its conditions and passes its next PARS assessment will become an Approved Provider. (See Fact Sheets 4 and 5)

Will Conditionally Approved Providers have their performance monitored?

Yes. The AHO is developing a performance monitoring system for Approved and Conditionally Approved Providers. Conditionally Approved Providers must meet performance standards and their conditions.

What happens if a Conditionally Approved Provider performs poorly?

The AHO will require regular reports from Providers. This will allow the AHO to see if problems have developed. The AHO may be able to help Conditionally Approved Providers prevent the problems becoming serious.

The AHO can ask for a new PARS review if the problems are serious or continue.

A Conditionally Approved Provider will be reclassified as a Not Approved Provider if it does not pass assessment at Approved level.

What happens if a Conditionally Approved Provider does not meet its conditions?

If a Provider does not meet its PARS conditions it will be:

- reclassified as a Not Approved Provider
- asked to head lease its houses
- no longer be eligible for backlog maintenance on its houses, unless it head leases them, operating subsidies or help with business development and capacity building.



The Build and Grow Aboriginal Community Housing Strategy



Human Services
NSW Aboriginal
Housing Office

Fact Sheet 11:

Providers that do not pass or apply for assessment

How do Providers that do not pass assessment get *Build and Grow Strategy* assistance?

Not Approved Providers are not registered with the AHO. However, Not Approved Providers **can have backlog maintenance done on their houses if they head lease all of their houses to the AHO.** (See Fact Sheet 7)

They are **not** eligible for other *Build and Grow* assistance.

Not Approved Providers that do not head lease their houses will be treated as private organisations. This means:

1. They are not registered as Providers with the Aboriginal Housing Office
- and
2. They are not eligible for backlog repair work, operating subsidies or help with business development programs or capacity building packages.

How do Providers that do not apply for assessment get *Build and Grow Strategy* assistance?

Some Providers may choose not to apply for PARS registration. If Providers do not apply, they will automatically become Not Assessed Providers and will not be registered.

Like Not Approved Providers, Not Assessed Providers **can have backlog maintenance work done on their houses if they head lease all of their houses to the AHO.**

Not Assessed Providers that do not head lease their houses to the Aboriginal Housing Office will be treated as private organisations. This will mean:

1. They cannot register as Providers with the AHO
- and
2. They are not eligible for backlog maintenance, operating subsidies or help with business development or capacity building.

Will Providers have time to prepare for assessment?

The AHO cannot assess all Providers at the same time. The AHO is developing a timetable and the assessments will not begin until mid 2010. The AHO will notify Providers well before their assessment so they have time to prepare.

Is there an advantage in not being assessed?

Yes. Not Assessed Providers can head lease their houses to the AHO without having to go through PARS assessment. This means they can have backlog maintenance carried out without going through an assessment.



What is a head lease?

A head lease is a lease between the owner of a house and a second organisation that then subleases to a third organisation. A head lease does not transfer title.

(See Fact Sheet 7)

Can Not Assessed Providers go through PARS at any time?

No. Providers can only go through PARS assessment at the time allocated to them.

When does a Not Approved or Not Assessed Provider need to lease their properties to the AHO?

If a Provider is Not Approved or decides to be Not Assessed, the AHO will offer them a head lease. Providers have six months to decide whether to head lease or not. Providers that do head lease to the AHO will have backlog maintenance carried out on their properties.

Can Not Approved or Not Assessed Providers decide to head lease their properties later?

Yes. However, there is no guarantee that funding will still be available for backlog maintenance.

Can Not Approved Providers become Approved or Conditionally Approved Providers later?

Yes, after 10 years. Not Approved and Not Assessed Providers can apply for a new PARS assessment after the head leases with the AHO have expired. Head leases will be for 5 years with a 5 year option for renewal. This means that Not Approved and Not Assessed Providers can apply for reassessment after 10 years.

What about existing management agreements?

Some Providers have management agreements with a large Provider, such as a Regional Aboriginal Housing Management Service, or with another Aboriginal Community Housing Provider. Not Approved and Not Assessed Providers can apply to keep using the same Provider as long as the houses are head leased to the AHO first and the Provider who will

manage the houses has been registered with the AHO through the PARS system. If this Provider is able to manage the houses, the AHO will sublease the houses to it.

How can Not Approved and Not Assessed Providers know their houses will be properly managed?

All *Build and Grow Strategy* leases are legal documents. The AHO is responsible for making sure that Providers that are subleasing houses meet the terms of their lease. The AHO will monitor the performance of the Providers and report on them to the owners of the houses.

How will the AHO make sure that mainstream Providers manage Aboriginal community housing properly?

The AHO will only sublease to mainstream Providers that are registered with the Registrar of Community Housing. This is the body that approves registration for community housing. The AHO will only sublease to a mainstream Provider until an Aboriginal Community Housing Provider is ready to manage those houses.

The AHO will also choose Providers with a strong track record in housing Aboriginal people. The AHO will monitor the performance of Providers through its performance monitoring and reporting system. Mainstream housing organisations must keep to all the terms of their sublease.

Can Not Approved and Not Assessed Providers choose not to head lease their properties?

Yes. Not Approved and Not Assessed Providers own their houses. They cannot be forced to lease them. However, only those Not Approved or Not Assessed Providers that head lease all their houses to the AHO will have backlog maintenance done.