



**nsw Federation of
Housing Associations inc**

ABN 86 488 945 663

Minutes

Board of Directors Teleconference

Held 2nd April 2007

Meeting opened: 2:30 pm

Welcome

Present: Coral Garrat, Nick Sabel, Stephanie Cunningham, Ern Phang, David Matthews, Mohamed Ibrahim

Apologies: Judith Beveridge, Beverly Wiggins (Patrick Yeung – leave of absence)

In Attendance: Adam Farrar, Adam West, Wendy Rockwell

1. Request for assistance in appealing second Registration “C” grade

A member organisation has received a second C grade in their final Registration report, and has asked the Federation to assist them in preparing an appeal.

The board agreed they would have to clarify what level of assistance the association had in mind.

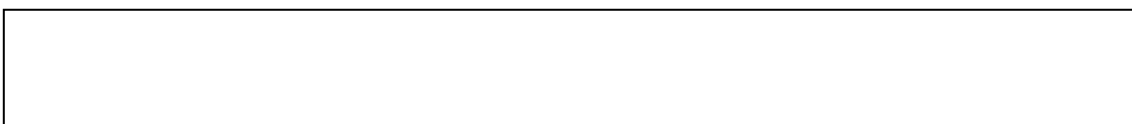
The board also agreed:

- that the Federation does not necessarily agree to support a member organisation “at all costs”, and in every instance (*at this time*)
- the board must feel confident that the case is justifiable and supportable
- the Federation does not want to be seen as having a ‘financial interest’, by being paid for the assistance by the member organisation

The board agreed to discuss the details of this particular case.

Adam West, who has been working extensively with this association, reported on the history and current circumstances of this association.

- The association has four weeks to appeal.



- There appears to be issues with OCH’s interpretation of existing evidence.
- There are potentially ‘natural justice’ issues.
- The Federation may argue that it’s more cost effective and efficient to ‘fix’ the existing problems than to wind up the association and replace them with a new organisation.
- There does not appear to be another association nearby who is willing to take over the organisation.
- There is improvement (governance has been a big issue, but is improved).
- Financial & risk management has improved, by their board.

The Federation has had a long history of working with this organisation, and most recent improvements have come about with the new E.O. and might require a bit more time to fully implement.

Adam West presented more specific information about each Registration “outcome”. Also highlighted there may warrant further investigation around a natural justice issue, where it appears that they were downgraded outside OCH’s own procedure (the preliminary report was initially a B grade, and the letter states you only have to submit more evidence if you’re not happy with this grade. They were subsequently downgraded to a C.

OCH is also referring to the association as “insolvent”, but this definition is based on all restricted cash for maintenance (which is NOT correct in considering insolvency). *It would be good to challenge OCH about this issue, in general.*

Specific issues around underspending on their asset plan can be argued:

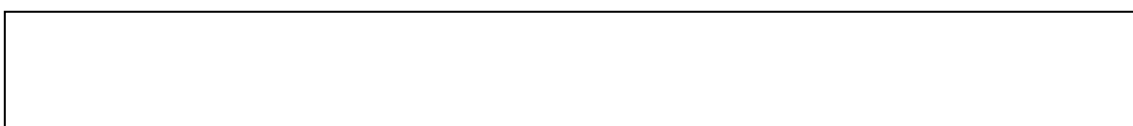
- Existing targets weren’t based on a professionally scoped plan. They were done by the previous E.O. - They now have a new E.O.
- Underspending, is actually ‘delayed spending’ as they are awaiting the professionally scoped re-evaluation.
- The financial modelling submitted to OCH was the worst case scenario, and there are other more viable projections that can be used.

Another issue is the 10% vacancy rate, and although it does need to be assessed whether the organisation will be viable in the long term if this is due to specific geographic reasons (low demand), it could also be argued that there is a new E.O. who has been spending most of their time dealing with other things (including registration) and needs to find the time to address vacancy issues.

Overall, they have been taking up the Federation’s advice during the process, and based on the evidence although it is a difficult judgement to make, it is recommended that it is close enough to warrant support.

Mohamed Ibrahim left the meeting at 3:25 pm.

The Board agreed there is enough evidence to warrant the Federation’s support in submitting an appeal for this association.



The board also agreed that the Federation needs a defined policy regarding supporting members with appeals.

One board member pointed out that it is dangerous for the Federation to base it's decision on whether to help, case by case, based on merits – because the evaluation of evidence can be flawed. Also the Federation would need justification if it decided not to assist a member in the future. The board was clear it's role is to assist with the appeal rather than advocating on a member's behalf.

ACTION: Draft policy and discussion points about assisting members with appeals, for next board meeting.

Next Teleconference: Thursday 5th April, 10am.

Meeting closed: 3:35pm

