



**nsw Federation of
Housing Associations inc**

ABN 86 488 945 663

Minutes
Board of Directors Meeting
Held 13 April 2007
At the Federation

Meeting opened 9:10 am

Welcome

Present: David Matthews, Coral Garrat, Nick Sabel, Mohamed Ibrahim, Beverly Wiggins, Stephanie Cunningham (arrival 11am)

Apologies: Ern Phang, Judith Beveridge (Patrick Yeung, leave of absence)

In Attendance: Adam Farrar, Wendy Rockwell

1. Declaration of conflicts of interest

The board discussed the ongoing question about conflict of interest for directors, and what would make them ineligible to be a director. It was noted, in fact, all directors have an ongoing potential conflict of interest due to their relationship with their housing association.

Ern Phang recommended an article in AICD magazine regarding conflict of interest.

ACTION: Circulate AICD article on conflict of interest at future meeting.

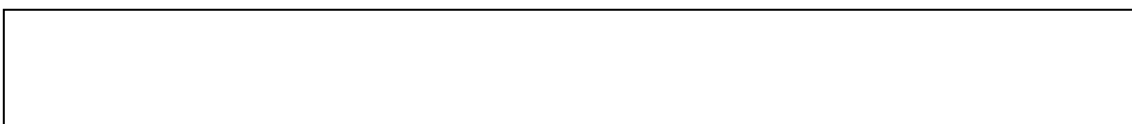
In particular discussion about Patrick Yeung's current circumstances, having resigned from St George and currently working a short term contract with OCH, where there is a clear conflict of interest.

Motion: The board agrees to grant Patrick Yeung a two-month leave of absence (from point of notification in early March), due to a direct conflict of interest while working at OCH. During his leave, he receives no board correspondence. If after this time he remains employed by OCH, the board will seek his resignation.

Moved: Nick Sabel

Seconded: Mohamed Ibrahim

Accepted



2. Minutes of the last meetings: (9 Feb, 2 April, 5 April)

9th Feb Minutes – correction to item 3, second line, change ‘Accreditation’ to “Performance Management Unit”

Motion: That the board approves the minutes of the meeting held 9th February 2007, with change to item 3 (see above), as an accurate record of that meeting.

Moved: David Matthews **Seconded:** Beverly Wiggins Accepted

Motion; That the board approved the minutes of the teleconference held 2nd April 2007 as an accurate record of that meeting.

Moved: Coral Garrat **Seconded:** Mohamed Ibrahim Accepted

Motion; That the board approved the minutes of the teleconference held 5th April 2007 as an accurate record of that meeting.

Moved: David Matthews **Seconded:** Nick Sabel Accepted

3. Business Arising

Business Plan – Has been submitted to OCH. If OCH needs to discuss it further with the board this may require a board teleconference.

ACTION: Board Training – Adam to send out an email with 3 or 4 date options for board training in May. Alternatively try to do it back to back with June board meeting.

Priority risk assessment (item 16) – governance & operational sections were referred to the Audit & Risk committee, which is chaired by Patrick and therefore has not met.

Bendigo Affordable Housing – defer until item 19, Membership.

Board meeting dates – Agreed to move board meetings to Wednesdays (last Wednesday of the month not possible for either David or Bev). The board to try 2nd Wednesday of each meeting month: 13 June, 8 August, 10 October, 12 December.

ACTION: Email new meeting dates to board members for rescheduling.

A letter was sent to the new Minister, to set a meeting, and also inviting him to the HAM. Adam to follow up with a phone call.

4. Correspondence

- OCH - Stock Transfer Maintenance Agreement
- OCH – re CHLP review options

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- Premier – re affordable housing strategy
- Cherie Burton (to Shelter) – re Planning for the future
- PowerHousing Australia – re invitation

Board discussion about the role and activities of Power Housing, and possible related risks.

ACTION: Adam to provide CHFAs report back (after they attend PowerHousing meeting) to next board meeting, also invite Judith to relate her experiences with Hume’s involvement.

- NCOSS – re survey
- NCOSS – re board nomination

5. Financial Overview

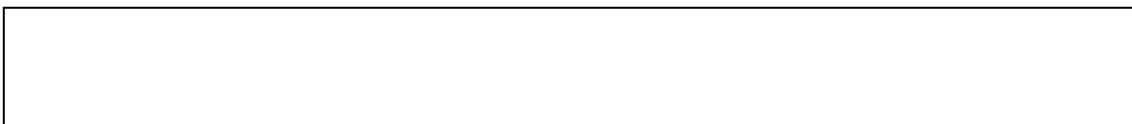
The Federation is on target and meeting all KPI’s.

Motion: That the board accepts the financial reports for the period ending 31st March 2007.

Moved: Mohamed Ibrahim **Seconded:** David Matthews **Accepted.**

9. Maura Boland (brought forward)

- New Minister – Mat Brown
Maiden speech is illuminating
Interested in getting the CH strategy out
- Legislation not included in the announcement – but is being drafted. Only a few days turnaround. Parliament, early May. Possibly first sitting .
- Rents – time to start work on that.
- Growth – is happening. 13 to 30,000 (stock transfers, New supply, acquisition) (*redevelopment and acquisition*),
- 70,000. Don’t know if it means title. There are legal constraints (particularly with dual partnerships)
- The mechanism for direct delivery hasn’t been worked out.
Treasury concerned about risks of money going to non-govt sector.
- Politically important that they achieve the stock transfer program targets
- \$30 million from Rental Bond Board means affordable housing and means title. Debt equity / leverage.
Another round of debt equity will be funded through DoH.
- To minimise risk, they may choose “preferred” growth providers (3 + orgs). In the short term at least. Also in high need areas. This has been discussed at CHAC. Also expect regional providers will get bigger. (up to 5 provisional providers)
- Will involve a rigorous tender process to choose the preferred providers.



- Nick asked: how to we maintain diversity in the face of these changes?
Yes, still want regional, diverse, different strengths, different directions, etc.
- Affordable Housing will cover low to moderate incomes, with or without support needs.
- Trying to tackle the allocations issue without the Dept having control, and all parties being happy (client, doh, CH provider).
- Restructure – 4 divisions
- CHLP funding formula needs to be able to support this future.

Subsequent discussion by the board

Stephanie noted that if an organisation is not a preferred provider for growth, they risk losing skilled board members - who are involved based on their interest in affordable housing, and other new, exciting projects.

Adam noted that Maura indicated a consortium of CH providers could tender for becoming a preferred provider.

Coral noted that in order to participate in a consortium, they'd need to know where the identified "high need" areas are, in advance.

Mohamed – the danger is that OCH's priority is the growth and not the diversity, and how do we protect the smaller associations. The Federation needs to develop some sort of strategy - to protect and support sector diversity. Need an action plan and unified approach.

Adam – the recent associations' survey noted that across the sector growth is an important aspiration

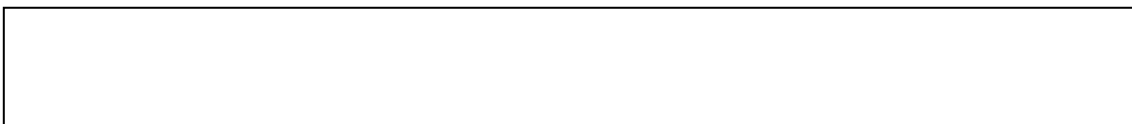
Nick pointed out that we don't know if the growth is limited to those "preferred" associations. We need to maintain that growth should not be at the expense of the smaller (or not preferred) associations.

Mohamed – we may need to approach OCH with our support OCH's decision to target the preferred associations, but also request a minimum amount directed toward the growth of small associations. Put this as a proposition to the HAM? To put a counter-proposal to OCH. May not be concrete enough to discuss at HAM.

Adam – could ask for an in principle response, once the details are known, thus enabling the Federation to be more proactive.

Adam – noted that it can't be dependent on the funding being limited to supported housing.

Stephanie- ask at the HAM if organisations really want to grow, or is it based solely on the threat of viability. Or simply because they have a waiting list and they want to house them.



ACTION: Hold discussion at the HAM about preferred growth providers and diversity (see detailed issues above).

6. Business Plan Exceptions Report

There is currently a capacity issue with regards to staffing to fulfil the current plan and contracts.

Noted that the Board supports the recommendation by the E.D. to agree that the broad KPIs had been met.

Also noted that this situation occurred due to a mixture of overrun in time to deliver training and under allocation of time for broad internal activities: (HR, etc). And that this needs to be calculated more accurately in future years' business plans.

7. Summary of Service Evaluations

Noted

8. Report against OCH KPIs

To inform the board about the results of the member survey for annual reporting to OCH, to allow the board to consider a sector response to our performance, and to determine the approval process for the April 06 – March 07 annual report to OCH.

The board agrees to send the results to OCH, without putting in the third column (very satisfied) shown in the briefing paper report.

Mohamed suggested that we set benchmarks for analysis (section on members' perception of the Federation).

Adam noted that small members found our training pricing fair, but said they still couldn't afford it.

Could look into the possibility of setting up a fund for scholarships (apart from OCH scholarships) to allow smaller associations to attend training.

9. Maura Boland – discussion with Board

See above – after item 5



10. Community Housing Advisory Committee

Noted. Still vital that community housing has a representative role, even an argument that the rep be from the Federation board. Not sure what the new Minister will do with regards to the committee membership being reduced from 9 to 6.

11. Executive Director Report

I.T. – there has been some progress. OCH needs to develop a business case that goes to the rest of DOH to get a commitment of funds. Debbie (from OCH) is setting up a reference group to achieve this. They might fund development of tailoring the software to our sector's needs, but they won't fund ongoing costs.

Adam is insisted that the Federation have a stake in this, but OCH is worried this might politicise the process. They are also thinking the product might target the larger end of the sector (price-wise) and did the Federation want to be involved in this?

If the IT system fractures the sector, how can it ever be used in the future for collective systems – for example: common waiting list.

The board can assure OCH that it's decision making will not be influenced by political forces within the sector.

OCH Strategy on Aboriginal access to mainstream housing – Adam flagged that the sector needs to be aware that OCH has been negotiating with AHO. They have identified a target of 7% of tenants being Aboriginal. It's currently around 4.9%. Were they to achieve the target within the next two years, then the target for new supply will be increased to possibly 19%.

The Federation's comments have been that it's not appropriate. Why 7%? Why a 2 year period? The issue is really about overcoming the barriers to access; ie. having Aboriginal applicants on the list, and addressing allocations policies. The Federation opposed such targets.

12. Review of Fed Strategic Plan 04/09 (survey results)

Target for growth – should we set the target for growth (based on two ways of reading the survey results) at 20% or 50%?

Mohamed suggested we include the government's intentions (ie from 13 to 30,000) along with member responses, to pick a growth target.

Once the plan is redrafted, it will go the Board first, and then to a HAM, for endorsement.

ACTION: Hold - the feedback from this survey should go the HAM (and in writing to those not attending). Then, in writing up the final report, give results and also ask the questions to help identify why the answers are what they are (ie; did they say they wanted growth, for survival and viability, or because they are truly interested in growth).

Need to revisit the Federation's Mission Statement (on future Board agenda, then HAM)

Stephanie pointed out that the changed context within the sector means the Plan might need to be restructured (rather than fitting mid-tem changes into the existing plan structure).

Mohamed suggested an executive summary, more dot-point, for presentation purposes.

13. CHLP Funding Methodology Review - options paper

1. Separating Lease & Capital

- Different cost structures within lease (*and capital*)
- If there are 'losers' (transitional)
- smaller/higher cost --- appropriate subsidy (*Is it negotiated or benchmarks?*)
- What about those with very small capital portfolio.

Separating Lease/Capital to create greater transparency (members have been confused about the formula) may create other impacts.

Some organisations may lose historical benefits (subsidies) they've been receiving. However, the system must be transparent

2. Options: Tendering

- undercutting
- no competition in some areas (ie; regional)

Benchmarks

- only work in a stable environment?

Hybrid

- justify/negotiate a bid – but equal capacity to negotiate?

Bottom Line – that no one be made unviable.

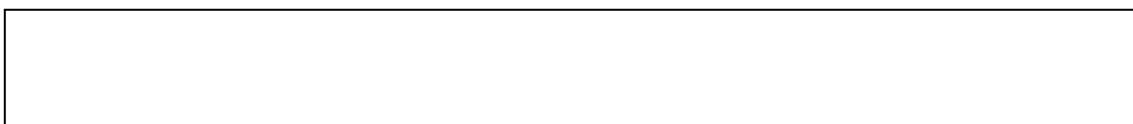
Framework – this introduces a new emphasis on the role of government as “purchaser”

The workshop on Monday will look at ‘on the run’ case studies to identify the implications on their organisations.

It's not possible for the Federation to do modelling because there isn't enough available data (only CHLP data from 3 yrs ago) and no benchmarks have been suggested yet.

Mohamed noted that to remain competitive and to grow you need to factor in salary increases, training, etc.

Could look to other states to look at what they do with capital properties.



Motion: That the board resolves to seek an extension (for the whole sector) to respond to the CHLP Funding Methodology Review. The time to be based on the agreement of the workshop on Monday (minimum one month) and assurances that the rest of the process is participatory (either via the reference group, or future consultation).

Moved: Beverly Wiggins

Seconded: David Matthews

Accepted

We have asked that the reference group be part of the decision making process. Not clear if this will be taken up.

ACTION: Request an extension of time for CHLP Funding Methodology Review, in order to do some analysis. (Present case studies as part of response.) Also seek clarification from OCH around the process from here (requesting the participation of the reference group, or alternatively another round of consultations).

14. Industrial Relations

Noted. OCH has taken the view that everyone should pay, but they're not saying where the money might come from.

15. Options for Federation Workplace Agreement

Noted. Seek advice from Jobs Australia. Come back to the board with some options.

16. Priority risk assessment (cont.) – Audit & Risk Mgmt Committee

Deferred until teleconference

17. Development committee

Noted.

18. Second quarter return to OCH

Noted

19. Membership

Motion: The Board agreed that since Bendigo Affordable Housing doesn't appear to meet the criteria it should therefore remain as an Associate member.

Moved: David Matthews

Seconded: Stephanie Cunningham

Accepted

20. Code of Practice report

Noted.

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21. Other business

Aboriginal Advisory Group – The board to decide the appropriate way to select members for the group:

There is no precedent, it feels uncomfortable having an entirely non-aboriginal board make the decision

ACTION: The Board agreed to ask for a rep from AHO and a rep from Federation to select the members of the Aboriginal Advisory Group.

22. Next meeting

Wednesday 13 June (and teleconference prior to this face to face meeting)

Meeting closed: 4:30 pm

