



**nsw Federation of  
Housing Associations inc**

**ABN 86 488 945 663**

# **Minutes Board of Directors Meeting Held 3<sup>rd</sup> August 2007**

*Meeting opened: 9:40am*

## **Welcome**

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**Present:** Patrick Yeung, Beverley Wiggins, Mohamed Ibrahim, David Matthews  
(arrived 10:45am), Nick Sabel (arrived 10:50 am),

**Apologies:** Coral Garratt, Judith Beveridge, Stephanie Cunningham

**In Attendance:** Adam Farrar, Wendy Rockwell

*Vice-President, Beverly Wiggins, chaired the meeting until the President's arrival.*

## **1. Declaration of Conflicts of Interest**

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None

## **2. Minutes of the last meeting (13 June 2007)**

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To be carried later in the meeting due to lack of persons in attendance.

*(later)*

**Motion: That the Board accepts the minutes of the meeting held 13 June 2007 as an accurate record of that meeting.**

**Moved:** David Matthews                      **Seconded:** Beverley Wiggins      Accepted.

## **Actions list:**

**Ern Phang** - has put in his letter of resignation.

**Floods** – Federation spoke to each of the flood affected members. OCH was unable to confirm whether the insurance covered floods. Need to follow up with the insurer.

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**Board Training** - Nick has spoken to Vivienne Milligan regarding Board training – decide on a date later in meeting when more board members are here to decide. (see after item 6.)

**25 year party** – have not approached government for a contribution until a date can be pinned down. It has been difficult getting a date the Minister is available.

**Member renewals** – sent.

**New Lease** – It is our responsibility to notify the owners if we wish to accept an additional term of the lease, and we missed this. Therefore we have signed a new lease, with the same terms.

### **3. Business Arising**

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**Legislation** – Still intend to write a letter of in-principle support.

**Meeting with Minister** – We raised broad issues: Legislation; Planning for the Future & rush on EOI's. Has subsequently met with Fiona Townsend, advisor to the Minister.

**Board Training** - (see action list)

**Stock transfer round table** – This has been re-convened. A date has been set.

**Progress on Aboriginal Advisory Committee** – the First meeting will be held in August.

**Federation Planning for the Future submission** – Has gone in.

**Workplace Agreement** – keep on the agenda...

### **4. Correspondence**

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All for noting:

- Resignation – Ern Phang, Federation board member:
- OCH – Re registration of AA:
- OCH – CHLP review: n
- OCH – Regulatory Code:
- Minister's Office – follow up meeting:

**Discussion arising out of new HA funding agreements:**

How broad is the clause determining the funding body's power to intervene?

**ACTION: Find out how this is defined (it is somewhat subjective). Ask DOH legal team what circumstances may be interpreted as 'dire'.**

**ACTION : The Board, through the President, to write to Ern Phang, accepting his resignation**

### **5. Financial Overview**

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**Motion: That the Board accepts the financial reports presented for the period July 2006 – June 2007, as an accurate record.**

**Moved:** Beverley Wiggins

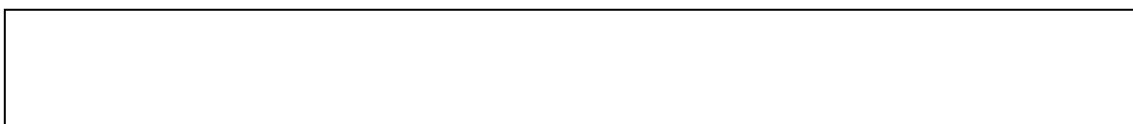
**Seconded:** Mohamed Ibrahim

Accepted.

**Revised 2007-08 Budget:**

Income –

- increases to Other Projects, due to roll over of funding from 06-07
- Slight reduction in new DOH contract
- Other DOH contracts: Accord, PROP



Expenditure –

Increase in trainer costs associated with DOH project.

There will be another adjustment to wages, due to the actual CPI being announced.

This should leave a surplus of around \$13,000.

*(David Matthews and Nick Sabel arrived at meeting)*

**Motion: That the Board approves the revised 2007-08 budget as presented, subject to a contingency for temporary staff, and a reduction to salaries expenditure now that actual CPI has been announced.**

**Moved:** Beverley Wiggins      **Seconded:** Mohamed Ibrahim      Accepted.

July P&L and Balance Sheet – tabled and noted by Board.

## **6. Treatment of Retained Earnings**

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To provide a rationale for retained earnings. To provide guidance to the Federation, to avoid accumulating surpluses indefinitely. Targets based on Solvency KPI benchmarks.

**ACTION: Talk to auditor about raising a provision for our contractual liability to return the office to its original state at the end of our tenancy.**

The Board agrees that a retained earnings benchmark is a good idea, and that it should be reviewed each year. This can be adjusted depending on the political climate and other influencing factors.

It was suggested that the Federation consider additional income generating projects, and use some of this money to develop these.

**Motion: That the Board agrees to a benchmark for retained earnings, (within the range of our solvency KPI, plus our relocation costs target) of \$120,000.**

**Moved:** Nick Sabel      **Seconded:** Mohamed Ibrahim      Accepted.

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*President takes over chairing meeting*

Go back to items:

- Casual Board vacancy – Nick has spoken to Bobbie Townsend about filling a casual vacancy. Wendy to check if leaving it until the AGM, if this would throw out the balance of half the Board elected each year.
- Minutes – accepted (see item 2)
- Board Training dates (from item 3) – Check Friday 14<sup>th</sup> September.
- 25 Year Party – His advisor said the Minister is not available on Fridays (he is in his electorate). Suggested a Thursday night prior to a HAM.

**ACTION: Find out the Minister's availability on a Thursday night, for the 25 year party.**



## **7. Business Plan exceptions report**

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There was a discussion about the higher costing, brokered-in training sessions, and the fact that although the Federation attempts to break even, sometimes there is a loss, and sometimes a small profit margin.

Patrick suggested that the Federation build in a small margin of profit for all high cost brokered in training, and offer scholarships to those members who cannot afford the higher price. This means the training program delivers reasonably priced courses, diversifies the Federation's income stream, and supports equity amongst members.

Adam noted that in the past we have attempted to support equity by offering travel subsidies.

Suggested that when advertising courses, benchmark cost against other providers in the market place for similar/same course.

## **8. Summary of Service Evaluations**

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Noted.

It was agreed that the reports should not show periods where no training occurred so it does not skew the graph image, and it is easier to see trends.

## **9. Community Housing Advisory Committee**

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Adam summarised an emailed report from Bobbie Townsend (CHAC member).

- Next meeting 23 August.
- A meeting on Monday of the CHAC working group- of the feedback on Planning for the Future, in order to get a revised document, then work on development of implementation plan.
- June meeting – confidential (therefore cannot report on). Minister attended for 1 hour.
- The existing members to stay on until the existing work on the plan is completed.

Adam expressed concern if the CHAC becomes the only forum for discussion of key issues (and sector reps are bound by confidentiality). There should be a way for the broader sector to be involved in discussions in some way. Adam to bring this up at next quarterly resourcing meeting with OCH. Possibly raise this issue with the Minister's advisor as well. (an example might be the growth modeling or Common Access).

Mohamed questioned: 1. what confidence does the sector have in the sector rep(s) on the CHAC?; and, 2. How much weight do the sector reps have in the committee?

Adam reiterated that he doesn't see any problem with the existence, or composition, of the CHAC, or it's role. The question is about additional forums for discussing key issues with the sector, in addition to the CHAC (ie working in partnership with the sector).

Adam commented that the key industry body (ie the Federation) could be more fully utilised in this role.



## 10.Executive Director Report

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- **Legislation** – (see actions list)
- **CHLP Review** – (for discussion after lunch)
- **Community Housing Strategy** – (to be discussed after lunch)
- **Minister** – (see business arising)
- **Mike Allen** – Adam to meet him on 10 August - to focus on IT development, and future supply options.
- **I.T.** – This seems to have stalled at OCH. This is a critical risk area. Adam to explore with Mike Allen at next week’s meeting – if the business case can be developed externally. (contact Debbie Kearns first, to find out where it’s up to).
- **ALP** – Adam attended Affordable Housing Summit (to be discussed after lunch).
- **Broken Hill** – Has been formally placed under a liquidator. DoH is managing in the interim, until a new provider is established.

### *To be discussed after lunch:*

Adam indicated that there are a few areas that require in depth discussion by the Board in order to give direction to the Federation on these urgent issues:

- Growth
- Rent models
- Subsidy of leasing & capital
- Outcomes of Rudd summit & Brough announcements

## 11.Common Access

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Deferred until future meeting.

### *LUNCH*

Urgent Items for discussion:

**Growth** – Should we keep the concept of growth providers, and expand the definition from a particular supply strategy? They are currently identifying three ‘preferred’ growth housing providers under the Plan (in high population areas – not including North Coast).

The Federation’s proposal says that they should be talking about growth in all of NSW, and that one provider in each of the 19 catchment areas needs to receive significant growth. In each of the regions, one organisation (at least) will be strengthening. Part of the issue is semantic.

It hasn’t been said what kind of supply will go in other areas, and when. This makes it difficult for housing associations to develop a strategic plan. Also emphasise that geographic constraints do affect good service delivery.

The board agrees that Adam should go ahead with that argument, at the CHAC working group meeting on the re-draft of the Planning for the Future.



**CHLP Review proposal** – see PPT presentation

Proposed Leasehold model would lose a safety net re under-occupancy, but would gain an efficiencies driver, and autonomy.

The Board agrees in principle, but requested pass the model by Viv Milligan before submitting the proposal to the CHLP reference group.

*David Matthews departed meeting 3pm.*

**Rudd Summit** – (adam can you please re-do this section?)

costs of infrastructure borne by developers should be subsidized. Shouldn't be using demand side arguments (only Real Estate institute was for doubling first home buyers grant). The issue is about new supply. Subsidies for development for low cost housing. Agreement that this should be managed by not for profits (?). Tax benefits. Changes which effect the price of home purchase take a lot longer. Government can make a difference quickly in the rental market.

Are we ready?

Need to get advice and skills - for capacity building – over the next 12 months.

Federation needs to take the lead in supporting members to build capacity and expertise: vision, financial skills, professional skills, etc. (invite, for example: developer, financial institution, legal, etc to run workshops for the sector).

PR needs improving, more exposure. Legislation may give more confidence to private partners about community sector.

Groundwork may need to be done to assist changing the mind set of parts of the sector.

CHFA is exploring an option for a “business incubator”. To make sure there are pools of expertise that can be brokered as needed. Before it is finalised they are proposing to hold a workshop for associations that want to be a part of the growth affordable housing picture, and developers, on 31 August. It is a bit rushed, because it has been brought forward due to Brough announcement.

**Brough announcement** – end of CSHA, (would have devastating affect on state housing). New funding would be based on funding proposals (deadline 27 Sept.) Since then, he is saying: housing targeted to middle and low income households; Not calling for proposals, but for information from interested parties who have relevant, innovative, etc models (not a project proposal), to increase the supply of social housing in the best way possible - new ideas.

Shelter convened a meeting – agree that there is now enough information to put a proposal together to outline optimal conditions for new supply. Surprisingly,. They were not against possibilities outlined in Brough's announcement, bypassing the state housing authorities.



Andrew Larkin wanted to explore the possibility of joining together: state housing authority, community sector and landcom or lendlease, and develop a proposal together.

The Board agreed: the Federation to

1. Pursue all-partnership approach suggested by Andrew Larkin.
2. Look into putting in a collective submission with Shelter and other players.

*Nick Sabel departed meeting 3:40 pm.*

## **12. Discussion of revised Federation Mission Statement**

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Deferred until future meeting.

## **13. Conflicts of Interest (AICD) article**

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Deferred until future meeting.

## **14. Priority risk assessment (continued) – Audit & Risk Management Committee**

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Deferred until future meeting.

## **15. Development committee**

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Deferred until future meeting.

## **16. Sector Issues**

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Deferred until future meeting.

## **17. Compliance – OCH reporting (Quarter 4, 06-07) (Quarter 1, 07-08)**

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Noted.

## **18. Membership**

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Renewals have gone out. No new member applications.

## **19. Staffing & contractors: Options for Federation Workplace Agreement**

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Noted.

## **20. Code of Practice report**

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Noted. Letter went to complainant.

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## **21. Other Business**

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Any other business picked up earlier in meeting.

## **22. Next Meeting: 12 October 2007**

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- AGM – 23rd November
- Board mtg – 14 December

*Meeting closed 3:48 pm*

