



**nsw Federation of  
Housing Associations inc**

# Directors' Bulletin



## In this Bulletin

[Registration essentials for directors](#)

[Coherent business model](#)

[Risk and growth](#)

[Board skills required for registration](#)

[Specific areas of knowledge for associations](#)

[Federation support](#)

[Background information on registration](#)

### Links of interest

[Directors Network page](#)

[The AICD](#)

[Community Housing Division](#)

[Women on Boards](#)

[Our Community](#)

[Governance Good Practice Guides](#)

### Contact Us

[Federation website](#)

[General Email](#)

## Registration essentials for housing association directors

This bulletin identifies key emerging issues for housing association directors operating under the new regulatory code. The bulletin is primarily for Class 1 and 2 community housing providers. For more information about registration classes go to:

### [Registrar's Evidence Guidelines](#)

The regulatory code and the Performance Based Registration System that pre-dated it are playing a significant role in creating the conditions for the continuing growth of the sector.

### Coherent business model

The Registrar's approach to business planning is not prescriptive and they do not endorse any particular model. Associations' strategic planning documents should provide a clear overview and enable directors to use them as effective planning and monitoring tools. Business plans should be as simple as possible. However the Registrar expects coherent business planning. They see a number of essential elements to a coherent business model:

- A defined and clearly articulated business vision that includes an analysis of the context that community housing operates within. This includes a statement about what the association's core activities are, what activities are undertaken with partners and any activities that are carried out as part of a consortium approach.
- A linked or layered planning approach where the different planning tools intersect with each other and are actively used. Different organisations have different names for their planning documents. The Federation refers to the strategic plan as setting the overall direction for the organisation. The operational plan describes objectives for each year of the strategic plan. A risk management plan is linked into the strategic and operational plans. The financial models and the asset plans should also reflect strategic priorities and identified risks. For example, a strategic priority to reduce a maintenance backlog is reflected in budget projections at the start of the year and in both the

audited accounts and a revised asset plan at the end of the financial year.

- Appropriate financial and risk modelling is expected for significant strategic objectives. Financial and risk models should be sophisticated enough to identify how the organisation will manage development risk and growth, as well as anticipate a range of outcomes. For example, consider the strategic objective 'grow by 100 properties'. Financial projections should include all additional anticipated income such as increased grants and rent income and increased staffing and maintenance expenditure. Associations are also expected to model the results if growth is not achieved and to develop strategies to minimise the impact of this. They should also model the likely impacts on services and their core business.

### Risk and growth

Associations undertaking development projects need to be sure that the structure they set up has the capacity to deliver growth. This includes access to relevant expertise and an analysis of the resources needed. Growth plans need strong links back to business objectives. Each development proposal needs to meet their overall strategic aims rather than being undertaken on an ad hoc basis. Associations need detailed risk and contingency planning about their development projects and their impact on core current service delivery and overall mission. Specific items to be considered might include sensitivity to interest rate rises and the impact of a further financial downturn.

### Appropriate skills

Performance requirement 4.1: 'Expertise of governing body' says that 'a registered community housing provider must have a governing body that.....has a range of expertise that is sufficient for the scale and scope of the community housing provided'. Registrar of Community Housing (2009) *Evidence Guidelines*

The Evidence Guidelines also say that "in addition to having skills in financial management, asset management and risk management, all boards of a Class 1,2 or 3 organisation should also have skills in human resource management and social services, or access to expert advice in these areas." Organisations should have a process for identifying and acquiring these skills and any other skills required for effective governance. Boards are also expected to have goals in the operational / strategic plans relating to achieving and maintaining the appropriate governance structure and expertise.

Boards of Class 1 and 2 organisations are expected to regularly review their skills in the context of current growth and development plans and strategies.

---

### Specific areas that may require further development

The new regulatory code contains some areas that were not required under the Performance Based Registration System. The Federation has been making resources available to assist associations with these new areas. These include:

## **Fraud and corruption prevention**

Associations need to have sufficient processes in place to prevent and detect fraud and corruption. Resources are available on the Federation's website:

<http://bit.ly/V SBS2>

## **Long term strategic asset planning**

Associations are expected to develop a long term portfolio strategy to assist them to understand their future stock requirements.

**Further information is available on the Federation website:**

[Support for long term asset planning](#)

## **Audit and risk management committees for larger organisations**

Class 1 and 2 organisations are expected to have audit and risk management committees (or similar) in place. The risk management committee should meet at least time four times a year.

## **Strategic aim to reduce homelessness**

Directors should consider addressing the reduction of homelessness as a specific strategic aim. Consider how the organisation's services can contribute more effectively to a alleviating homelessness in the local area.

There is an expectation under the Federal Government's National Partnerships on social housing and the economic stimulus package that social housing providers are working to reduce homelessness.

## **Continuing support for directors from the Federation**

The Federation will continue to provide support to directors. We are planning to run an integrated strategic planning workshop for directors to build on the information provided in this bulletin. We are also working with the University of Western Sydney to develop resources and workshops on development skills that directors may find useful.

We will also continue to liaise with the Registrar – for example on advanced risk management processes for larger organisations and pass this information back to directors and associations.

The Federation will also be providing on -going registration workshops to cover specific areas of the registration process that caters for all four class types.

Please contact Adam West for more information:  
[adamwest@communityhousing.org.au](mailto:adamwest@communityhousing.org.au) or 9281 7144 ext 211

## **Background information on the Regulatory Code for directors**

The Registrar of Community Housing, Roxane Shaw, has recorded a special webcast to brief sector directors on the requirements of the new Regulatory Framework. Please follow the link below to see the message:

<http://www.vimeo.com/4380387> (Running time 8:25)

The Registrar also provided the briefing notes below:

**The Regulatory Framework**

In 2007, the NSW government outlined its strategy for community housing - *Planning for the Future: New Directions in Community Housing in New South Wales*. Two of the key objectives of the strategy are to facilitate the growth of the community housing sector and to build the capacity of, and confidence in, community housing.

based on five key principles: transparency; proportionality; accountability; consistency; and co-regulation.

**Registration**

Registration will be completed by self assessment and validated through information or evidence. On-site inspections by the Registrar's staff may also be conducted to gather further information.

**Further information**

If you have questions about the regulatory framework, please contact:

Tel: 1800 330 940  
Fax: (02) 8753 8294  
Email: [registrar@housing.nsw.gov.au](mailto:registrar@housing.nsw.gov.au)  
Web: <http://www.rch.nsw.gov.au/>

---

NSW Federation of Housing Associations Inc

Suite 301, 64-76 Kippax Street, Surry Hills NSW 2010 Australia | T +61 (0)2 9281 7144 | F +61 (0)2 9281 7603

About this e-mail: You've received this email from NSWFHA because you've expressed an interest in NSWFHA and have given NSWFHA permission to communicate with you via email, as advised in NSWFHA's [privacy policy and disclaimer](#). If you prefer not to receive email from NSWFHA in the future, simply [click here](#) to unsubscribe. For enquiries please visit our website [www.communityhousing.org.au](http://www.communityhousing.org.au) or contact Adam West on 9281 7144 ext 211 or [adamwest@communityhousing.org.au](mailto:adamwest@communityhousing.org.au)