

Social Housing Management Transfer Program

Industry Sounding Paper 2

10th November 2016

1. Introduction

1.1 Social Housing Management Transfers (SHMT) Program

Future Directions for Social Housing sets out the NSW Government's vision for social housing over the next 10 years—with a focus on driving better outcomes for tenants including helping those who are able to transition out of social housing. *Future Directions* is underpinned by three strategic priorities:

- More social housing
- More opportunities, support and incentives to avoid and/or leave social housing
- A better social housing experience.

The achievement of these priorities is linked to three interconnected strategies:

- Significant expansion and redevelopment of stock through partnerships with private sector developers and finance;
- Transferring significant tenancy management responsibility to non-government housing providers; and
- “Wrap-around” services to support tenants build their capabilities and take advantage of the economic opportunities in our strengthening economy.

The Social Housing Management Transfer (SHMT) Program is one of a number of priority programs to implement the *Future Directions* strategies. The SHMT program focusses on both transferring significant management responsibility to non-government housing providers as well as increasing the focus of these management services on improved service quality and better outcomes for social housing clients.

The SHMT program will be implemented through a commissioning process that will be open to existing registered community housing providers (CHPs) and new market entrants capable of achieving registration through the National Regulatory System for Community Housing (NRSCH).

1.2 Industry Sounding

As part of the commissioning process, a series of Industry Sounding Forums will be held to communicate and discuss the government's strategic intent and expectations of the SHMT program.

The first Industry Sounding was held on 18 October 2016.

This paper presents additional background information on the SHMT Program based on the topics discussed and the questions asked at the first Forum. It is structured to reflect the proposed format for the next phase of the Industry Soundings which will cover a:

- Multi-session forum on the 16th November 2016
 - Session 1: Overall strategic intent and contracting principles
 - Session 2: Access and demand services in whole-of-location areas
 - Session 3: Expression of interest process for current public housing staff
 - Session 4: Expectations for achieving better outcomes for social housing clients
- Property management session on the 25th November 2016
 - Implications associated with retention of the Asset Maintenance Services (AMS) contract for the delivery of all maintenance activities to the properties transferred to CHPs until March 2021
 - Approach to strategic asset management.

2. Strategic intent

2.1 Whole-of-location transfer packages

The SHMT program involves the transfer of management of approximately 18,000 social housing properties to the non-government sector—bringing the proportion of social housing under management by Community Housing Providers (CHPs) to 32%.

The program is made up of three parts:

- Approximately 800 properties covered by the existing management transfer programs involving direct procurement to nominated provider.
- Approximately 3,000 properties built through redevelopments under the Communities Plus Program which will be available for transfer.
- Approximately 14,000 whole of location transfers which will be subject to a competitive tender process covering nine packages in four locations.

The Aboriginal Housing Office will undertake a separate procurement process to select Aboriginal community housing providers in the whole of location transfer areas to manage Aboriginal Housing Office owned properties.

The focus of the Industry Soundings and this paper is on the nine packages for whole-of-location transfers for Land and Housing Corporation (LAHC) owned properties. The nine packages cover:

- Shoalhaven
 - Shoalhaven LGA package (961 properties)
- Mid North Coast
 - Coffs Harbour and Bellingen LGAs package (1,093 properties)
 - Nambucca, Kempsey, Port Macquarie-Hastings LGAs package (1,359 properties)
- Hunter New England, excluding Newcastle and Lake Macquarie LGAs
 - Maitland and Port Stephens LGAs (2,205 properties)
 - Singleton, Cessnock, Dungog, Mid-Coast, Muswellbrook LGAs package (1,882 properties)
 - Gunnedah, Tamworth, Walcha, Liverpool Plains, Armidale-Dumaresq, Glen Innes, Gwydir, Guyra, Inverell, Moree Plains, Narrabri, Tenterfield, Uralla LGAs package (1,850 properties)
- Northern Sydney, excluding the Ivanhoe Estate
 - Ryde, Hornsby and Kuringgai LGA package (1,931 properties)
 - Northern Beaches and Mosman LGA package (1,273 properties)
 - North Sydney, Hunters Hill, Lane Cove Willoughby LGA package (1,559 properties).

Further details of the packages is presented in Attachment 6.

2.2 Commissioning strategy

The commissioning of the whole-of-location transfers is underpinned by a strategy of partnering with registered community housing providers to leverage community networks and local partnership in order to achieve better outcomes for tenants. Specifically:

- *Nationally registered community housing providers*
Whole-of-location providers will either need existing registration under the National Regulatory System for Community Housing (NRSCH) or to obtain national registration prior to the commencement of the whole of location transfer. National Registration provides assurance to government and the community that the provider is financially viable, has sound governance arrangements, and meets the service outcomes for tenancy management, property management and community engagement.
- *Whole-of-location service delivery and leadership role*
The transfer leases will be for 20 years—commensurate with the expectation that selected providers will have a long-term commitment and leadership role in both whole-of-location social housing assistance and coordination of initiatives under the *Future Directions for Social Housing* and other FACS housing-related reforms in the package locations. This covers:

- *Core management functions:*
 - Tenancy management for social housing tenant in the transferred properties (Section 3.1)
 - Responsive and planned maintenance for transferred properties (to be covered in the paper for Industry Sounding 3 on 25th November)
- *Whole of location management functions:*
 - Management of access and demand services across the continuum of housing assistance products (Section 4.1)
 - Support coordination for social housing tenants to improve outcomes (Section 4.2)
 - Service system coordination of initiatives under *Future Directions* and other FACS housing-related reforms in the package locations (Section 4.3).
- *Investment of additional rental income in improved services and tenant outcomes*
Compared to public housing, community housing providers are able to capture additional rental income through tenant access to Commonwealth Rent Assistance—which will be expected to flow through to increased resources to improve services and achieve better outcome for tenants and clients.

A key part of the commissioning strategy is to select whole-of-location providers who can leverage business efficiencies and community partnerships to maximise the additional resources for the enhanced portfolio management functions. Financial modelling for the management transfer business case included location specific projections of additional rental income and the costs associated with both the core tenancy and property management functions and the three areas of whole of location management functions.

There are no expectations or targets for using the rental income streams from the whole-of-location transfers to leverage extra properties.

- *Capacity to operate at scale*
Whole-of-location package sizes vary from around 900 to 2,200 properties. This requires selected providers to have the capacity to both manage a large social housing portfolio and to manage whole-of-location networks and local partnership needed to achieve better outcomes for tenants.
- *Suitable staff to deliver whole of location services*
The SHMT program requires providers to be able to ‘ramp-up’ staff and service delivery arrangements to complete the transfers within the three year timetable. It is expected that once community housing providers are selected for each location and they have determined what staffing roles they require, they will be need to explore the full range of options for filling these positions with suitably qualified and experienced staff—including taking on existing FACS staff.

There will be no contractual obligation to employ FACS staff—but successful CHPs will be required to give a priority assessment to FACS staff in comparable roles before advertising these roles externally. FACS will work with successful providers to coordinate an expression of interest for staff in comparable roles. Further information about this process and the implications for salaries and conditions is presented in Attachment 2.

- *Suitable premises to deliver whole of location services*
Delivering whole of location services requires accessible premises and counter services that provide an appropriate and safe space for clients—taking into account work, health and safety issues for both staff and clients. This includes facilities and processes to manage service queues and waiting times; self service facilities such as phone and internet; appropriate access to interpreter services for clients who speak a language other than English; and culturally-specific service responses to Aboriginal clients.

2.3 Contracting principles

The management transfer will be subject to a contract and General Community Housing Lease with the Department of Family and Community Services (FACS) which will set out what selected CHPs are expected to deliver, how performance will be defined and assessed, and the consequences of performance above or below agreed performance thresholds.

The contract is intended to provide a clear framework for FACS and selected CHPs to work together to deliver the government’s expectations of improved social housing services and better outcomes for tenants. The principles for contracting include:

- *Partnership approach that promotes innovation*
The contract will clearly set-out what selected CHPs are required to deliver in whole-of-location areas—but will seek to do so in a way that reflects both the independence of CHPs and the desire to promote innovative and entrepreneurial decision-making about how to best meet these service requirements.
- *Regular reviews of the policy framework for whole-of-location services*
Where possible, specific requirements for whole-of-location services will be incorporated into standard FACS community housing policies referenced in the contract. These policies will be regularly reviewed to ensure the service requirements are not only unambiguous but continue to reflect the strategic intent of *Future Directions for Social Housing* and other housing-related reforms.
- *Clear, relevant initial performance expectations*
The contract will clearly set-out how performance will be defined and assessed as part of regular, formal contract reviews. Each contract will include a set of standard performance measure—with contract-specific performance thresholds set to take account of pre-transfer performance and the specific delivery context.

- *Regular review of performance expectations*
Over the 20 years of the contract, it is expected that performance thresholds will need to be reviewed and updated to reflect changes in policy priorities and delivery contexts—particularly in relation to the achievement the enhanced portfolio management functions. The contract will outline a mechanism to facilitate and document these reviews—such as through the use of rolling, multi-year performance plans that define the specific, measurable outcomes and performance thresholds that will be used for a particular period.
- *Avoiding unnecessary duplications in monitoring and reporting*
All selected CHPs will be subject to the regulatory monitoring and reporting requirements under the NRSCH. As with existing CHP contract, FACS will seek to minimise any unnecessary duplications in monitoring and reporting under the whole-of-location transfer contract—by focussing monitoring activities and reporting requirements on appropriately manage risks and performance expectations under the contract.

2.4 Governance arrangements

As whole-of-location housing leaders, selected CHPs will need to be actively involved in planning and decision-making about district and state-wide priorities for implementing *Future Directions* and other housing-related reforms. This work will be supported by a clear framework and role for CHPs as part of broader governance arrangements for *Future Directions* and other reforms. The principles for these governance arrangements include:

- *Co-design approach to local implementation of Future Directions*
The governance arrangements will provide a mechanism for CHPs and FACS to co-design the roll-out for *Future Directions* in each package location—documented as agreed local implementation plans.
- *Clarity of the focus and scope of involvement in broader governance arrangements*
As non-government organisations, CHPs have limited resources to participate in the full range of housing-related governance arrangements. The focus and scope of CHP involvement will be clearly defined in local implementation plans—including any committees that the CHP would be expected to chair and others where the CHP would participate as a member.
- *Clear pathways for issues management*
The governance arrangements will provide a clear mechanism for CHPs to raise, escalate and resolve issues that impact on their role as whole-of-location housing leaders—including issues related to working not only with all parts of FACS, but other government agencies such as Health, Education and Justice portfolios.

3. Core management function

The core tenancy and property management functions for the whole of location transfers are broadly comparable to other social housing management transfers to community housing providers—although the scale and positioning of the transfer as part of the *Future Directions* strategy means there are a number of specific expectations.

3.1 Tenancy management

As with all housing services managed by registered CHPs, providers need to meet the NRSCH performance requirements to ensure they are fair, transparent and responsive in delivering housing assistance to tenants, residents and other clients.

In transfer areas, specific program expectations for tenancy management include:

- *Protecting tenant rights*
Management transfers to non-government providers are expected to protect the right to housing, income after rent, and tenancy rights of transferring tenants. Subject to the passing of relevant legislation, transfers will be automatic from a tenant's perspective. Tenants will transfer on exactly the same terms and conditions as are in their lease now without any change whatsoever, except that they will pay rent and Commonwealth Rent Assistance to their new community housing provider following the transfer. The incoming provider will not be able to change any element of their lease unless and until a time limited lease comes to an end. Currently, about 40% of tenants in package locations are on a time limited lease.
- *Ensuring comparable operational policies*
As independent organisations, community housing providers have their own tenancy and housing services policies—framed within specific contractual and policy requirements specified in the:
 - Common Terms and Conditions in the NSW FACS Community Housing Assistance Agreements
 - NSW Community Housing Access Policy (June 2016), Community Housing Eligibility Policy (2014), Community Housing Rent Policy, and the Community Housing Water and Additional Charges Policy
 - Housing Pathways policies for providing access to housing assistance.

While these requirements generally ensure that transferring tenants are subject to comparable tenancy policies for the duration of their current tenancy agreement, any specific additional requirements will be documented as part of the transfer contracts. Examples of current entitlements of public housing tenants are presented in Attachment 4.

- *Social housing tenant satisfaction*
CHPs will be expected to increase the tenant satisfaction from above the level recorded shortly before the announcement of the property transfer program in the four Districts. On average, 76% reported that they were satisfied or very satisfied with current tenancy management services (see Attachment 5). It is expected that performance thresholds for tenant satisfaction will be set as part of the contract for each package location and measured on an ongoing basis using the same survey methodology—with the results used as part of contract performance reviews.

CHPs investigating opportunities under the SHMT program would need to consider the:

- Potential impact of any differences between CHP's policies and the conditions retained by transferring public housing tenants.
- Strategies needed to improve tenant satisfaction levels from pre-transfer levels.
- Feasibility and costs of attracting suitably experienced tenancy management staff in the transfer package locations.

Additional information

As part of planning for the SHMT Program, relevant information is currently being collated to help CHPs investigate opportunities under the SHMT. This could include information about the:

- Profile of current public housing tenants in each package location (e.g. demographic profile; lease term; support arrangements; ACAT action; ASB complaints; tenant satisfaction levels).
- Profile of tenancy management staff in public housing offices in each package location (staff numbers and roles in tenancy management teams; number of specialist staff and roles focussed on intensive tenancy management).
- Specific public housing tenancy agreement conditions and entitlements under public housing tenancy policies.
- Details of pre-transfer satisfaction levels in each package location and survey design and methodology used.

3.2 Property management

Information on program expectations for property management were previously outlined in the paper for Industry Sounding 1. Additional information on property management will be presented in a separate paper for Industry Sounding 3 to be held on 25th November 2016.

4. Whole of location management functions

CHPs have a strong track record of coordinating support for tenants and coordinating community engagement activities to improve tenant outcomes. As part of the SHMT program, selected providers will have enhanced responsibilities above 'business as usual' expectations for portfolio management—reflecting the long-term delivery and whole-of-location leadership role associated with the 20 year management transfer.

It is recognised that these whole of location functions are more difficult to precisely define and the priorities for investment may change over the 20 year lease term—requiring a partnership approach to planning contracted services and setting and reviewing performance under the contract.

4.1 Access and demand management

Successful CHPs will have whole-of-location responsibility for the access and demand system which covers

- assessing applicants for housing assistance in collaboration with Housing Contact Centre
- assisting homeless people into temporary accommodation and homelessness services
- assisting people whose private tenancies are at risk
- assisting people into private rental accommodation with private rental services.

Successful CHPs will be expected to participate in the Housing Pathways system for applying for housing assistance—which is a standard requirement for all major management transfers since 2010.

In addition, there are a number of specific program expectations for access and demand management in the transfer locations—above what would normally be required of a non-government Housing Pathways participant. These requirements aim to ensure that clients continue to be able to access the full suite of housing assistance services even though there will be no public housing offices in the transfer locations.

It is recognised that a partnership approach is needed between FACS and selected CHPs in planning for access and demand services—that reflects both the increased availability of self-service options that continue to be developed by FACS (e.g. online applications), new or changed products and delivery options (e.g. Rent Choices), and the need to facilitate innovative approaches to improving the value for money of access and demand service.

In transfer areas, specific expectations for access and demand services will include:

- *Assisting social housing applicants referred by the Housing Contract Centre*
 While all Housing Pathways providers are expected to provide additional assistance to clients with complex needs to help them apply for the most appropriate form of housing assistance, whole-of-location providers will have the additional responsibility of managing complex applications referred back from the FACS Housing Contract Centre (HCC), and completing these assessments. With the introduction of new channels for housing access such as *Forms by Phone* and *Online Forms*, overall workloads around face to face contact are expected to reduce significantly. However, around 30% of social housing applications assessed by the HCC are referred back to the local public housing office for more intensive assistance to complete. Providers operating in whole of location transfer areas will be responsible for assisting these clients.

- *Facilitating access to homelessness assistance and private rental services*
 In whole-of-location transfer areas, clients should continue to have access to the full suite of products and services to assist homeless people into temporary accommodation and homelessness services and to assist people into private rental accommodation with private rental services. Current products and services delivered by public housing teams include:
 - Private Rental Tenancy Facilitation
 - Private Rental Brokerage Service
 - Private Rental Tenancy Guarantee
 - Rentstart (Bond Loan, Advance Rent, Temporary Accommodation and Tenancy Assistance)
 - Rent Choice medium term private rental products
 - Advice and assistance for homeless people during office hours.

A number of these products and services are currently being reviewed—including expansion of private rental assistance under *Future Directions*. While final decisions have yet to be made on the specific responsibilities of CHPs directly delivering these products and services—selected CHPs will have whole-of-location responsibility for coordinating access and demand services.

Minimum service requirements will initially be defined in terms of continuity of existing access and demand services delivery by FACS housing in the package locations. As a reference point for investigating opportunities under the program, additional information on the current scope and level of resources applied by FACS housing teams for current access and demand services is presented in Attachment 1.

Additional information

As part of planning for the SHMT Program, relevant information about the access and demand function is currently being collated to help CHPs investigate opportunities under the SHMT. This could include information about the:

- Pattern of front line staffing in public housing offices for access and demand functions (staff numbers and roles in access and demand teams).
- Pattern of services for the access and demand function—including the number of direct client contact services for private rental and Rentstart assistance, including Temporary Accommodation which generates the most significant activity in some locations; and the available systems and use of the Housing Contact Centre to divert clients to self-service options.
- Details of the current Temporary Accommodation (TA) strategic framework and information about pre-paid arrangements with TA providers.

4.2 Support coordination

As part of the *Future Directions for Social Housing*, all social housing providers will be increasingly expected to facilitate access to “wrap-around” services to support tenants build their capabilities to sustain tenancies and to take advantage of opportunities for economic and social participation.

Successful CHPs will have whole of location responsibilities for coordinating access to support for social housing tenants—commensurate with the long-term nature of the portfolio leases and their whole-of-location leadership role.

- *Facilitating access to support*
The SHMT program is expected to boost the resources available for support coordination in the transfer locations to both sustain social housing tenancies and improve tenant outcomes.

This is relevant to both ‘safety net’ tenants who are likely to remain in social housing and ‘opportunity’ clients who can move to the private rental market when their circumstances improve. Key areas of support include:

- Supporting tenants with mental health and drug and alcohol issues
 - Supporting tenants involved in antisocial behaviour
 - Supporting tenants with disability and linking into the National Disability Insurance Scheme (NDIS).
 - Supporting tenants experiencing domestic and family violence
 - Ensuring child protection matters in households are appropriately reported and/or referred, and working with Community Services and OOHC providers to support families involved in child protection matters to ensure their housing needs are met.
 - Supporting Aboriginal tenants in a culturally appropriate and responsive way.
- *Building community networks and support partnerships*

The SHMT program is expected to boost the resources available for building the community networks and support partnerships needed for tenants to achieve better social outcomes—across the key social outcomes domains outlined in the NSW Human Services Outcomes Framework—health; social and community participation; empowerment; employment and economic participation; safety; education and skills. There is a specific emphasis in the SHMT program on building the networks and support partnerships needed to help a higher proportion of tenants get into employment.

Successful CHPs are not expected to be direct support providers and it is recognised that they do not directly control the achievement of tenant outcomes. Their role is to coordinate access to support and services by creating whole-of-location networks and partnerships that create the environment where tenants have better opportunities to achieve social outcomes.

The contract will not specify in detail how a provider should achieve improved tenant outcomes—rather providers are encouraged to use innovative approaches and creative partnership arrangements. However, providers will be expected to propose how success should be measured.

- *Measuring and reporting tenant outcomes*
As part of the Future Directions strategies, all contracts for social housing assistance will include new performance measures for tenant outcomes. Providers will be expected to set priorities and develop plans for improving tenant outcomes—and to propose how success will be measured based on agreed metrics with clear performance thresholds.

Additional information on the expectations for planning and reporting on tenant outcomes is presented in Attachment 3.

4.3 Local service system coordination

As whole-of-location providers, successful CHPs will be expected to have a leadership role in service system coordination including supporting the local implementation of key initiatives under *Future Directions* and other FACS housing-related reforms.

While CHPs currently work in partnership with a range of organisations to promote community housing and to contribute to socially inclusive communities, there will be specific expectations for local service system coordination under the SHMT program.

- *Establishing and building whole of location network and partnerships*
Successful CHPs will be expected to establish or build on existing network and partnerships in the transfer location—in order to create the whole-of-location connections and commitments needed to coordinate the roll-out of key housing-related initiatives at the local level.
- *Chairing or participating in local governance and coordination structures*
The NSW Government has governance or coordination arrangements that require the participation of social housing providers in order to meet the housing needs of clients. Once FACS Housing withdraws from transfer locations, successful CHPs will be expected to chair or participate in local governance and coordination committees related to key reform initiatives such as
 - District Implementation and Coordination Committees – these are the governance mechanism to give effect to the Housing and Mental Health Agreement that sets out to ensure that people who are homeless or at risk of homelessness (including tenants) and have mental health issues, are supported to address these issues. In many cases, CHPs already participate.
 - DFV Safety Action Meetings – these are the NSW government structures that ensure that people experiencing DFV are assessed for level of threat and are then supported by all relevant agencies to be protected and kept safe. CHPs may already sometimes participate.
- *Coordinating social housing engagement plans*
All FACS Housing Districts have developed a Social Housing Engagement Plan that sets out how they engage with social housing tenants to improve tenancy and life outcomes. These plans include a number of strategies, activities and partnerships to achieve outcomes. These plans have been developed in discussion with current CHPs in those locations. A copy of the plans will be included in tender packages.

It is recognised that a partnership approach is needed between FACS and selected CHPs in planning the scope and focus of CHP involvement in these local coordination arrangements—as they are likely to change over time and vary from package-to-package.

Attachment 1: Access and demand functions

As a reference point for investigating opportunities under the program, information is presented below on the current scope and level of resources applied by public housing teams for current access and demand services.

Current scope of access and demand services provided by Family and Community Services (FACS) in package locations.

FACS Access and Demand Teams currently have responsibility for managing a number of functions that are already undertaken by non-government Housing Pathways providers—although the scale and scope of the activities needed to provide some of these services have historically been greater for public housing team. This includes:

- Manage applications for housing assistance
 - Receive and refer Applications for Housing Assistance to the HCC to assess, at scale
 - Receive and assess AHA if required for complex client
 - Receive and complete assessment of applications with complex circumstances referred back from HCC
 - Assess applications for Recognition as a Tenant (RaaT)—previous known as succession of tenancies
- Manage appeals
 - Receive and assess First Tier appeals at scale
 - Accept, forward and review Second Tier appeals
- Manage offers of social housing
 - Select clients for offers
 - Confirm Client’s eligibility for social housing
 - Make offers to clients
 - Record and manage client’s responses to offers
 - Make non-standard offers to clients
 - Manage hard to let properties
- Manage and Update the NSW Housing Register
 - Application reactivation
 - Accept and update client Change of Circumstances
 - Suspend applications
 - Close applications.
- Manage non-tenant client contact
 - Manage counter traffic
 - Manage phone call traffic
 - Manage registered persons.

In addition to these functions, FACS Access and Demand Teams currently have responsibility for managing and delivering a range of products and services apart from social housing focused on assisting homeless clients. These support people who may be able to sustain a tenancy in the private rental market, and include:

- Private rental tenancy facilitation – a limited service to people who have the capacity to sustain a private rental tenancy but require additional help and information to navigate the private rental system and information about searching and applying for housing in the private rental market.
- Private rental brokerage service – a service for eligible people that involves working with them to develop and enhance their capacity to access the private rental market—through coaching, guiding and supporting the client and developing relationships with local real estate agents and landlords to improve client access to the private rental market.
- Private rental tenancy guarantee – facilitating access to a Tenancy Guarantee of up to \$1500 to assist a client with a limited or poor tenancy history to establish a private rental tenancy—including interviewing the client to determine their eligibility; issuing Tenancy Guarantee offers; activating the Guarantee; and, where necessary, assessing any claims against the Guarantee which may involve inspecting the property.
- Private Rental Subsidies (PRS) and PRS Start Safely - facilitating access for eligible people to private rental subsidies available under the Housing Pathways Private Rental Assistance Policy—including through referrals to the Housing Contact Centre and by providing direct assistance for clients with additional needs
- Rentstart - facilitating access for eligible people to the full suite of Rentstart products under the Housing Pathways Private Rental Assistance Policy (Rentstart Bond Loan; Advance Rent; Tenancy Assistance; Temporary Accommodation; Rentstart Move) - including through referrals to the Housing Contact Centre and by providing direct assistance for clients with additional needs.

The delivery and management of Temporary Accommodation and Private Rental Subsidies has key workload implications. Specifically:

- Temporary Accommodation (TA)
 - Managing direct client contacts with people eligible for TA (including the additional assistance to resolve their housing crisis)
 - Managing TA budget
 - Developing cost-effective partnerships for delivery of TA
 - Managing the relationship with TA providers

FACS Districts are working on a TA Strategy that identifies key areas and cohorts that require TA, gaps in supply, and strategies to address supply. Districts use both ‘standard TA providers’ such as motels, hotels and caravan parks (when no crisis accommodation is available) and ‘supported TA models’ that usually involve the pre-purchase of beds with support from NGOs.

The management of TA requires close partnerships with support partners as well as Police and other emergency services to ensure the safety of TA placements—with different TA alternatives required for different client groups – for example people leaving prison, women leaving DFV, and rough sleepers. TA partnership arrangements need to consider issues such as preventing damage caused by clients in TA, supporting clients to exit TA into long term housing and facilitating referrals to support needed to sustain a tenancy.

- Private rental assistance cases
 - Managing direct client contacts for people seeking private rental assistance
 - Managing cases for people receiving private rental assistance
 - Managing PRS budget
 - Managing relationships with private rental providers.

Currently, public housing teams have responsibilities for both program-specific private rental assistance services (e.g. PRS Start Safely; Private Rental Brokage Services) and broader access services to help suitable clients establish a tenancy in the private rental market. These services are tailored to the location-specific opportunities in particular locations—which have changed over time in response to the introduction of new products and changes in the housing market.

Under *Future Directions*, it is expected there will be increased support and resources to divert more people from long-term social housing or to assist people to exit social housing into private rental tenancies.

Current FACS access and demand staff resources and workload per location

Information on the current FACS Access and Demand Teams staff resources and costs in the package locations is presented in the table below. Care is needed in interpreting this information—as some of the functions undertaken by the FACS access and demand teams may be covered as part of existing CHP tenancy management functions (e.g. allocations).

Location	Number of staff by grade
Hunter New England (excluding Lake Macquarie and Newcastle)	1 x 9/10
	1 x 7/8
	2 x 5/6
	9 x 2/4
Mid North Coast	1 x 9/10
	2 x 7/8
	4 x 5/6
	7 x 2/4
Northern Sydney	1 x 9/10
	5 x 5/6
	8 x 2/4
	1 x 1/2

Shoalhaven	1 x 7/8
	3 x 5/6
	4 x 2/4
	1 x Clerk

Similarly, data on the volume of access and demand activities is presented below to provide a broad indication of current workloads.

A&D Function	Shoalhaven	Hunter new England	Mid North Coast	Northern Sydney
AHAs received	1594	3779	1040	753
PRS cases	102	37	40	85
1 st tier appeals	50	68	23	58
2 nd tier appeals	12	10	1	11
Calls received	3048	17330	19422	7779
Counter traffic	837	2235	Not available	573
Offers of accommodation	1558	4102	437	595
Voids	652	1354	213	321

Details on individual products and unique households assisted during 2015/16 are provided below. Please note that the figures represent whole districts, not solely the locations affected by management transfers.

Product	Hunter New England	Mid North Coast	Northern Sydney	Illawarra Shoalhaven
Private Rental Assistance	3,355	970	72	703
Temporary Accommodation	2,787	1,325	340	1,635
Private Rental Subsidy	26	19	87	6
Start Safely	271	46	18	173
Youth Subsidy	86			

Administrative costs of provision of agreed access and demand services will be borne by CHPs but their clients will have access to the Temporary Accommodation and Private Rental Assistance subsidies associated with these products.

A full package of information on the access and demand function in each package location will be provided as part of the tender documentation.

Contracting principles

Over the 20 years of the contract, it is expected that the access and demands functions undertaken by whole-of-location CHPs will change—reflecting both the increased availability of self-service options for some access functions (e.g. online applications) and the introduction or expansion of particular services and products. Further, the contract should encourage new and innovative approaches to improving the value for money of access and demand service.

The tender documentation and contract will include details of the expected minimum levels of service for assisting homeless people into temporary accommodation and homelessness services and assisting people into private rental accommodation with private rental products and services—initially defined for the start of the contract, and then reviewed and updated to reflect any changes over the 20 years of the contract.

It is expected that community housing providers will continue to provide these services within the Housing Pathways Framework which is a partnership between FACS and the community housing sector. All existing system Audit and performance review mechanisms around the ‘Housing Access’ function will continue to apply.

As part of the tender process, providers will be expected to detail the intended

- Level of investment in the access and demand function (e.g. number of access and demand staff; access and demand facilities and counter services)
- Service outputs in terms of the volume of access and demand activities
- Performance thresholds for measuring and reporting the quality and outcomes of access and demand activities.

The intent of the renewable schedule is to ensure clear accountability for commitments and performance thresholds proposed by the CHP at the start of the contract—while allowing the flexibility for a partnership approach for FACS and CHPs to review and update the schedule over the 20 years of the contract.

Attachment 2: FACS staff transfer provisions

Background Information

The staff impacted by Social Housing Management Transfers (SHMT) will be managed in accordance with the *Premier and Cabinet Memorandum (M2016-02) 'Transfer of Government Sector services or functions to the Non-Government Sector'*

Under the *Premier's Memorandum M2016-02*, employment of NSW government sector employees by the new operator is deemed 'comparable employment' where all of the following criteria are met:

- the person's prior service in the government sector is recognised for the purposes of the new employment, and
- the work to be performed by the person under the new employment is similar to the work performed by the person under the former employment, and
- the terms of any industrial instrument or agreement (however described) applying to the new employment are substantially similar to, and (when considered on an overall basis) no less favourable than, the terms of any government sector industrial instrument that applied to the former employment, and
- the new employment does not involve an unreasonable increase in the person's journey to work.

Transfer Arrangements:

Ongoing employees who transfer to the new provider will be entitled to the following transfer package:

- Recognition of service, including service recognised by FACS, and continuity of service between old and new employers
- Transfer of accrued recreation/annual leave, extended leave (Long Service Leave), sick leave and FACS leave, with an ability to cash out some leave
- Existing industrial instruments, including the Housing Flexible Working Hours Agreement, continue to apply post transfer
- Continuation of existing superannuation arrangements.
- An employment guarantee period of two years.

4.3.1 NSW Government Sector Placement Strategy

Premier's Memorandum M2016-02 sets out a framework for dealing with the consequences for employees when government sector services or functions transfer to the non-government sector by means of the NSW Government Sector Placement Strategy (the Placement Strategy).

The Placement Strategy seeks to place non-transferring employees in other roles across the sector. In the case of the Social Housing Management Transfers, it will be utilised to facilitate placement of impacted staff into alternate roles within Housing NSW, FACS more broadly, or across the NSW public sector.

Redundancy payments will not be made where employees have been offered or haven't sought comparable roles, whether in the Government or the non-Government sector.

Information Available During Tender:

The following employee related reference documents will be made available during the tender process:

- Organisation structure per district, including role by job grade
- Relevant Industrial Instruments as an example:
 - Crown Employees (Public Sector – Salaries 2016) Award
 - Crown Employees (Public Sector Conditions of Employment) Reviewed Award
 - Crown Employees (Administrative and Clerical Officers – Salaries) Award 2007
 - Crown Employees (Transferred Employees Compensation) Award 2009

Post Tender Announcement

Following the tender announcement, each successful CHP must notify FACS of the number of new staffing roles which are comparable to FACS roles that will be created to take on the new business by grade and also by location. These comparable roles will be required to be made available to the affected FACS workforce to enable consideration of this workforce prior to external advertisement. The affected FACS workforce therefore has the first offer for the new roles in CHPs to support taking on the new business.

Expression of Interest Policy Framework

FACS will work with the new providers to design and implement the EOI. FACS' involvement in the process will meet a number of needs, including:

- FACS is required to maintain visibility of the participation rates and outcomes of the EOI as non-participation has implications for an employee's eligibility for redundancy payments from the state.
- FACS will ensure consistency across multiple EOI processes to meet our obligations to employees that a fair and equitable process is undertaken.
- In scenarios where multiple packages within a single District/location are awarded to multiple providers, FACS will aim to align EOI activities to reduce duplication for staff where appropriate and practicable.

The Expression of Interest process is to be designed to encourage FACS staff to apply for advertised vacancies. The EOI process is less complex and time-consuming than standard recruitment and is tailored to assess the suitability of a candidate.

Expression of Interest for Comparable Roles

Once the number of affected FACS staff the successful CHP bidder wishes to take becomes clear, the successful bidder will call for Expressions of Interest. On the basis of assessment by the new CHP (which may involve assessment methods such as interviews or assessment of written EOIs and/or resumes) the new operator will make written offers of employment to the selected FACS employees.

These offers are to include the employment commitments including the employment guarantee. The letters of offer will be drafted under guidance of FACS. Employees accepting the Offer will be asked to do so in writing.

The formal letter of offer and the employees' written acceptance of that offer forms the basis of the new employment contract with the new operator.

Expression of Interest Process

The EOI process needs to support the mutual benefit to be gained from transferring FACS staff to CHP's. In addition, FACS will be required to workforce manage the employees impacted by SHMT in accordance with the Placement Strategy. Whilst there has been significant exchange of employees between FACS and CHP's, either through secondment or direct hire, it will be critical to adopt an efficient and transparent framework to select staff for transfer fairly and equitably.

It is likely that the EOI process will comprise the following principles:

- CHP will provide FACS with list of comparable roles by grade & location
- FACS advises affected employees of the comparable roles available through the EOI process by location
- Where there are multiple new providers within a single District/location, FACS will determine whether it is practicable to coordinate the timing of their respective EOI processes.
- The application process should be streamlined to avoid FACS staff having to submit multiple different applications for different CHP's.
- FACS and the new provider determine selection criteria and assessment process that reflects the level of the roles. Eg Employee submits recent CV reflecting skills and experience; shortlisted candidates attend interview and reference checks conducted for preferred employees.
- Employees will be eligible to participate in the EOI process for roles comparable to their substantive grade.
- The new provider notifies FACS of preferred employees and proceeds with offers of employment

- The new provider confirms employees transferring and date of transfer
- FACS coordinates transfer arrangements between FACS Payroll & CHP.

Change Management for Affected Employees

The following issues have been raised by employees during the Employee Briefing sessions and it is proposed to manage these issues through effective change management:

- Impact on EEO Groups:
 - Employees who have declared a disability requiring reasonable adjustments
 - FACS is committed to the provision of career opportunities for Aboriginal employees and the delivery of a high standard of service to Aboriginal communities
- Engagement/Transition:
 - FACS will work with CHP's to determine appropriate engagement activities to assist FACS employees understand the CHP work environment eg secondments from FACS to CHP's, 'Office day exchanges'

Attachment 3: Support and service system coordination to improve tenant outcomes

Future Directions for Social Housing

The *Future Directions for Social Housing* strategy highlights that tenants face many barriers to building independence and to leaving social housing. These include access to education, finding work and having affordable housing options to transition to. These challenges can be more effectively tackled through better coordination of social housing and support services—working across all levels of government and the private and community sectors.

As part of the *Future Directions for Social Housing*, all social housing providers will be increasingly expected to strengthen the networks, partnership and improve services to support tenants build their capabilities to sustain tenancies and to take advantage of opportunities for economic and social participation.

Social housing providers are not expected to be direct support providers and they do not directly control the achievement of tenant outcomes. Their role is to coordinate access to support and improve local service system coordination by creating whole-of-location networks, partnerships and opportunities that create the environment where tenants can achieve better outcomes.

Social Housing Outcomes Framework

A Social Housing Outcomes Framework is being developed to define and measure tenant outcomes and provider performance against *Future Directions*. All social housing providers, whether non-government or government, will be accountable and measured under the Social Housing Outcomes Framework.

The development of the Social Housing Outcomes Framework will be done in close consultation with social housing providers—and it is expected that the process of scoping, testing and agreeing on final tenant outcomes measures and provider performance indicators will take a number of years to complete.

An interim paper on the social housing outcomes framework outlines the:

- Approach to developing the framework including wellbeing outcome domains and social housing pathways to achieving outcomes
- Possible capability and outcome measures derived from desktop review, workshops and initial consultants
- Summaries of academic publications reviewed in developing the framework.

Over time, agreed tenant outcomes measures will be incorporated into provider's contract with FACS.

Approach to planning and reporting tenant outcomes

As part of the whole-of-location management transfers, providers will be expected to boost the resources available for building the community networks, partnerships and opportunities needed to improve tenant outcome—particularly in relation to:

- Increasing the proportion of social housing tenants getting into employment
- Improving the educational outcomes of students living in social housing
- Addressing health-related barriers that work against tenants sustaining their tenancy.

While in the longer-term, it is expected that consistent, quantitative measures for tenant outcomes will be used across the sector, a range of interim measure will be needed to monitor progress and achievements.

The contract will not specify in detail how a provider should achieve improved tenant outcomes—rather providers are encouraged to use innovative approaches and creative partnership arrangements. However, providers will be expected to detail the intended level of investment and how success will be measured. Successful whole-of-locations CHPs will be expected to make clear commitments related to:

- Level of investment in tenant support coordination (e.g. number and roles of staff employed for support coordination; outreach initiatives launched)
- Level of investment in service system coordination (e.g. number and roles of staff employed for service system coordination)
- Outcomes expected for tenants (e.g. number of tenants involved in specific initiatives; proportion of tenants involved / referred to specific initiatives that achieve the intended outcome).

Contracting principles

Over the 20 years of the contract, it is expected that tenant outcome priorities and performance measures will need to be regularly reviewed and updated to reflect the social housing outcomes framework and changing government priorities.

It is expected that the contract and the related performance reporting and monitoring framework for the transfer program will include a reviewable schedule that documents the specific commitments, performance measurements and thresholds for improving tenant outcomes—initially based on provider’s proposed level of investment and expected outcomes—but over time, based on the Social Housing Outcomes Framework. It is expected that the reviewable schedule would cover rolling three-year periods over the course of the contract—with regular contract performance reviews to assess progress and achievements. The intent of the renewable schedule is to ensure clear accountability for commitments and performance thresholds proposed by the CHP at the start of the contract—while allowing the flexibility for a partnership approach for FACS and CHPs to review and update the schedule over the 20 years of the contract.

Attachment 4: Tenancy policies

CHPs investigating opportunities under the SHMT program would need to consider the potential impact of the tenancy conditions retained by transferring public housing tenants and any differences between a CHP's policies and practices and similar existing FACS practices and policies.

Individual tenants will retain FACS pre-approved conditions outlined below until the end of the pre-approved period for that policy or until the end of the lease, whichever is applicable. Tenants will also not see any changes to their income after rent, except that they will pay rent and Commonwealth Rent Assistance to their new CHP following the transfer.

FACS Policy/ Practice	Description
1. Types and Length of Lease Policy	<ul style="list-style-type: none"> The type and length of lease that reflects a client's need and circumstances. Most new tenancy agreements will be for a fixed term period of twelve months, two, five or ten years.
2. Tenancy Charges and Policy Supplement	<ul style="list-style-type: none"> FACS uses various assessment rules to determine if a tenant is eligible for a rent subsidy by considering their household's income, size and age. In some cases, tenants do not pay the standard 25% and 30% of their household income towards rent for example: the pensioner supplement is not currently assessed; and Family Tax Benefit B is currently assessed at a lower level.
3. \$5 rent abatement	<ul style="list-style-type: none"> Tenants or household member's payable rent is \$5, where clients are in prison, nursing home, rehabilitation, respite care or a refuge after leaving domestic violence, due to their immigration status, no Centrelink or other income as spouse or partner earns too much.
4. Start Work Bonus, Tenant Employment Incentive Scheme	<ul style="list-style-type: none"> Offers tenants a grace period of up to 26 weeks within a financial year before adjusting their rent subsidy, in order to incentivise work participation.
5. Absence from dwelling	<ul style="list-style-type: none"> Tenants need to obtain approval from FACS to be away from their home for more than six weeks. FACS may approve acceptable absences for up to six months for example: hospitalisation, respite care/nursing home, rehabilitation, custody, caring for a sick relative. The tenant may apply for an approval to extend the absence beyond six months where there are unusual circumstances

One further area for attention is the Vacant Bedroom Charge that FACS charges tenants in underoccupied properties. FACS is not at this stage proposing that CHPs apply this charge but will be asking CHPs to advise their proposed strategies to reduce underoccupancy, as part of their tender.

Attachment 5: Tenant satisfaction

As part of the commissioning process for the SHMT Program, feedback was sought from current social housing tenants in the nine package locations about their satisfaction with existing social housing services.

Over 5,000 telephone surveys were completed between 30th August and 15 September 2016—covering a statistically significant sample of public housing tenants in the eight FACS teams in the transfer locations. The survey was administered by the Housing Contract Centre.

The survey covered two questions

- In thinking about your most recent experience with FACS Housing, how was the quality of customer service you received? (Extremely Satisfied; Somewhat Satisfied; Neutral; Somewhat Dissatisfied; Extremely Dissatisfied)
- Overall, how satisfied are you with the service you receive from FACS Housing? (Extremely Satisfied; Somewhat Satisfied; Neutral; Somewhat Dissatisfied; Extremely Dissatisfied)

Overall, 44% of respondents indicated that they were extremely satisfied and 32% were somewhat satisfied with the quality of customer service at their most recent experience with FACS Housing (76% satisfaction).

In addition, 41% of respondents indicated that they were extremely satisfied and 32% were somewhat satisfied with the overall service they receive from FACS Housing (73% satisfaction).

Breakdowns of the survey data by the package locations will be made available as part of the documentation for the tender.

Attachment 6: Whole of Location Packages

The tables below provide further property details at a transfer package level. They also include names and approximate property numbers for the highly disadvantaged estates. This is based on the 5 indicator sets – SEIFA disadvantage, % children in PH/AHO properties, crime, median tenancy length and ROSH. Only the disadvantaged estates based on the above indicators are highlighted. There are various other areas of public housing concentration across these locations.

Hunter-New England

Package	Total properties	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Disadvantaged Estates
1	2205	1353	43	1	Maitland	Woodberry - 217
		788	16	4	Port Stephens	Raymond Terrace - 623
2	1882	389	0	4	Singleton	
		665	10	3	Cessnock	Cessnock E - 133
		25	2	0	Dungog	
		35	0	0	Gloucester	
		198	19	0	Great Lakes	
		438	38	24	Greater Taree	Ruprecht - 129
		18	0	14	Muswellbrook	
3	1850	7	0	1	Gunnedah	
		698	30	74	Tamworth	Coledale - 271
		20	0	0	Walcha	
		26	2	1	Liverpool Plains	
		322	1	15	Armidale-Dumaresq	
		1	0	0	Glen Innes	
		0	0	1	Gwydir	
		10	0	1	Guyra	
		163	4	4	Inverell	
		213	9	62	Moree Plains	
		159	4	7	Narrabri	
		0	0	6	Tenterfield	
		9	0	0	Uralla	

Shoalhaven LGA

Packages	Package size	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Disadvantaged Estates
1	961	893	60	8	Shoalhaven	East Nowra - 447

Mid North Coast

Packages	Package size	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Disadvantaged Estates
1	1093	931	39	25	Coffs Harbour	Argyll St - 112 Toormina - 139
		94	3	1	Bellingen	
2	1359	252	2	0	Nambucca	
		200	10	4	Kempsey	
		836	46	9	Port Macquarie-Hastings	

Northern Sydney

Packages	Package size	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Estates
1	1931	1209	33	10	Ryde	Some areas of public housing concentration but no Disadvantaged Estates as per definition provided in the introduction
		636	24	0	Hornsby	
		19	0	0	Kuring gai	
2	1273	923	6	0	Warringah	
		1	1	0	Pittwater	
		286	0	2	Manly	
3	1559	53	1	0	Mosman	
		569	0	0	North Sydney	
		340	1	0	Hunters Hill	
		221	2	0	Lane Cove	
		420	5	1	Willoughby	

Social Housing Management Transfer Program

Industry Sounding Paper 2

10th November 2016

1. Introduction

1.1 Social Housing Management Transfers (SHMT) Program

Future Directions for Social Housing sets out the NSW Government's vision for social housing over the next 10 years—with a focus on driving better outcomes for tenants including helping those who are able to transition out of social housing. *Future Directions* is underpinned by three strategic priorities:

- More social housing
- More opportunities, support and incentives to avoid and/or leave social housing
- A better social housing experience.

The achievement of these priorities is linked to three interconnected strategies:

- Significant expansion and redevelopment of stock through partnerships with private sector developers and finance;
- Transferring significant tenancy management responsibility to non-government housing providers; and
- “Wrap-around” services to support tenants build their capabilities and take advantage of the economic opportunities in our strengthening economy.

The Social Housing Management Transfer (SHMT) Program is one of a number of priority programs to implement the *Future Directions* strategies. The SHMT program focusses on both transferring significant management responsibility to non-government housing providers as well as increasing the focus of these management services on improved service quality and better outcomes for social housing clients.

The SHMT program will be implemented through a commissioning process that will be open to existing registered community housing providers (CHPs) and new market entrants capable of achieving registration through the National Regulatory System for Community Housing (NRSCH).

1.2 Industry Sounding

As part of the commissioning process, a series of Industry Sounding Forums will be held to communicate and discuss the government's strategic intent and expectations of the SHMT program.

The first Industry Sounding was held on 18 October 2016.

This paper presents additional background information on the SHMT Program based on the topics discussed and the questions asked at the first Forum. It is structured to reflect the proposed format for the next phase of the Industry Soundings which will cover a:

- Multi-session forum on the 16th November 2016
 - Session 1: Overall strategic intent and contracting principles
 - Session 2: Access and demand services in whole-of-location areas
 - Session 3: Expression of interest process for current public housing staff
 - Session 4: Expectations for achieving better outcomes for social housing clients
- Property management session on the 25th November 2016
 - Implications associated with retention of the Asset Maintenance Services (AMS) contract for the delivery of all maintenance activities to the properties transferred to CHPs until March 2021
 - Approach to strategic asset management.

2. Strategic intent

2.1 Whole-of-location transfer packages

The SHMT program involves the transfer of management of approximately 18,000 social housing properties to the non-government sector—bringing the proportion of social housing under management by Community Housing Providers (CHPs) to 32%.

The program is made up of three parts:

- Approximately 800 properties covered by the existing management transfer programs involving direct procurement to nominated provider.
- Approximately 3,000 properties built through redevelopments under the Communities Plus Program which will be available for transfer.
- Approximately 14,000 whole of location transfers which will be subject to a competitive tender process covering nine packages in four locations.

The Aboriginal Housing Office will undertake a separate procurement process to select Aboriginal community housing providers in the whole of location transfer areas to manage Aboriginal Housing Office owned properties.

The focus of the Industry Soundings and this paper is on the nine packages for whole-of-location transfers for Land and Housing Corporation (LAHC) owned properties. The nine packages cover:

- Shoalhaven
 - Shoalhaven LGA package (961 properties)
- Mid North Coast
 - Coffs Harbour and Bellingen LGAs package (1,093 properties)
 - Nambucca, Kempsey, Port Macquarie-Hastings LGAs package (1,359 properties)
- Hunter New England, excluding Newcastle and Lake Macquarie LGAs
 - Maitland and Port Stephens LGAs (2,205 properties)
 - Singleton, Cessnock, Dungog, Mid-Coast, Muswellbrook LGAs package (1,882 properties)
 - Gunnedah, Tamworth, Walcha, Liverpool Plains, Armidale-Dumaresq, Glen Innes, Gwydir, Guyra, Inverell, Moree Plains, Narrabri, Tenterfield, Uralla LGAs package (1,850 properties)
- Northern Sydney, excluding the Ivanhoe Estate
 - Ryde, Hornsby and Kuringgai LGA package (1,931 properties)
 - Northern Beaches and Mosman LGA package (1,273 properties)
 - North Sydney, Hunters Hill, Lane Cove Willoughby LGA package (1,559 properties).

Further details of the packages is presented in Attachment 6.

2.2 Commissioning strategy

The commissioning of the whole-of-location transfers is underpinned by a strategy of partnering with registered community housing providers to leverage community networks and local partnership in order to achieve better outcomes for tenants. Specifically:

- *Nationally registered community housing providers*
Whole-of-location providers will either need existing registration under the National Regulatory System for Community Housing (NRSCH) or to obtain national registration prior to the commencement of the whole of location transfer. National Registration provides assurance to government and the community that the provider is financially viable, has sound governance arrangements, and meets the service outcomes for tenancy management, property management and community engagement.
- *Whole-of-location service delivery and leadership role*
The transfer leases will be for 20 years—commensurate with the expectation that selected providers will have a long-term commitment and leadership role in both whole-of-location social housing assistance and coordination of initiatives under the *Future Directions for Social Housing* and other FACS housing-related reforms in the package locations. This covers:

- *Core management functions:*
 - Tenancy management for social housing tenant in the transferred properties (Section 3.1)
 - Responsive and planned maintenance for transferred properties (to be covered in the paper for Industry Sounding 3 on 25th November)
- *Whole of location management functions:*
 - Management of access and demand services across the continuum of housing assistance products (Section 4.1)
 - Support coordination for social housing tenants to improve outcomes (Section 4.2)
 - Service system coordination of initiatives under *Future Directions* and other FACS housing-related reforms in the package locations (Section 4.3).
- *Investment of additional rental income in improved services and tenant outcomes*
Compared to public housing, community housing providers are able to capture additional rental income through tenant access to Commonwealth Rent Assistance—which will be expected to flow through to increased resources to improve services and achieve better outcome for tenants and clients.

A key part of the commissioning strategy is to select whole-of-location providers who can leverage business efficiencies and community partnerships to maximise the additional resources for the enhanced portfolio management functions. Financial modelling for the management transfer business case included location specific projections of additional rental income and the costs associated with both the core tenancy and property management functions and the three areas of whole of location management functions.

There are no expectations or targets for using the rental income streams from the whole-of-location transfers to leverage extra properties.

- *Capacity to operate at scale*
Whole-of-location package sizes vary from around 900 to 2,200 properties. This requires selected providers to have the capacity to both manage a large social housing portfolio and to manage whole-of-location networks and local partnership needed to achieve better outcomes for tenants.
- *Suitable staff to deliver whole of location services*
The SHMT program requires providers to be able to ‘ramp-up’ staff and service delivery arrangements to complete the transfers within the three year timetable. It is expected that once community housing providers are selected for each location and they have determined what staffing roles they require, they will be need to explore the full range of options for filling these positions with suitably qualified and experienced staff—including taking on existing FACS staff.

There will be no contractual obligation to employ FACS staff—but successful CHPs will be required to give a priority assessment to FACS staff in comparable roles before advertising these roles externally. FACS will work with successful providers to coordinate an expression of interest for staff in comparable roles. Further information about this process and the implications for salaries and conditions is presented in Attachment 2.

- *Suitable premises to deliver whole of location services*
Delivering whole of location services requires accessible premises and counter services that provide an appropriate and safe space for clients—taking into account work, health and safety issues for both staff and clients. This includes facilities and processes to manage service queues and waiting times; self service facilities such as phone and internet; appropriate access to interpreter services for clients who speak a language other than English; and culturally-specific service responses to Aboriginal clients.

2.3 Contracting principles

The management transfer will be subject to a contract and General Community Housing Lease with the Department of Family and Community Services (FACS) which will set out what selected CHPs are expected to deliver, how performance will be defined and assessed, and the consequences of performance above or below agreed performance thresholds.

The contract is intended to provide a clear framework for FACS and selected CHPs to work together to deliver the government’s expectations of improved social housing services and better outcomes for tenants. The principles for contracting include:

- *Partnership approach that promotes innovation*
The contract will clearly set-out what selected CHPs are required to deliver in whole-of-location areas—but will seek to do so in a way that reflects both the independence of CHPs and the desire to promote innovative and entrepreneurial decision-making about how to best meet these service requirements.
- *Regular reviews of the policy framework for whole-of-location services*
Where possible, specific requirements for whole-of-location services will be incorporated into standard FACS community housing policies referenced in the contract. These policies will be regularly reviewed to ensure the service requirements are not only unambiguous but continue to reflect the strategic intent of *Future Directions for Social Housing* and other housing-related reforms.
- *Clear, relevant initial performance expectations*
The contract will clearly set-out how performance will be defined and assessed as part of regular, formal contract reviews. Each contract will include a set of standard performance measure—with contract-specific performance thresholds set to take account of pre-transfer performance and the specific delivery context.

- *Regular review of performance expectations*
Over the 20 years of the contract, it is expected that performance thresholds will need to be reviewed and updated to reflect changes in policy priorities and delivery contexts—particularly in relation to the achievement the enhanced portfolio management functions. The contract will outline a mechanism to facilitate and document these reviews—such as through the use of rolling, multi-year performance plans that define the specific, measurable outcomes and performance thresholds that will be used for a particular period.
- *Avoiding unnecessary duplications in monitoring and reporting*
All selected CHPs will be subject to the regulatory monitoring and reporting requirements under the NRSCH. As with existing CHP contract, FACS will seek to minimise any unnecessary duplications in monitoring and reporting under the whole-of-location transfer contract—by focussing monitoring activities and reporting requirements on appropriately manage risks and performance expectations under the contract.

2.4 Governance arrangements

As whole-of-location housing leaders, selected CHPs will need to be actively involved in planning and decision-making about district and state-wide priorities for implementing *Future Directions* and other housing-related reforms. This work will be supported by a clear framework and role for CHPs as part of broader governance arrangements for *Future Directions* and other reforms. The principles for these governance arrangements include:

- *Co-design approach to local implementation of Future Directions*
The governance arrangements will provide a mechanism for CHPs and FACS to co-design the roll-out for *Future Directions* in each package location—documented as agreed local implementation plans.
- *Clarity of the focus and scope of involvement in broader governance arrangements*
As non-government organisations, CHPs have limited resources to participate in the full range of housing-related governance arrangements. The focus and scope of CHP involvement will be clearly defined in local implementation plans—including any committees that the CHP would be expected to chair and others where the CHP would participate as a member.
- *Clear pathways for issues management*
The governance arrangements will provide a clear mechanism for CHPs to raise, escalate and resolve issues that impact on their role as whole-of-location housing leaders—including issues related to working not only with all parts of FACS, but other government agencies such as Health, Education and Justice portfolios.

3. Core management function

The core tenancy and property management functions for the whole of location transfers are broadly comparable to other social housing management transfers to community housing providers—although the scale and positioning of the transfer as part of the *Future Directions* strategy means there are a number of specific expectations.

3.1 Tenancy management

As with all housing services managed by registered CHPs, providers need to meet the NRSCH performance requirements to ensure they are fair, transparent and responsive in delivering housing assistance to tenants, residents and other clients.

In transfer areas, specific program expectations for tenancy management include:

- *Protecting tenant rights*
Management transfers to non-government providers are expected to protect the right to housing, income after rent, and tenancy rights of transferring tenants. Subject to the passing of relevant legislation, transfers will be automatic from a tenant's perspective. Tenants will transfer on exactly the same terms and conditions as are in their lease now without any change whatsoever, except that they will pay rent and Commonwealth Rent Assistance to their new community housing provider following the transfer. The incoming provider will not be able to change any element of their lease unless and until a time limited lease comes to an end. Currently, about 40% of tenants in package locations are on a time limited lease.
- *Ensuring comparable operational policies*
As independent organisations, community housing providers have their own tenancy and housing services policies—framed within specific contractual and policy requirements specified in the:
 - Common Terms and Conditions in the NSW FACS Community Housing Assistance Agreements
 - NSW Community Housing Access Policy (June 2016), Community Housing Eligibility Policy (2014), Community Housing Rent Policy, and the Community Housing Water and Additional Charges Policy
 - Housing Pathways policies for providing access to housing assistance.

While these requirements generally ensure that transferring tenants are subject to comparable tenancy policies for the duration of their current tenancy agreement, any specific additional requirements will be documented as part of the transfer contracts. Examples of current entitlements of public housing tenants are presented in Attachment 4.

- *Social housing tenant satisfaction*
CHPs will be expected to increase the tenant satisfaction from above the level recorded shortly before the announcement of the property transfer program in the four Districts. On average, 76% reported that they were satisfied or very satisfied with current tenancy management services (see Attachment 5). It is expected that performance thresholds for tenant satisfaction will be set as part of the contract for each package location and measured on an ongoing basis using the same survey methodology—with the results used as part of contract performance reviews.

CHPs investigating opportunities under the SHMT program would need to consider the:

- Potential impact of any differences between CHP's policies and the conditions retained by transferring public housing tenants.
- Strategies needed to improve tenant satisfaction levels from pre-transfer levels.
- Feasibility and costs of attracting suitably experienced tenancy management staff in the transfer package locations.

Additional information

As part of planning for the SHMT Program, relevant information is currently being collated to help CHPs investigate opportunities under the SHMT. This could include information about the:

- Profile of current public housing tenants in each package location (e.g. demographic profile; lease term; support arrangements; ACAT action; ASB complaints; tenant satisfaction levels).
- Profile of tenancy management staff in public housing offices in each package location (staff numbers and roles in tenancy management teams; number of specialist staff and roles focussed on intensive tenancy management).
- Specific public housing tenancy agreement conditions and entitlements under public housing tenancy policies.
- Details of pre-transfer satisfaction levels in each package location and survey design and methodology used.

3.2 Property management

Information on program expectations for property management were previously outlined in the paper for Industry Sounding 1. Additional information on property management will be presented in a separate paper for Industry Sounding 3 to be held on 25th November 2016.

4. Whole of location management functions

CHPs have a strong track record of coordinating support for tenants and coordinating community engagement activities to improve tenant outcomes. As part of the SHMT program, selected providers will have enhanced responsibilities above 'business as usual' expectations for portfolio management—reflecting the long-term delivery and whole-of-location leadership role associated with the 20 year management transfer.

It is recognised that these whole of location functions are more difficult to precisely define and the priorities for investment may change over the 20 year lease term—requiring a partnership approach to planning contracted services and setting and reviewing performance under the contract.

4.1 Access and demand management

Successful CHPs will have whole-of-location responsibility for the access and demand system which covers

- assessing applicants for housing assistance in collaboration with Housing Contact Centre
- assisting homeless people into temporary accommodation and homelessness services
- assisting people whose private tenancies are at risk
- assisting people into private rental accommodation with private rental services.

Successful CHPs will be expected to participate in the Housing Pathways system for applying for housing assistance—which is a standard requirement for all major management transfers since 2010.

In addition, there are a number of specific program expectations for access and demand management in the transfer locations—above what would normally be required of a non-government Housing Pathways participant. These requirements aim to ensure that clients continue to be able to access the full suite of housing assistance services even though there will be no public housing offices in the transfer locations.

It is recognised that a partnership approach is needed between FACS and selected CHPs in planning for access and demand services—that reflects both the increased availability of self-service options that continue to be developed by FACS (e.g. online applications), new or changed products and delivery options (e.g. Rent Choices), and the need to facilitate innovative approaches to improving the value for money of access and demand service.

In transfer areas, specific expectations for access and demand services will include:

- *Assisting social housing applicants referred by the Housing Contract Centre*
 While all Housing Pathways providers are expected to provide additional assistance to clients with complex needs to help them apply for the most appropriate form of housing assistance, whole-of-location providers will have the additional responsibility of managing complex applications referred back from the FACS Housing Contract Centre (HCC), and completing these assessments. With the introduction of new channels for housing access such as *Forms by Phone* and *Online Forms*, overall workloads around face to face contact are expected to reduce significantly. However, around 30% of social housing applications assessed by the HCC are referred back to the local public housing office for more intensive assistance to complete. Providers operating in whole of location transfer areas will be responsible for assisting these clients.

- *Facilitating access to homelessness assistance and private rental services*
 In whole-of-location transfer areas, clients should continue to have access to the full suite of products and services to assist homeless people into temporary accommodation and homelessness services and to assist people into private rental accommodation with private rental services. Current products and services delivered by public housing teams include:
 - Private Rental Tenancy Facilitation
 - Private Rental Brokerage Service
 - Private Rental Tenancy Guarantee
 - Rentstart (Bond Loan, Advance Rent, Temporary Accommodation and Tenancy Assistance)
 - Rent Choice medium term private rental products
 - Advice and assistance for homeless people during office hours.

A number of these products and services are currently being reviewed—including expansion of private rental assistance under *Future Directions*. While final decisions have yet to be made on the specific responsibilities of CHPs directly delivering these products and services—selected CHPs will have whole-of-location responsibility for coordinating access and demand services.

Minimum service requirements will initially be defined in terms of continuity of existing access and demand services delivery by FACS housing in the package locations. As a reference point for investigating opportunities under the program, additional information on the current scope and level of resources applied by FACS housing teams for current access and demand services is presented in Attachment 1.

Additional information

As part of planning for the SHMT Program, relevant information about the access and demand function is currently being collated to help CHPs investigate opportunities under the SHMT. This could include information about the:

- Pattern of front line staffing in public housing offices for access and demand functions (staff numbers and roles in access and demand teams).
- Pattern of services for the access and demand function—including the number of direct client contact services for private rental and Rentstart assistance, including Temporary Accommodation which generates the most significant activity in some locations; and the available systems and use of the Housing Contact Centre to divert clients to self-service options.
- Details of the current Temporary Accommodation (TA) strategic framework and information about pre-paid arrangements with TA providers.

4.2 Support coordination

As part of the *Future Directions for Social Housing*, all social housing providers will be increasingly expected to facilitate access to “wrap-around” services to support tenants build their capabilities to sustain tenancies and to take advantage of opportunities for economic and social participation.

Successful CHPs will have whole of location responsibilities for coordinating access to support for social housing tenants—commensurate with the long-term nature of the portfolio leases and their whole-of-location leadership role.

- *Facilitating access to support*
The SHMT program is expected to boost the resources available for support coordination in the transfer locations to both sustain social housing tenancies and improve tenant outcomes.

This is relevant to both ‘safety net’ tenants who are likely to remain in social housing and ‘opportunity’ clients who can move to the private rental market when their circumstances improve. Key areas of support include:

- Supporting tenants with mental health and drug and alcohol issues
 - Supporting tenants involved in antisocial behaviour
 - Supporting tenants with disability and linking into the National Disability Insurance Scheme (NDIS).
 - Supporting tenants experiencing domestic and family violence
 - Ensuring child protection matters in households are appropriately reported and/or referred, and working with Community Services and OOHC providers to support families involved in child protection matters to ensure their housing needs are met.
 - Supporting Aboriginal tenants in a culturally appropriate and responsive way.
- *Building community networks and support partnerships*

The SHMT program is expected to boost the resources available for building the community networks and support partnerships needed for tenants to achieve better social outcomes—across the key social outcomes domains outlined in the NSW Human Services Outcomes Framework—health; social and community participation; empowerment; employment and economic participation; safety; education and skills. There is a specific emphasis in the SHMT program on building the networks and support partnerships needed to help a higher proportion of tenants get into employment.

Successful CHPs are not expected to be direct support providers and it is recognised that they do not directly control the achievement of tenant outcomes. Their role is to coordinate access to support and services by creating whole-of-location networks and partnerships that create the environment where tenants have better opportunities to achieve social outcomes.

The contract will not specify in detail how a provider should achieve improved tenant outcomes—rather providers are encouraged to use innovative approaches and creative partnership arrangements. However, providers will be expected to propose how success should be measured.

- *Measuring and reporting tenant outcomes*
As part of the Future Directions strategies, all contracts for social housing assistance will include new performance measures for tenant outcomes. Providers will be expected to set priorities and develop plans for improving tenant outcomes—and to propose how success will be measured based on agreed metrics with clear performance thresholds.

Additional information on the expectations for planning and reporting on tenant outcomes is presented in Attachment 3.

4.3 Local service system coordination

As whole-of-location providers, successful CHPs will be expected to have a leadership role in service system coordination including supporting the local implementation of key initiatives under *Future Directions* and other FACS housing-related reforms.

While CHPs currently work in partnership with a range of organisations to promote community housing and to contribute to socially inclusive communities, there will be specific expectations for local service system coordination under the SHMT program.

- *Establishing and building whole of location network and partnerships*
Successful CHPs will be expected to establish or build on existing network and partnerships in the transfer location—in order to create the whole-of-location connections and commitments needed to coordinate the roll-out of key housing-related initiatives at the local level.
- *Chairing or participating in local governance and coordination structures*
The NSW Government has governance or coordination arrangements that require the participation of social housing providers in order to meet the housing needs of clients. Once FACS Housing withdraws from transfer locations, successful CHPs will be expected to chair or participate in local governance and coordination committees related to key reform initiatives such as
 - District Implementation and Coordination Committees – these are the governance mechanism to give effect to the Housing and Mental Health Agreement that sets out to ensure that people who are homeless or at risk of homelessness (including tenants) and have mental health issues, are supported to address these issues. In many cases, CHPs already participate.
 - DFV Safety Action Meetings – these are the NSW government structures that ensure that people experiencing DFV are assessed for level of threat and are then supported by all relevant agencies to be protected and kept safe. CHPs may already sometimes participate.
- *Coordinating social housing engagement plans*
All FACS Housing Districts have developed a Social Housing Engagement Plan that sets out how they engage with social housing tenants to improve tenancy and life outcomes. These plans include a number of strategies, activities and partnerships to achieve outcomes. These plans have been developed in discussion with current CHPs in those locations. A copy of the plans will be included in tender packages.

It is recognised that a partnership approach is needed between FACS and selected CHPs in planning the scope and focus of CHP involvement in these local coordination arrangements—as they are likely to change over time and vary from package-to-package.

Attachment 1: Access and demand functions

As a reference point for investigating opportunities under the program, information is presented below on the current scope and level of resources applied by public housing teams for current access and demand services.

Current scope of access and demand services provided by Family and Community Services (FACS) in package locations.

FACS Access and Demand Teams currently have responsibility for managing a number of functions that are already undertaken by non-government Housing Pathways providers—although the scale and scope of the activities needed to provide some of these services have historically been greater for public housing team. This includes:

- Manage applications for housing assistance
 - Receive and refer Applications for Housing Assistance to the HCC to assess, at scale
 - Receive and assess AHA if required for complex client
 - Receive and complete assessment of applications with complex circumstances referred back from HCC
 - Assess applications for Recognition as a Tenant (RaaT)—previous known as succession of tenancies
- Manage appeals
 - Receive and assess First Tier appeals at scale
 - Accept, forward and review Second Tier appeals
- Manage offers of social housing
 - Select clients for offers
 - Confirm Client’s eligibility for social housing
 - Make offers to clients
 - Record and manage client’s responses to offers
 - Make non-standard offers to clients
 - Manage hard to let properties
- Manage and Update the NSW Housing Register
 - Application reactivation
 - Accept and update client Change of Circumstances
 - Suspend applications
 - Close applications.
- Manage non-tenant client contact
 - Manage counter traffic
 - Manage phone call traffic
 - Manage registered persons.

In addition to these functions, FACS Access and Demand Teams currently have responsibility for managing and delivering a range of products and services apart from social housing focused on assisting homeless clients. These support people who may be able to sustain a tenancy in the private rental market, and include:

- Private rental tenancy facilitation – a limited service to people who have the capacity to sustain a private rental tenancy but require additional help and information to navigate the private rental system and information about searching and applying for housing in the private rental market.
- Private rental brokerage service – a service for eligible people that involves working with them to develop and enhance their capacity to access the private rental market—through coaching, guiding and supporting the client and developing relationships with local real estate agents and landlords to improve client access to the private rental market.
- Private rental tenancy guarantee – facilitating access to a Tenancy Guarantee of up to \$1500 to assist a client with a limited or poor tenancy history to establish a private rental tenancy—including interviewing the client to determine their eligibility; issuing Tenancy Guarantee offers; activating the Guarantee; and, where necessary, assessing any claims against the Guarantee which may involve inspecting the property.
- Private Rental Subsidies (PRS) and PRS Start Safely - facilitating access for eligible people to private rental subsidies available under the Housing Pathways Private Rental Assistance Policy—including through referrals to the Housing Contact Centre and by providing direct assistance for clients with additional needs
- Rentstart - facilitating access for eligible people to the full suite of Rentstart products under the Housing Pathways Private Rental Assistance Policy (Rentstart Bond Loan; Advance Rent; Tenancy Assistance; Temporary Accommodation; Rentstart Move) - including through referrals to the Housing Contact Centre and by providing direct assistance for clients with additional needs.

The delivery and management of Temporary Accommodation and Private Rental Subsidies has key workload implications. Specifically:

- Temporary Accommodation (TA)
 - Managing direct client contacts with people eligible for TA (including the additional assistance to resolve their housing crisis)
 - Managing TA budget
 - Developing cost-effective partnerships for delivery of TA
 - Managing the relationship with TA providers

FACS Districts are working on a TA Strategy that identifies key areas and cohorts that require TA, gaps in supply, and strategies to address supply. Districts use both ‘standard TA providers’ such as motels, hotels and caravan parks (when no crisis accommodation is available) and ‘supported TA models’ that usually involve the pre-purchase of beds with support from NGOs.

The management of TA requires close partnerships with support partners as well as Police and other emergency services to ensure the safety of TA placements—with different TA alternatives required for different client groups – for example people leaving prison, women leaving DFV, and rough sleepers. TA partnership arrangements need to consider issues such as preventing damage caused by clients in TA, supporting clients to exit TA into long term housing and facilitating referrals to support needed to sustain a tenancy.

- Private rental assistance cases
 - Managing direct client contacts for people seeking private rental assistance
 - Managing cases for people receiving private rental assistance
 - Managing PRS budget
 - Managing relationships with private rental providers.

Currently, public housing teams have responsibilities for both program-specific private rental assistance services (e.g. PRS Start Safely; Private Rental Brokage Services) and broader access services to help suitable clients establish a tenancy in the private rental market. These services are tailored to the location-specific opportunities in particular locations—which have changed over time in response to the introduction of new products and changes in the housing market.

Under *Future Directions*, it is expected there will be increased support and resources to divert more people from long-term social housing or to assist people to exit social housing into private rental tenancies.

Current FACS access and demand staff resources and workload per location

Information on the current FACS Access and Demand Teams staff resources and costs in the package locations is presented in the table below. Care is needed in interpreting this information—as some of the functions undertaken by the FACS access and demand teams may be covered as part of existing CHP tenancy management functions (e.g. allocations).

Location	Number of staff by grade
Hunter New England (excluding Lake Macquarie and Newcastle)	1 x 9/10
	1 x 7/8
	2 x 5/6
	9 x 2/4
Mid North Coast	1 x 9/10
	2 x 7/8
	4 x 5/6
	7 x 2/4
Northern Sydney	1 x 9/10
	5 x 5/6
	8 x 2/4
	1 x 1/2

Shoalhaven	1 x 7/8
	3 x 5/6
	4 x 2/4
	1 x Clerk

Similarly, data on the volume of access and demand activities is presented below to provide a broad indication of current workloads.

A&D Function	Shoalhaven	Hunter new England	Mid North Coast	Northern Sydney
AHAs received	1594	3779	1040	753
PRS cases	102	37	40	85
1 st tier appeals	50	68	23	58
2 nd tier appeals	12	10	1	11
Calls received	3048	17330	19422	7779
Counter traffic	837	2235	Not available	573
Offers of accommodation	1558	4102	437	595
Voids	652	1354	213	321

Details on individual products and unique households assisted during 2015/16 are provided below. Please note that the figures represent whole districts, not solely the locations affected by management transfers.

Product	Hunter New England	Mid North Coast	Northern Sydney	Illawarra Shoalhaven
Private Rental Assistance	3,355	970	72	703
Temporary Accommodation	2,787	1,325	340	1,635
Private Rental Subsidy	26	19	87	6
Start Safely	271	46	18	173
Youth Subsidy	86			

Administrative costs of provision of agreed access and demand services will be borne by CHPs but their clients will have access to the Temporary Accommodation and Private Rental Assistance subsidies associated with these products.

A full package of information on the access and demand function in each package location will be provided as part of the tender documentation.

Contracting principles

Over the 20 years of the contract, it is expected that the access and demands functions undertaken by whole-of-location CHPs will change—reflecting both the increased availability of self-service options for some access functions (e.g. online applications) and the introduction or expansion of particular services and products. Further, the contract should encourage new and innovative approaches to improving the value for money of access and demand service.

The tender documentation and contract will include details of the expected minimum levels of service for assisting homeless people into temporary accommodation and homelessness services and assisting people into private rental accommodation with private rental products and services—initially defined for the start of the contract, and then reviewed and updated to reflect any changes over the 20 years of the contract.

It is expected that community housing providers will continue to provide these services within the Housing Pathways Framework which is a partnership between FACS and the community housing sector. All existing system Audit and performance review mechanisms around the ‘Housing Access’ function will continue to apply.

As part of the tender process, providers will be expected to detail the intended

- Level of investment in the access and demand function (e.g. number of access and demand staff; access and demand facilities and counter services)
- Service outputs in terms of the volume of access and demand activities
- Performance thresholds for measuring and reporting the quality and outcomes of access and demand activities.

The intent of the renewable schedule is to ensure clear accountability for commitments and performance thresholds proposed by the CHP at the start of the contract—while allowing the flexibility for a partnership approach for FACS and CHPs to review and update the schedule over the 20 years of the contract.

Attachment 2: FACS staff transfer provisions

Background Information

The staff impacted by Social Housing Management Transfers (SHMT) will be managed in accordance with the *Premier and Cabinet Memorandum (M2016-02) 'Transfer of Government Sector services or functions to the Non-Government Sector'*

Under the *Premier's Memorandum M2016-02*, employment of NSW government sector employees by the new operator is deemed 'comparable employment' where all of the following criteria are met:

- the person's prior service in the government sector is recognised for the purposes of the new employment, and
- the work to be performed by the person under the new employment is similar to the work performed by the person under the former employment, and
- the terms of any industrial instrument or agreement (however described) applying to the new employment are substantially similar to, and (when considered on an overall basis) no less favourable than, the terms of any government sector industrial instrument that applied to the former employment, and
- the new employment does not involve an unreasonable increase in the person's journey to work.

Transfer Arrangements:

Ongoing employees who transfer to the new provider will be entitled to the following transfer package:

- Recognition of service, including service recognised by FACS, and continuity of service between old and new employers
- Transfer of accrued recreation/annual leave, extended leave (Long Service Leave), sick leave and FACS leave, with an ability to cash out some leave
- Existing industrial instruments, including the Housing Flexible Working Hours Agreement, continue to apply post transfer
- Continuation of existing superannuation arrangements.
- An employment guarantee period of two years.

4.3.1 NSW Government Sector Placement Strategy

Premier's Memorandum M2016-02 sets out a framework for dealing with the consequences for employees when government sector services or functions transfer to the non-government sector by means of the NSW Government Sector Placement Strategy (the Placement Strategy).

The Placement Strategy seeks to place non-transferring employees in other roles across the sector. In the case of the Social Housing Management Transfers, it will be utilised to facilitate placement of impacted staff into alternate roles within Housing NSW, FACS more broadly, or across the NSW public sector.

Redundancy payments will not be made where employees have been offered or haven't sought comparable roles, whether in the Government or the non-Government sector.

Information Available During Tender:

The following employee related reference documents will be made available during the tender process:

- Organisation structure per district, including role by job grade
- Relevant Industrial Instruments as an example:
 - Crown Employees (Public Sector – Salaries 2016) Award
 - Crown Employees (Public Sector Conditions of Employment) Reviewed Award
 - Crown Employees (Administrative and Clerical Officers – Salaries) Award 2007
 - Crown Employees (Transferred Employees Compensation) Award 2009

Post Tender Announcement

Following the tender announcement, each successful CHP must notify FACS of the number of new staffing roles which are comparable to FACS roles that will be created to take on the new business by grade and also by location. These comparable roles will be required to be made available to the affected FACS workforce to enable consideration of this workforce prior to external advertisement. The affected FACS workforce therefore has the first offer for the new roles in CHPs to support taking on the new business.

Expression of Interest Policy Framework

FACS will work with the new providers to design and implement the EOI. FACS' involvement in the process will meet a number of needs, including:

- FACS is required to maintain visibility of the participation rates and outcomes of the EOI as non-participation has implications for an employee's eligibility for redundancy payments from the state.
- FACS will ensure consistency across multiple EOI processes to meet our obligations to employees that a fair and equitable process is undertaken.
- In scenarios where multiple packages within a single District/location are awarded to multiple providers, FACS will aim to align EOI activities to reduce duplication for staff where appropriate and practicable.

The Expression of Interest process is to be designed to encourage FACS staff to apply for advertised vacancies. The EOI process is less complex and time-consuming than standard recruitment and is tailored to assess the suitability of a candidate.

Expression of Interest for Comparable Roles

Once the number of affected FACS staff the successful CHP bidder wishes to take becomes clear, the successful bidder will call for Expressions of Interest. On the basis of assessment by the new CHP (which may involve assessment methods such as interviews or assessment of written EOIs and/or resumes) the new operator will make written offers of employment to the selected FACS employees.

These offers are to include the employment commitments including the employment guarantee. The letters of offer will be drafted under guidance of FACS. Employees accepting the Offer will be asked to do so in writing.

The formal letter of offer and the employees' written acceptance of that offer forms the basis of the new employment contract with the new operator.

Expression of Interest Process

The EOI process needs to support the mutual benefit to be gained from transferring FACS staff to CHP's. In addition, FACS will be required to workforce manage the employees impacted by SHMT in accordance with the Placement Strategy. Whilst there has been significant exchange of employees between FACS and CHP's, either through secondment or direct hire, it will be critical to adopt an efficient and transparent framework to select staff for transfer fairly and equitably.

It is likely that the EOI process will comprise the following principles:

- CHP will provide FACS with list of comparable roles by grade & location
- FACS advises affected employees of the comparable roles available through the EOI process by location
- Where there are multiple new providers within a single District/location, FACS will determine whether it is practicable to coordinate the timing of their respective EOI processes.
- The application process should be streamlined to avoid FACS staff having to submit multiple different applications for different CHP's.
- FACS and the new provider determine selection criteria and assessment process that reflects the level of the roles. Eg Employee submits recent CV reflecting skills and experience; shortlisted candidates attend interview and reference checks conducted for preferred employees.
- Employees will be eligible to participate in the EOI process for roles comparable to their substantive grade.
- The new provider notifies FACS of preferred employees and proceeds with offers of employment

- The new provider confirms employees transferring and date of transfer
- FACS coordinates transfer arrangements between FACS Payroll & CHP.

Change Management for Affected Employees

The following issues have been raised by employees during the Employee Briefing sessions and it is proposed to manage these issues through effective change management:

- Impact on EEO Groups:
 - Employees who have declared a disability requiring reasonable adjustments
 - FACS is committed to the provision of career opportunities for Aboriginal employees and the delivery of a high standard of service to Aboriginal communities
- Engagement/Transition:
 - FACS will work with CHP's to determine appropriate engagement activities to assist FACS employees understand the CHP work environment eg secondments from FACS to CHP's, 'Office day exchanges'

Attachment 3: Support and service system coordination to improve tenant outcomes

Future Directions for Social Housing

The *Future Directions for Social Housing* strategy highlights that tenants face many barriers to building independence and to leaving social housing. These include access to education, finding work and having affordable housing options to transition to. These challenges can be more effectively tackled through better coordination of social housing and support services—working across all levels of government and the private and community sectors.

As part of the *Future Directions for Social Housing*, all social housing providers will be increasingly expected to strengthen the networks, partnership and improve services to support tenants build their capabilities to sustain tenancies and to take advantage of opportunities for economic and social participation.

Social housing providers are not expected to be direct support providers and they do not directly control the achievement of tenant outcomes. Their role is to coordinate access to support and improve local service system coordination by creating whole-of-location networks, partnerships and opportunities that create the environment where tenants can achieve better outcomes.

Social Housing Outcomes Framework

A Social Housing Outcomes Framework is being developed to define and measure tenant outcomes and provider performance against *Future Directions*. All social housing providers, whether non-government or government, will be accountable and measured under the Social Housing Outcomes Framework.

The development of the Social Housing Outcomes Framework will be done in close consultation with social housing providers—and it is expected that the process of scoping, testing and agreeing on final tenant outcomes measures and provider performance indicators will take a number of years to complete.

An interim paper on the social housing outcomes framework outlines the:

- Approach to developing the framework including wellbeing outcome domains and social housing pathways to achieving outcomes
- Possible capability and outcome measures derived from desktop review, workshops and initial consultants
- Summaries of academic publications reviewed in developing the framework.

Over time, agreed tenant outcomes measures will be incorporated into provider's contract with FACS.

Approach to planning and reporting tenant outcomes

As part of the whole-of-location management transfers, providers will be expected to boost the resources available for building the community networks, partnerships and opportunities needed to improve tenant outcome—particularly in relation to:

- Increasing the proportion of social housing tenants getting into employment
- Improving the educational outcomes of students living in social housing
- Addressing health-related barriers that work against tenants sustaining their tenancy.

While in the longer-term, it is expected that consistent, quantitative measures for tenant outcomes will be used across the sector, a range of interim measure will be needed to monitor progress and achievements.

The contract will not specify in detail how a provider should achieve improved tenant outcomes—rather providers are encouraged to use innovative approaches and creative partnership arrangements. However, providers will be expected to detail the intended level of investment and how success will be measured. Successful whole-of-locations CHPs will be expected to make clear commitments related to:

- Level of investment in tenant support coordination (e.g. number and roles of staff employed for support coordination; outreach initiatives launched)
- Level of investment in service system coordination (e.g. number and roles of staff employed for service system coordination)
- Outcomes expected for tenants (e.g. number of tenants involved in specific initiatives; proportion of tenants involved / referred to specific initiatives that achieve the intended outcome).

Contracting principles

Over the 20 years of the contract, it is expected that tenant outcome priorities and performance measures will need to be regularly reviewed and updated to reflect the social housing outcomes framework and changing government priorities.

It is expected that the contract and the related performance reporting and monitoring framework for the transfer program will include a reviewable schedule that documents the specific commitments, performance measurements and thresholds for improving tenant outcomes—initially based on provider’s proposed level of investment and expected outcomes—but over time, based on the Social Housing Outcomes Framework. It is expected that the reviewable schedule would cover rolling three-year periods over the course of the contract—with regular contract performance reviews to assess progress and achievements. The intent of the renewable schedule is to ensure clear accountability for commitments and performance thresholds proposed by the CHP at the start of the contract—while allowing the flexibility for a partnership approach for FACS and CHPs to review and update the schedule over the 20 years of the contract.

Attachment 4: Tenancy policies

CHPs investigating opportunities under the SHMT program would need to consider the potential impact of the tenancy conditions retained by transferring public housing tenants and any differences between a CHP's policies and practices and similar existing FACS practices and policies.

Individual tenants will retain FACS pre-approved conditions outlined below until the end of the pre-approved period for that policy or until the end of the lease, whichever is applicable. Tenants will also not see any changes to their income after rent, except that they will pay rent and Commonwealth Rent Assistance to their new CHP following the transfer.

FACS Policy/ Practice	Description
1. Types and Length of Lease Policy	<ul style="list-style-type: none"> The type and length of lease that reflects a client's need and circumstances. Most new tenancy agreements will be for a fixed term period of twelve months, two, five or ten years.
2. Tenancy Charges and Policy Supplement	<ul style="list-style-type: none"> FACS uses various assessment rules to determine if a tenant is eligible for a rent subsidy by considering their household's income, size and age. In some cases, tenants do not pay the standard 25% and 30% of their household income towards rent for example: the pensioner supplement is not currently assessed; and Family Tax Benefit B is currently assessed at a lower level.
3. \$5 rent abatement	<ul style="list-style-type: none"> Tenants or household member's payable rent is \$5, where clients are in prison, nursing home, rehabilitation, respite care or a refuge after leaving domestic violence, due to their immigration status, no Centrelink or other income as spouse or partner earns too much.
4. Start Work Bonus, Tenant Employment Incentive Scheme	<ul style="list-style-type: none"> Offers tenants a grace period of up to 26 weeks within a financial year before adjusting their rent subsidy, in order to incentivise work participation.
5. Absence from dwelling	<ul style="list-style-type: none"> Tenants need to obtain approval from FACS to be away from their home for more than six weeks. FACS may approve acceptable absences for up to six months for example: hospitalisation, respite care/nursing home, rehabilitation, custody, caring for a sick relative. The tenant may apply for an approval to extend the absence beyond six months where there are unusual circumstances

One further area for attention is the Vacant Bedroom Charge that FACS charges tenants in underoccupied properties. FACS is not at this stage proposing that CHPs apply this charge but will be asking CHPs to advise their proposed strategies to reduce underoccupancy, as part of their tender.

Attachment 5: Tenant satisfaction

As part of the commissioning process for the SHMT Program, feedback was sought from current social housing tenants in the nine package locations about their satisfaction with existing social housing services.

Over 5,000 telephone surveys were completed between 30th August and 15 September 2016—covering a statistically significant sample of public housing tenants in the eight FACS teams in the transfer locations. The survey was administered by the Housing Contract Centre.

The survey covered two questions

- In thinking about your most recent experience with FACS Housing, how was the quality of customer service you received? (Extremely Satisfied; Somewhat Satisfied; Neutral; Somewhat Dissatisfied; Extremely Dissatisfied)
- Overall, how satisfied are you with the service you receive from FACS Housing? (Extremely Satisfied; Somewhat Satisfied; Neutral; Somewhat Dissatisfied; Extremely Dissatisfied)

Overall, 44% of respondents indicated that they were extremely satisfied and 32% were somewhat satisfied with the quality of customer service at their most recent experience with FACS Housing (76% satisfaction).

In addition, 41% of respondents indicated that they were extremely satisfied and 32% were somewhat satisfied with the overall service they receive from FACS Housing (73% satisfaction).

Breakdowns of the survey data by the package locations will be made available as part of the documentation for the tender.

Attachment 6: Whole of Location Packages

The tables below provide further property details at a transfer package level. They also include names and approximate property numbers for the highly disadvantaged estates. This is based on the 5 indicator sets – SEIFA disadvantage, % children in PH/AHO properties, crime, median tenancy length and ROSH. Only the disadvantaged estates based on the above indicators are highlighted. There are various other areas of public housing concentration across these locations.

Hunter-New England

Package	Total properties	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Disadvantaged Estates
1	2205	1353	43	1	Maitland	Woodberry - 217
		788	16	4	Port Stephens	Raymond Terrace - 623
2	1882	389	0	4	Singleton	
		665	10	3	Cessnock	Cessnock E - 133
		25	2	0	Dungog	
		35	0	0	Gloucester	
		198	19	0	Great Lakes	
		438	38	24	Greater Taree	Ruprecht - 129
		18	0	14	Muswellbrook	
3	1850	7	0	1	Gunnedah	
		698	30	74	Tamworth	Coledale - 271
		20	0	0	Walcha	
		26	2	1	Liverpool Plains	
		322	1	15	Armidale-Dumaresq	
		1	0	0	Glen Innes	
		0	0	1	Gwydir	
		10	0	1	Guyra	
		163	4	4	Inverell	
		213	9	62	Moree Plains	
		159	4	7	Narrabri	
		0	0	6	Tenterfield	
		9	0	0	Uralla	

Shoalhaven LGA

Packages	Package size	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Disadvantaged Estates
1	961	893	60	8	Shoalhaven	East Nowra - 447

Mid North Coast

Packages	Package size	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Disadvantaged Estates
1	1093	931	39	25	Coffs Harbour	Argyll St - 112 Toormina - 139
		94	3	1	Bellingen	
2	1359	252	2	0	Nambucca	
		200	10	4	Kempsey	
		836	46	9	Port Macquarie-Hastings	

Northern Sydney

Packages	Package size	LAHC owned properties	Head-lease properties	Vacant Land	LGAs	Estates
1	1931	1209	33	10	Ryde	Some areas of public housing concentration but no Disadvantaged Estates as per definition provided in the introduction
		636	24	0	Hornsby	
		19	0	0	Kuring gai	
2	1273	923	6	0	Warringah	
		1	1	0	Pittwater	
		286	0	2	Manly	
3	1559	53	1	0	Mosman	
		569	0	0	North Sydney	
		340	1	0	Hunters Hill	
		221	2	0	Lane Cove	
		420	5	1	Willoughby	