

Fact sheet

November 2010



Asset ownership framework

In 2010 the NSW Government will begin the transfer of ownership of government funded social housing to community housing providers. This includes over 5,500 properties funded through the Nation Building Economic Stimulus Plan and 500 properties currently under community housing management.

To be eligible to own government funded social housing, an organisation must have the following characteristics:

- Not for profit organisation;
- Company (limited by guarantee) under *Corporation Act 2001*, or a company (limited by shares) in certain situations;
- Registration as a Class 1 or Class 2 community housing provider within the meaning of the *Housing Act 2001*; and
- Constitution or rules of the organisation must contain an appropriate 'wind-up' provision that requires surplus assets to be transferred to a Class 1 or Class 2 registered community housing provider within the meaning of the *Housing Act 2001*.

Housing NSW has developed a framework to manage the transfer of ownership to community housing provider.

The framework comprises three elements:

- 1. Contracts** – Community Housing Agreements setting out the terms and conditions of the transfer of ownership and other requirements that must be met in relation to the ongoing management of the properties. The agreement will include requirements to comply with policies set by Housing NSW and meet reporting requirements.
- 2. Statutory regulation** – requirement to maintain registration as a Class 1 or Class 2 community housing provider within the meaning of the *Housing Act 2001* and be subject to ongoing regulatory oversight.
- 3. Legislative powers** - new legislative provisions introduced into the *Housing Act 2001* in March 2010.

These provisions provide the mechanism to transfer ownership

through the vesting of land in a community housing provider.

The new provisions also allow Housing NSW to register an interest on the title to land that is vested. The registered interest restricts a community housing provider from selling or dealing in the land without consent being obtained from Housing NSW. Consent is not to be unreasonably withheld.

A range of other measures have also been introduced to protect Housing NSW's interest and provide additional step-in provisions in the event of provider failure, including expanded regulatory powers. The Act specifically requires Housing NSW, when acting in the event of provider failure, to have regard for the interest of any creditors that may be affected.

Please see Asset Ownership Relationships diagram on page 2.

Asset Ownership Relationships

