Asset Maintenance

This fact sheet provides an overview of maintenance requirements to assist SHS providers.

Introduction

Registration requirements for community housing providers are changing with the introduction of the National Regulatory System for Community Housing (NRSCH). Registration for all NSW community housing providers will be open from 1 January 2014 and providers need to register under the NRSCH by July 2015.

The National Regulatory Code sets out the performance outcomes that must be met by registered community housing providers under the new system. Performance Outcome 2 (Housing Assets) requires that the community housing provider manages its community housing assets in a manner that ensures suitable properties are available now and in the future.

Some of the requirements under Performance Outcome 2 are different from the requirements under the NSW Registration System currently in place.

This fact sheet references the requirements of the National Regulatory Code.

Further information about the NRSCH is available at www.nrsch.gov.au

What is maintenance?

All houses deteriorate over time. Maintenance is the work that is necessary to arrest this deterioration and retain a house in, or restore it to, an agreed condition.
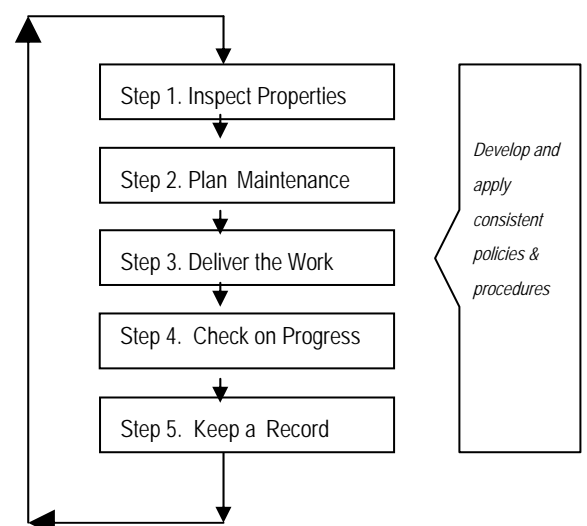
Maintenance keeps houses safe and secure; it protects amenity and ensures the property continues in service for its intended life span. Without maintenance, materials deteriorate to the point where expensive repairs and replacements become necessary and houses grow progressively unsafe and unlivable.

Maintenance needs to be carefully controlled and managed. It is a major cost and efficient management can bring real savings. Maintenance protects the safety and amenity of tenants and there are statutory obligations that must be observed.

The maintenance cycle

Repairing and maintaining houses is more than just organizing for repairs to be carried out.

It involves a repeating cycle of planning, organizing, doing and checking. The cycle can be pictured as:

Step 1. Inspect Properties

Step 2. Plan Maintenance

Step 3. Deliver the Work

Step 4. Check on Progress

Step 5. Keep a Record

Develop and apply consistent policies & procedures

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Types of maintenance:

Maintenance is either "planned" or "responsive".

Planned maintenance is work that can be anticipated in advance and can be scheduled when it becomes due.

Examples are: painting, carpet replacement, bathroom renovations, inspecting smoke alarms, etc.

Responsive maintenance is work that is attended to as it arises. Examples are: re-glazing broken window panes, clearing blocked sewers or, fixing a leaking gas main. Responsive maintenance is also known as day-to–day, unplanned, urgent and emergency maintenance.

There are advantages with planned maintenance. When work can be anticipated, items can:

- Be bundled with other work to gain economies of scale

- The delivery of the work can be scheduled to suit tenants and contractors

- The results can be specified and controlled more effectively

- Long-term budgets can be prepared.

It is generally preferred to handle maintenance on a planned basis whenever possible.

What maintenance are you responsible for?

A community housing provider's responsibilities depend on whether a property is owned by the NSW Land and Housing Corporation (capital) or head-leased from another owner.

| Property	Providers are typically responsible for:
Capital properties:	All repairs and maintenance. However major structural work remains the responsibility of the property owner, the NSW Government.
Head-leased properties	Leaving the premises at the end of the lease in as near condition as at the beginning of the lease, fair wear and tear accepted.

Lease documents and funding agreement should be checked to confirm specific requirements for individual properties.

Developing a maintenance plan

(A requirement under the NRSCH)

A maintenance plan provides a "roadmap" of what needs to be done, by whom, when and at what cost. It is helpful to both the community housing provider and the Registrar. The plan allows the:

- Provider to plan and budget for one of its largest expenditures, and

- The Registrar to monitor whether the provider is setting aside sufficient funds for maintenance and monitoring its maintenance liabilities.
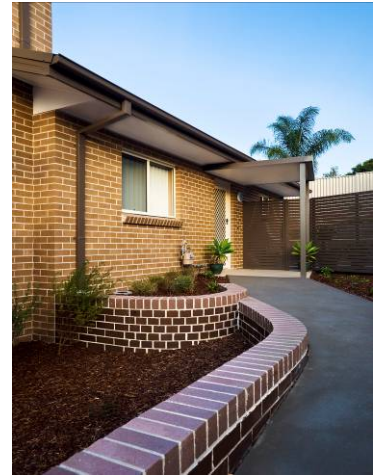
As a minimum, a 10-year plan should be prepared, but providers may adopt a longer period, say 15 to 20 years, when planning has been mastered over the shorter term.

Policies and procedures

(Requirements under the NRSCH)

In terms of asset management responsibilities and the National Regulatory Code Performance Outcome 2 (Housing Assets), SHS providers will need to particularly consider the performance requirements 2b and 2c and the related performance indicators:

Performance Requirement 2b: Setting and meeting relevant property condition standards.

Performance indicator - The provider manages community housing assets in accordance with the specific legal and policy property condition requirements relevant to its jurisdiction.

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Performance Requirement 2c: Planning and undertaking responsive, cyclical and lifecycle maintenance to maintain property conditions (asset maintenance).

Performance indicator - Commensurate with its responsibilities, the provider ensures:

- properties are well maintained
- maintenance is undertaken in a timely manner
- maintenance work is undertaken by suitably qualified staff/contractors/consultants

For further information on the National Regulation System for Community Housing guidelines and requirements visit the website.

Support for Specialist Homelessness Services

The Community Housing Asset Management Policy (PDF, 378KB) sets out the requirements community housing providers must comply with in managing assets. It clarifies the respective roles of government and providers, and recognises providers' increased asset management responsibilities.

The Policy has been developed to help providers to maintain assets and enhance amenity, and undertake portfolio planning to meet housing need. The Policy requires providers to maintain properties they manage in accordance with the NSW Government's Asset Standards.

Providers should be aware however, these current policies are for the current NSW Regulation System, and they will be updated to take account of the NRSCH, later this year. For advice or help on general maintenance matters and maintenance policies, you can contact the CAPMH Assets team via email at OCH-Maintenance@facs.nsw.gov.au

www.facs.nsw.gov.au