

**IN THE MATTER OF THE ROYAL COMMISSION
INTO FAMILY VIOLENCE**

ATTACHMENT AR-4 TO STATEMENT OF ARTHUR ROGERS

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This is the attachment marked '**AR-4**' produced and shown to **ARTHUR ROGERS** at the time of signing his Statement on 20 July 2015.

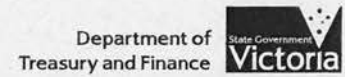
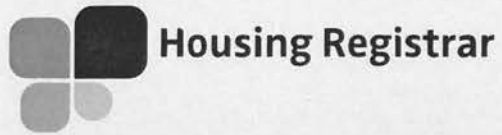


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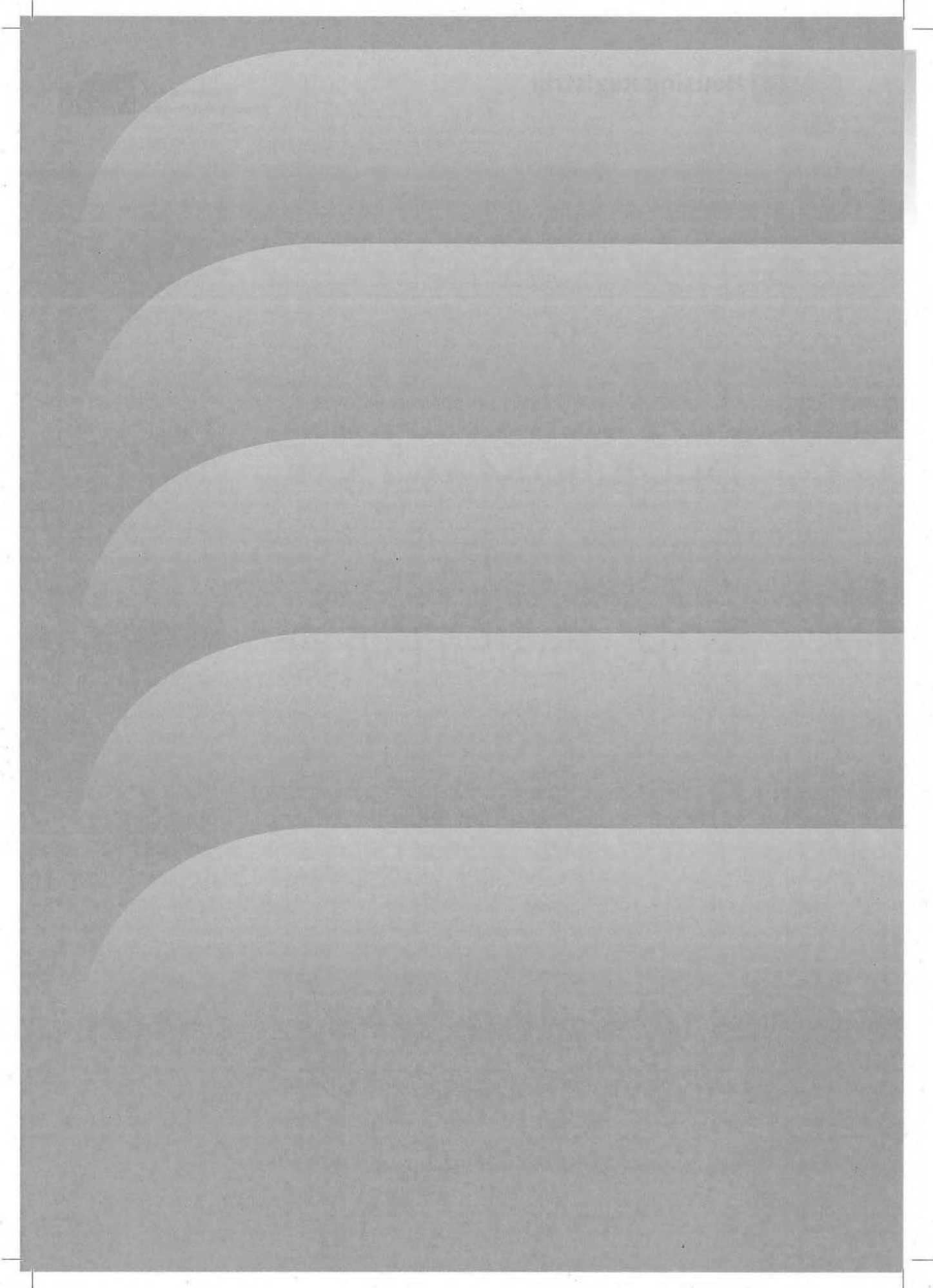


An Australian legal practitioner
within the meaning of the
Legal Profession Uniform Law (Victoria)

Attachment AR-4



PERFORMANCE STANDARDS FOR REGISTERED HOUSING AGENCIES



Introduction

These performance standards are established under Section 93 of the Act and represent the standard of operation required of registered agencies while registered under the provisions of the Act. The registered agency should note that compliance at all times with all standards, and the measures that apply to them, is mandatory. It is the responsibility of the registered agency to provide when requested supporting evidence to show that the standards have been met.

One of the principal mechanisms for measuring performance and improvement will be the registered agency's annual business plan and the measures of performance contained in that document. The business plan will not be static, and the registered agency will be required to demonstrate continuous improvement against its measures to the satisfaction of the Registrar.

Failure to meet any measure of a standard may result in intervention under Division 8 of Part VIII of the Act where the Registrar is satisfied that intervention is appropriate in the circumstances and accords with guidelines made by the Minister under Section 130(3) of the Act.

These performance standards replace those gazetted under the Act on 8 August 2005. They combine the National Regulatory Code developed as part of the National Regulatory System for Community Housing and specific aspects of the previous performance standards.

Any regulatory action taken under the previous performance standards (for example, an investigation) will continue to be carried out under those standards. As part of the transitional arrangements registered agencies will continue to be assessed using the evidence, reporting and regulatory requirements made under the old performance standards after 1 July 2014. Registered agencies will be consulted on revisions to the overall reporting framework which will take effect from 1 July 2015.

Application of the Performance Standards

Registered agencies registering under the Act will range from small to large-scale operations. The performance standards apply regardless of the size of the registered agency. However, the standards are broad, and the measures of performance will be assessed with reference to the individual registered agency's scale and complexity of operation, the concomitant risks, and the extent to which it has achieved improvement over the previous years' performance against its business plan.

Guidance

The regulatory system provided by the Act comprises a number of elements. The Act provides the regulatory framework, establishing the Registrar and investing it with powers to register and monitor the performance of registered agencies. It also provides the Registrar with inspection and enforcement powers.

The registration criteria are contained in Schedule 7 to the Act. These criteria must be met and maintained if the registered agency is to be registered and remain registered.

In addition to maintaining registration eligibility, a registered agency is required to demonstrate compliance with these performance standards. Failure to comply with a performance standard may provide the Registrar with grounds to consider intervention in the registered agency's affairs. In making that consideration, the Registrar is bound both by the provisions of Part VIII of the Act and by guidelines made by the Minister under that Part.

The performance standards can be viewed as a set of operating rules. It is a condition of being registered that the registered agency complies with the performance standards and other requirements of the Registrar at all times.

Performance standards and the Act seek to protect housing assets and ensure quality services to tenants by regulating well governed, well managed, financially viable registered agencies.

The focus of the performance standards is in ensuring that the registered agency delivers the best possible rental housing services to its community. To do that requires effective, ethical governance, competent management and a sound business strategy, incorporating all elements of rental housing provision, management and maintenance.

Planning and forecasting of the registered agency's business strategy needs to be accurate and sustainable, and must address the particular rental housing needs of the community it serves.

Registered housing providers seeking to upgrade their registration status to registered housing associations, must also demonstrate the capacity and viable strategies to expand their stock of housing from funds additional to State Government funding.

Important note

The performance standards govern the relationship between the registered agency and the Registrar. The registered agency may also be bound by contractual relationships with the Director of Housing. The registered agency will need to ensure it can comply with both.

Interpretation

1. Definitions

The Act	The <i>Housing Act 1983</i> as amended from time to time
Affordable rent	Rent set within the parameters applying to rents determined from time to time by the Director of Housing
The Minister	The Minister responsible for administering Part VIII of the Act
Registered agency	A registered agency as defined in Section 4 of the Act. An agency may be registered as a registered housing association or a registered housing provider under Part VIII of the Act.
Registrar	The Registrar of Housing Agencies established under Division 2 Part VIII of the Act
Relevant regulatory body	Has the meaning provided to that term in Section 132 (12) of the Act

2. In these standards, where reference is made to the existence of policies or strategies, the standard requires compliance with, and enforcement of, those policies or strategies.
3. Words importing the singular shall include the plural, and vice versa.

1. Tenant and housing services

The registered agency is fair, transparent and responsive in delivering housing assistance to tenants, residents and other clients particularly in relation to the following.

- a. Determining and managing eligibility, allocation, and termination of housing assistance.
- b. Determining and managing rents.
- c. Setting and meeting relevant housing service standards.
- d. Supporting tenant and resident engagement.
- e. Facilitating access to support for social housing applicants and tenants with complex needs.
- f. Managing and addressing complaints and appeals relating to the provision of housing services.
- g. Maintaining satisfaction with the overall quality of housing services.

Indicators:

Eligibility, allocation and termination of assistance

1. The registered agency makes information about its tenancy management policies and procedures available in a variety of formats.
2. The registered agency manages housing assistance in accordance with its policies and the legal and policy requirements.
3. The registered agency has developed policies about fair and equitable access and allocation of housing and strategies responsive to local needs to implement its policies.
4. The registered agency's access and allocations policy is sensitive to clients with complex needs and low incomes and, to the extent permitted by other performance standards, ensures allocation of tenancies to this client group.
5. The registered agency has policies and procedures which strive to sustain tenancies.
6. Enforced transfers are minimised and eviction is treated as a mechanism of last resort.

Rents

1. The registered agency makes information about its policies and procedures to determine and manage rents available in a variety of formats.
2. The registered agency manages rent in accordance with the specific legal and policy requirements.
3. The registered agency has policies and strategies to deliver housing services at affordable rents to low income tenants. The Registrar and registered agencies will monitor the extent to which rent charged is below 75% of market rent and between 25% and 30% of tenant income (in compliance with the current affordable rent parameters).
4. Policies developed by the registered agency under the preceding paragraph detail the method of assessing affordability, the treatment of Commonwealth Rent Assistance in the assessment and the treatment of additional service charges if applicable.
5. The registered agency has policies and strategies to deal with tenants in financial difficulties and with arrears of rent.
6. The registered agency has policies and strategies to ensure that service and other charges do not exceed fair market or actual charges.

Housing service standards

1. The registered agency communicates and monitors what tenants and residents can expect from the service.
2. The registered agency provides safe, secure and affordable housing, managed in accordance with requirements of the *Residential Tenancies Act 1997* (RTA).

Tenant and resident engagement

1. The registered agency involves tenants and residents in the planning and delivery of housing services in a variety of accessible ways.
2. The registered agency promotes appropriate opportunities for tenants and residents to be involved in their community.
3. The registered agency obtains feedback from tenants and residents on its services, and consults with them on proposals that will affect them.
4. The registered agency has identified the standards of performance it will achieve in tenant and housing services.
5. The dispute resolution procedure the registered agency has established under Section 97 of the Act is easily accessible by tenants and prospective tenants and provides for prompt and effective resolution of complaints.
6. The registered agency accepts and deals appropriately with client advocates.

Access to support for applicants and tenants with complex needs

1. The registered agency establishes and maintains arrangements that are adequate to ensure tenants and residents with support needs receive appropriate support, if relevant and where available, to maintain their tenancies.

Complaints and appeals

1. Information is readily available and promoted to tenants on complaints and appeals.
2. The registered agency manages complaints and appeals promptly and fairly.
3. The registered agency regularly monitors the effectiveness of the complaints and appeals system.

Satisfaction with assistance provided

1. The registered agency maintains a satisfactory level of tenant and resident satisfaction.

2. Housing assets

The registered agency manages its assets in a manner that ensures suitable properties are available now and into the future, particularly in relation to the following.

- a. Determining changing housing needs and planning asset acquisitions, disposals and reconfiguration to respond (strategic asset management).
- b. Setting and meeting relevant property condition standards.
- c. Planning and undertaking responsive, cyclical and life-cycle maintenance to maintain property conditions (asset maintenance).
- d. Planning and delivering its housing development program (asset development).

Indicators:

Strategic asset management

1. The registered agency plans for how it will manage its housing assets to optimise outcomes on financial investment, service delivery and meeting housing needs.

Property condition

1. The registered agency manages community housing assets in accordance with the specific legal and policy property condition requirements relevant in Victoria.
2. Housing stock acquired meets building standards before being offered for occupation by tenants.
3. The registered agency maintains an accurate and current list of the properties it owns and manages.
4. The registered agency seeks consensual agreement with tenants in relation to access to properties that do not compromise tenants' rights under the RTA.

Maintenance of properties

1. The registered agency (commensurate with its responsibilities) ensures:
 - properties are well maintained;
 - maintenance is undertaken in a timely manner; and
 - maintenance work is undertaken by suitably qualified staff / contractors / consultants.

Asset development

1. The registered agency plans, monitors and reviews its development program to ensure effective and efficient delivery of new housing.

3. Community engagement

The registered agency works in partnership with relevant organisations to promote community housing and to contribute to socially inclusive communities, specifically in relation to the following.

- a. Promoting community housing to local organisations that work with potential residents, tenants or clients, and agencies.
- b. Contributing to place renewal and social inclusion partnerships and planning relevant to the agency's community housing activities.

Indicators:

Promotion of community housing

1. The registered agency engages with relevant organisations using appropriate communication tools to promote community housing and benefits of partnership.

Contributing to socially inclusive communities

1. The registered agency works with others to maximise positive economic and social outcomes for tenants and the community through place renewal.
2. The registered agency works with others to maximise positive economic and social outcomes for tenants and the community through social inclusion.

4. Governance

The registered agency is well-governed to support the aims and intended outcomes of its business, specifically in relation to the following.

- a. Ensuring coherent and robust strategic, operational, financial and risk planning.
- b. Ensuring effective, transparent and accountable arrangements and controls are in place for decision making to give effect to strategic, operational, financial and risk plans.
- c. Complying with legal requirements and relevant government policies.
- d. Ensuring that the governing body has members with appropriate expertise or that such is available to the governing body.

Indicators:

Planning

1. The governing body sets and implements its strategic directions and scrutinises performance using:
 - business planning;
 - financial planning;
 - risk management planning; and
 - business continuity planning.
2. The governing body provides effective control of related party arrangements (for example, through a group structure agreement, service level agreement, partnership agreement, or contract).
3. Where any aspect of the management of the registered agency's business or functions is outsourced, the registered agency ensures that the entity to which the business or functions are outsourced complies with these performance standards and with the registered agency's policies to the extent they apply to the business or functions outsourced.

Decision making

1. The registered agency operates in accordance with a code of governance, consistent with the ASX Corporate Governance Principles, including in relation to:
 - the roles and responsibilities of the governing body and sub-committees;
 - decision making processes;
 - managing conflicts of interest;
 - internal business compliance; and
 - the selection and performance of the Chief Executive Officer.

Compliance with legal requirements and government policies

1. The registered agency has a system in place to ensure compliance with all applicable legal requirements and relevant government policies.
2. The registered agency's core purpose, mission and values are aligned with the provision of affordable housing and the agency acts at all times in accordance with its core purpose.

Expertise of governing body

1. The registered agency has fair and transparent processes in place to ensure the governing body has members with, or access to, an appropriate range of skills and knowledge to deliver on its business plan and manage the risks in its business, including in relation to, where undertaken:
 - recruitment and selection;
 - induction;
 - professional development;
 - succession;
 - engaging external expertise;
 - remuneration; and
 - performance assessment of the governing body.

5. Probity

The registered agency maintains high standards of probity relating to the business of the provider, specifically in relation to the following:

- a. Establishing and administering a code of conduct.
- b. Establishing and administering a system of employment and appointment checks.
- c. Establishing and administering a system for preventing, detecting, reporting on, and responding to, instances of fraud, corruption and criminal conduct.
- d. Maintaining the reputation of the community housing sector.

Indicators:

Code of conduct

1. The registered agency has a code of conduct designed (or is supported by additional policies and procedures) to ensure it maintains high standards of probity, including in relation to:
 - whistle blowing;
 - conflict of interest;
 - gifts and hospitality;
 - procurement;
 - preventing exploitation of knowledge or information about the affairs of the agency for personal financial gain;
 - observing the confidentiality of the registered agency's business transactions and the privacy of individuals dealing with the registered agency;
 - dealing fairly with stakeholders; and
 - protecting the registered agency's assets.

Employment and appointment

1. The registered agency conducts checks for governing body members, employees, volunteers and agents commensurate with the requirements of the position, including in relation to relevant:
 - referees and previous employment;
 - criminal record;
 - bankruptcy;
 - working with children; and
 - working with aged.

Prevention and handling of improper conduct

1. The registered agency's system is consistent with good practice established by relevant anti-fraud, anti-corruption and anti-crime agencies and professional standards bodies.

Protection of sector reputation

1. The registered agency notifies the Registrar of any incident related to its operations (and its response) that damages or has the potential to damage the reputation of the community housing sector.
2. Decisions relating to the business and functions of the registered agency must be made ethically, and conform to the registered agency's code of conduct.

6. Management

The registered agency manages its resources to achieve the intended outcomes of its business in a cost effective manner, specifically in relation to the following.

- a. Demonstrating it utilises its assets and funding to meet business goals.
- b. Implementing appropriate management structures, systems, policies and procedures to ensure the operational needs of its business can be met (including having people with the right skills and experience and the systems and resources to achieve the intended outcomes of its business).

Indicators:

Effective utilisation of assets and funding

1. The business planning process includes an assessment of costs and returns on assets and funding to meet its business goals.
2. The registered agency generates and utilises surplus to achieve its business goals.

Appropriate structures, systems and documentation

1. The registered agency's management structure, systems, policies and procedures are fit-for-purpose.
2. The registered agency must be managed effectively to achieve the outcomes of its business plan in a timely manner and within a continuous improvement framework.
3. The registered agency has privacy policies that comply with the Information Privacy Principles contained in the *Information Privacy Act 2000* and has strategies to ensure that tenants privacy is maintained with respect to disclosure within the registered agency and to third parties.
4. The business plan identifies:
 - a) strategies to sustain, expand and develop its housing portfolio including leverage on its portfolio through such avenues as private investment, philanthropic agencies, and local government participation;
 - b) strategies to optimise rent collection and recovery; and
 - c) a plan for continuous improvement of its functions and services.
5. The business plan is reviewed as required by the Registrar.
6. The registered agency meets mandatory verifiable measures of performance as agreed with the Registrar.
7. Reports required to be produced to the Registrar or to the relevant regulatory body are provided when due and represent an accurate and balanced account of the matters reported.

7. Financial viability

The registered agency is financially viable at all times, specifically in relation to the following.

- a. Ensuring a viable capital structure.
- b. Maintaining appropriate financial performance.
- c. Managing financial risk exposure.

Indicators:

Capital structure

1. The registered agency monitors and manages its capital structure to achieve its business goals.

Financial performance

1. The registered agency monitors and manages its financial performance to achieve its business goals.
2. The registered agency has policies and strategies to minimise prolonged vacancies in housing stock and loss of rental income.
3. The registered agency submits financial and other reports relevant to its ongoing viability and business operations in the form and reporting timeframe determined by the Registrar.

Risk exposure

1. The registered agency monitors and manages its financial risk exposure to protect its financial interests and the interests of investors.

