

Learn more about

Risk Management

Managing Risk in Community and Affordable Housing

Community housing organisations (CHOs) and community organisations (COs) in general operate in an environment of increased regulation and accountability, with many organisations looking at the potential to expand their operations. Adopting an integrated and structured approach to risk management will enable CHOs and COs to better meet the requirements of funders, set standards and grow a sustainable business which meets the needs of tenants and possible equity holders.

Why Manage Risk?

Business decisions usually involve trade offs that lead to different risks for management, employees, tenants and other stakeholders. Whilst day to day decisions entail few risks, long term strategic decisions involve higher levels of risk. Sound and effective implementation of risk management is part of good business practise and at a strategic level is a means to improve operational activity. Some of the benefits of managing risks in COs include:

- Fewer surprises
- Identifying and exploiting opportunities
- Improving planning, performance and effectiveness
- Improving decision making
- Enhanced reputation
- Protection of board and managers
- Accounting and assurance and governance and Personal well being.

Where to Start

A good start is to come along to the **Risk Management Seminar** co-hosted by the National Community Housing Forum (NCHF) and Shelter Tas in **Launceston on the 29th June 2006**. Shelter will be sending invitations to all members once venue details are finalised.

The author of the NCHF's new publication *Managing Risk in Community Housing Operation: Concepts and Tools* (Shelter will post a copy to all members once published) is a guest speaker along with the Executive Officer of a large rural community housing provider from NSW with over 450 properties across a wide area of Western NSW, who will talk about how the organisation reviewed and reworked its risk management practice in 2005 within the framework of the National Community Housing Standards.

The direction set by the Commonwealth and State Housing Ministers last year in the *National Sector Development Plan* is to enhance the Not For Profit Sector to provide more affordable housing. Community housing is expanding across Australia. With this new role for the not for profit sector comes risks and benefits for providers and consumers. The best way to deal with risks is to first identify them and exploit the opportunities they can offer for improving operational performance and enhancing organisational outcomes.

This is a great opportunity to learn more about risk management in community housing for providers and tenants. For more information advance notice of the seminar is posted on the web page see www.sheltertass.org.au or contact Shelter, we have a host of resources in our library, virtual or hardcopy.

Breaking Snippet

DHHS - Reforms

In December 2005 the new Secretary of Department of Health and Human Services, Martyn Forrest announced a new division of Health Services and Housing, consisting of Housing, Disability & Children and Families.

Last week more details were outlined under the **FIT Program** designed to effect comprehensive reform of the Agencies Governance Structure.

The current Division will be replaced by Groups. The 4 Groups will be:

1. Acute Health Services
2. Community Health Services
3. Shared Services
4. Human Services

which is made up of

- Housing
- Youth Justice
- Child and Families
- Disability Services

With the SAAP programme soon to join Housing.

Shelter is currently waiting for more information to be sent from Housing on these changes, we will forward to members when received.

Recommended Web Reading

Report: Motivators of Investors in the Private Rental Market

This AHURI study is essentially a qualitative study of rental investor's experiences, motives and actions, as well as perceptions of investors' behaviour among other key players in the rental market. See www.ahuri.edu.au/general/project/display/dspProject.cfm?

Shining the Light: Children in SAAP Family Agencies

Over the past 10 years awareness of accompanying children in SAAP agencies has grown. However, little attention has been paid to children as a particular group. The intention of the report is to do so. It is posted on the Shelter site see www.shelertas.org.au

Indigenous Housing: Assessing the Long Term Costs and the Optimal Balance Between Recurrent and Capital Expenditure

Another report by AHURI which analyses Indigenous Housing providing by both State owned and not for profit Indigenous Housing Organisations see www.ahuri.edu.au



If you do not have access to the internet and would like a copy of a document, please contact Shelter on (03) 6224 5488 and we will gladly provide the document for you.

Affordable Housing Organisation & Home Folio

In December 2005 the Premier Paul Lennon announced funding for the establishment of an Affordable Housing Organisation (AHO) for Tasmania. The funding was \$24 million over 4 years, together with access of up to \$35 million in Crown Land for the development of affordable housing, with the aim of constructing 700 new homes, which would then be leased by the AHO at a secure rate of return to investors, to provide affordable rental housing to Tasmanians on low incomes and living in housing stress.

The establishment of the AHO is expected to take some time. In the mean time with the initial tender, the **Home Folio** is designed to attract investors now. The tender is currently calling for submissions by developers interested in constructing affordable housing on Housing Tasmania owned and / or privately owned land. An evaluation panel has been established to assess the merits of the proposals.

To date, Shelter has not been involved in the Affordable Housing Organisation or the Home Folio tender. The Shelter Management Committee will be briefed on the Home Folio tenders at its June 2006 meeting. The Shelter Committee will then be in a position to pass more information on to members. Shelter has also spoken to the Chair of the AHO but we were informed that the organisation is still in establishment phase. There are still many questions yet to be answered, such as who will be housed, where the houses will be, what rents will be charged, how long can tenants stay, what level of subsidy will be provided to owners of properties, and what measures will be put in place to scrutinize the operation of the organisation and protect consumer rights. Shelter hopes to have answers to these questions, soon before the AHO is in business.

If you would like some more information on Home Folio you can download the tender documents from the Shelter web page www.shelertas.org.au. The timeline for having tenders in has now been extended to the 21st June 2006.

Shelter Tas Planning for 2006-9

Dear members,
Thankyou for responding to the 2006 Shelter Questionnaire. (If you have not filled out a questionnaire there is still time to do so just download a copy www.shelertas.org.au and fax it in to us) Preliminary findings have been very positive for Shelter as an organisation and have given the Shelter Management Committee some timely advice and ideas for Shelter's 2006-9 strategic plans and activities. With the newsletter ShelTashortz getting over a 90% approval rating. Full results of the questionnaire will be available soon.

WEB

In line with the results of the questionnaire and success of the Shelter Web site we are making some changes. We already have a new section called Hot Spots. We are planning for a Community Housing and Tenant Participation information page to be added soon. Take a look www.shelertas.org.au