

1 Purpose

1.1 Asset Management Framework

This procedure relates to section 4.3 of the Asset Management Framework (AMF), which should be read prior to initiating this procedure.

1.2 Contractual Agreement

Community Housing Providers (CHPs) on a Long Term Lease, being a lease of fifteen (15) years or more commencing on or after 1 January 2018, or any lease forming part of the Social Housing Management Transfer Program (the Long Term Lease), are required to plan and budget for Core Infrastructure Upgrades for NSW Land and Housing Corporation (LAHC) owned properties under their management.

2 Planned core infrastructure

2.1 Core Infrastructure Upgrades

Examples of Core Infrastructure upgrades include, but are not limited to:

- full systems replacements or majority upgrades, including all utilities which fall between the building footprint and the property boundary (or the continuation of utilities outside the boundary that connect with the main; and are not managed by a local utility provider)
- replacements or majority upgrades to lifts within multi-unit buildings, which provide access to a common area
- replacements or majority upgrades of roads/paths/parks owned by LAHC which are not dedicated as public road or public open space.
- replacement or majority upgrades to Building Essential Services (BES), relating to fire, electrical, mechanical, plumbing and/or building structure systems such as:
 - automatic fire detection systems
 - occupant warning systems
 - common solar or gas hot water systems
 - automatic fire sprinkler systems, fire hydrants & hose reels
 - heating, ventilation and air conditioning (HVAC) mechanical services
 - carbon monoxide monitoring systems
 - sewerage, storm water and sump pumps.
- Core Infrastructure upgrades must be maintained and upgraded as necessary, at the CHP's¹ cost, and planned for and budgeted in the CHP's Ten Year Asset Maintenance Plans and Annual Asset Maintenance Plans in accordance with the AMF.

¹ For CHPs on a Long Term Lease and subject to clause 11B of the Social Housing Management Transfer Lease issued prior to 2021.

3 Urgent core infrastructure

Where core infrastructure functionality is compromised and a CHP identifies the need for an urgent Core Infrastructure upgrade which cannot be planned, programmed and budgeted for under the Ten Year Asset Maintenance Plan and/or the Annual Asset Maintenance Plans, the CHP may provide LAHC with the details and requirements regarding the urgent Core Infrastructure Upgrade.

LAHC may discuss and agree with the CHP appropriate steps to be taken regarding the property and the urgent core infrastructure, including liability as to costs of the urgent Core Infrastructure upgrade; in accordance with the relevant clause of the Long Term Lease².

CHPs may elect to bring urgent Core Infrastructure upgrades to the attention of LAHC as part of the biannual engagement meetings detailed in section 9.2 of the AMF. In this instance it is recommended that all available details and requirements be sent to LAHC (no less than four weeks prior to the scheduled engagement meeting) via the mailbox: LAHC-CHPEnquiries@fac.s.nsw.gov.au.

4 Legislative requirements

Core Infrastructure upgrades are to be managed in accordance with (but not limited to):

- *NSW Environmental Planning and Assessment Act 1979*
- *NSW Protection of the Environment Operations Act 1997*

5 CHPs under the Short-Term Lease

CHPs under the Short Term Lease being a lease of three (3) years or less (Short Term Lease) are responsible for immediately making safe any core infrastructure that does, or may, impact their tenants and/or the public. The CHP is to notify LAHC of the incident via the LAHC mailbox at LAHC-CHPEnquiries@fac.s.nsw.gov.au within 24 hours of making safe the core infrastructure.

CHPs under the Short Term Lease are responsible for immediately making safe any core infrastructure that does, or may, impact their tenants and/or the public, and notifying LAHC of the incident.

CHPs managing properties under the Short Term Lease may also be requested by LAHC to provide an Annual Asset Maintenance Plan as stipulated in the AMF.

For the avoidance of doubt, LAHC is responsible for the cost of Core Infrastructure upgrades on LAHC-owned properties managed by CHPs under the Short Term Lease, other than where the need to undertake such works arises from:

- the negligence or wilful act of the CHP or their invitees, or
- an express requirement of the lease, such as where the works would be required in order for a CHP to fulfil their make good obligations.

² This procedure does not limit the obligations of the CHP as prescribed in the Long Term Lease and the Maintenance Engagement Deed, as applicable.

6 Enquiries

CHPs are welcome to direct any queries regarding urgent Core Infrastructure upgrades to LAHC via the mailbox: LAHC-CHPEnquiries@fac.s.nsw.gov.au. When the submission is complete LAHC Assets Division will liaise directly with the CHP.

The State of New South Wales through Department of Planning, Industry and Environment 2020. The information contained in this publication is based on knowledge and understanding at the time of writing (Jan 2020) However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date and to check the currency of the information with the appropriate officer of the Department of Planning, Industry and Environment or the user's independent adviser.
