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Asset Management Framework

for new NSW Land and Housing Corporation Social Housing
Properties Managed by Community Housing Providers

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Asset Management Framework

FOR NEW LAHC SOCIAL HOUSING MANAGED BY CHPs

This Asset Management Framework (AMF) applies to all social housing properties owned by the NSW Land and Housing Corporation (LAHC) where:

- the property was new at the commencement of the Lease
- maintenance is being managed by a Community Housing Provider (CHP).

It is to be read in conjunction with the relevant lease (Lease) applicable to the Site(s).

This AMF does not limit the obligations of the CHP as prescribed in the Lease.

The CHP acknowledges that three of LAHC's Asset Management Framework Operational Procedures form part of this AMF. These are the:

- Vegetation Management Operational Procedure
- Annual Fire Safety Statement Operational Procedure
- Notifiable Insurance Events Operational Procedure.

Details on compliance requirements are provided in relevant sections of the AMF.

Where this AMF applies, the AMF supersedes all other LAHC policies addressing the same subject matter unless expressly stated otherwise.

Table of contents

1	Introduction	5	8	Portfolio Requirements	23
1.1	The NSW Land and Housing Corporation	5	8.1	Introduction	23
1.2	Aim of the Asset Management Framework	5	8.2	Disaster Management	23
2	LAHC's Asset Life-Cycle Management	6	8.3	Environmental Sustainability	23
2.1	Introduction	6	8.4	Major incidents involving insurance assessments	24
2.2	Planning	7	9	Strata & Stratum Management	25
2.3	Program Design	8	10	Maintenance Plans	26
2.4	Program Delivery	9	10.1	Introduction	26
2.5	Evaluation	10	10.2	Annual Asset Maintenance Plan	26
3	Standards and Regulation	11	10.3	Ten Year Asset Maintenance Plan	26
4	LAHC Standards	12	11	Reporting and Review	27
4.1	Basic Provision Standards	12			
4.2	Maintained Benchmark Standards	14			
5	Condition standards for landscaping and common areas	15			
6	Property Assessment Survey (PAS)	16			
6.1	PAS Methodology	16			
6.2	Aggregated Portfolio Condition Score	16			
7	Maintenance Program Requirements	18			
7.1	Introduction	18			
7.2	Annual Compliance Statement	20			
7.3	Servicing Works	20			
7.3.1	Maintenance of Building Essential Services (BES) Asset Data	21			
7.4	Hazardous Materials	21			
7.4.1	Asbestos	21			
7.5	Quality Assurance, Audit and Trend Analysis	23			

1 Introduction

1.1 The NSW Land and Housing Corporation

The NSW Land and Housing Corporation (LAHC) operates under the portfolio and direction of the Minister for Water, Property and Housing and owns and manages the NSW Government's social housing portfolio.

LAHC seeks to ensure that the NSW Government's social housing portfolio meets the needs of current and future social housing eligible clients.

The NSW Department of Communities and Justice (DCJ) supports vulnerable people and families across NSW. In this role, DCJ strives to achieve its vision of empowering people to live fulfilling lives and to achieve their potential in inclusive communities through a number of initiatives.

1.2 Aim of the Asset Management Framework

LAHC aims to deliver and maintain more high quality social housing to meet social housing needs within the community. The community housing and private sectors play a significant role in achieving this objective by managing an increasing number of social housing properties.

This Asset Management Framework (AMF) forms part of the contracting arrangement for the management of social housing dwellings, where properties are under

long-term leases to CHPs and were new at the commencement of the Lease. This includes properties delivered through the Communities Plus and Community Housing Redevelopment (CHR) programs. LAHC seeks to ensure all of its assets leased under long-term leases are maintained to an appropriate standard throughout the term of the Lease and returned to LAHC in an appropriate condition (as required under the Lease or as otherwise agreed between the parties) at the conclusion of the Lease.

This AMF sets out the requirements and responsibilities for management and maintenance of social housing by the CHP. It also sets out how LAHC will support CHPs in this role.

The AMF applies to all LAHC-owned social housing properties being managed by CHPs where compliance with the AMF is required under the relevant Lease.

It is the foundation that ensures LAHC's property assets are aligned with social housing priorities, service delivery requirements and strategic goals, and it supports LAHC's asset life-cycle management approach for social housing properties.

The AMF is structured to facilitate the effective delivery of maintenance services by CHPs for the LAHC-owned social housing assets under their management.

2 LAHC’s Asset Life-Cycle Management

2.1 Introduction

LAHC seeks to provide social housing dwellings that:

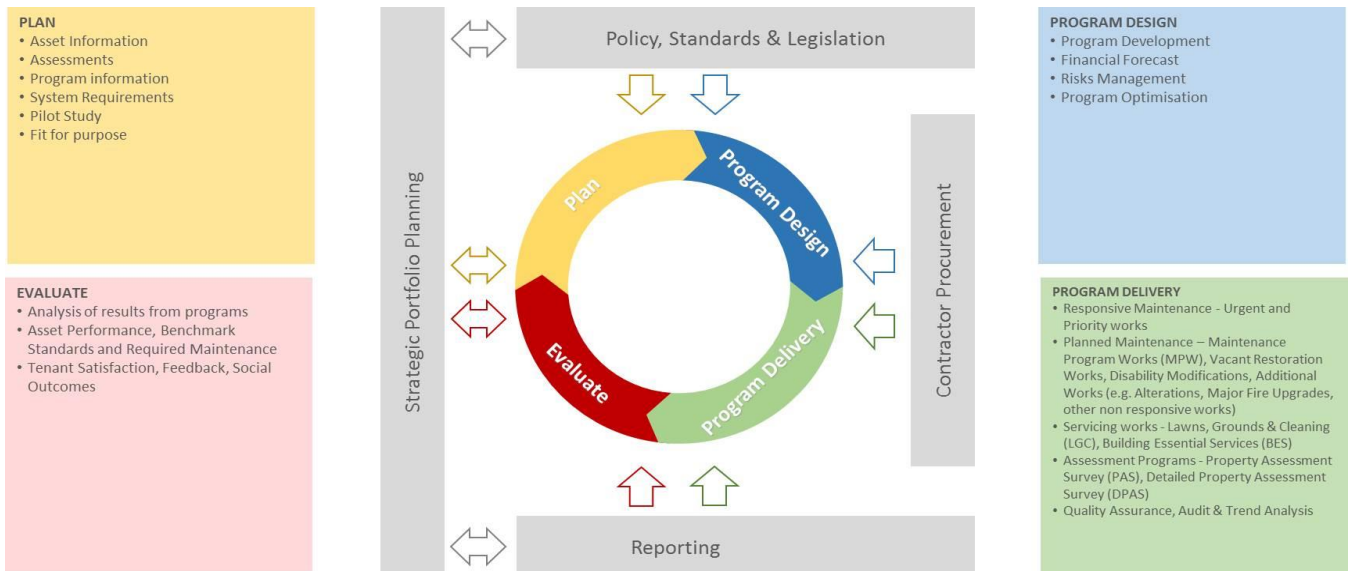
- function efficiently
- provide a safe and comfortable environment
- operate on a sustainable basis.

To deliver these outcomes, LAHC has developed a four-stage property asset life-cycle management approach, set out in **Figure 1** below.

An overview of each of the stages is provided in the following sections. As detailed in this AMF and the relevant Lease, some aspects of life-cycle management will continue to be undertaken by LAHC with input from CHPs, while other parts will be delivered by CHPs in their role as managers of the social housing properties.

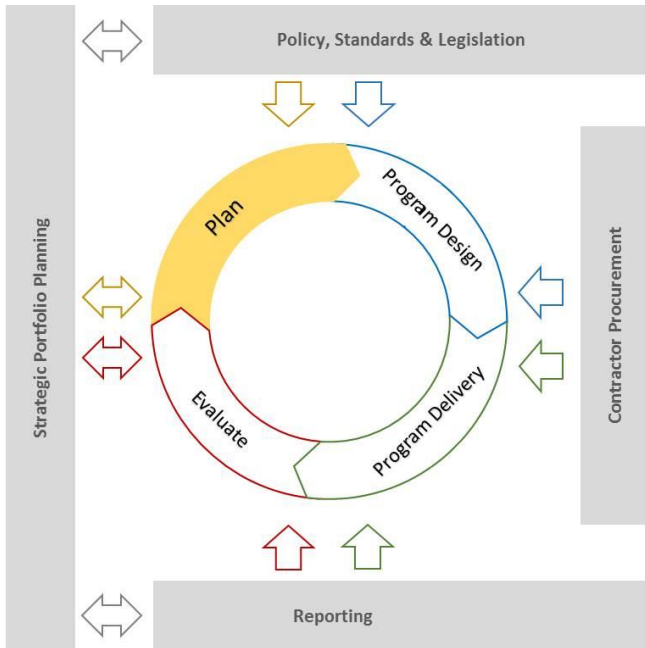
LAHC’s asset life-cycle management takes a cyclical approach with each stage informing the next. This delivers best value outcomes, ensuring the life of social housing properties is maximised.

Figure 1 | LAHC Asset Management Lifecycle



2.2 Planning

Figure 2 | Planning

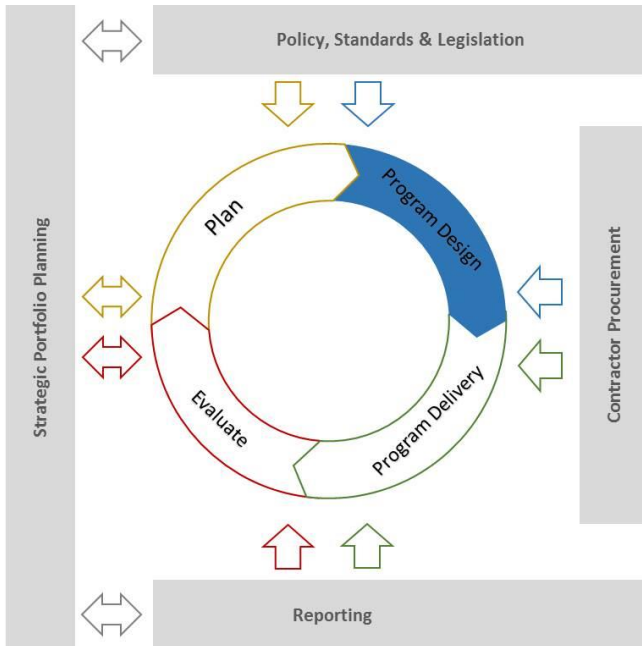


Key elements of the asset maintenance planning process include:

- collation and analysis of asset information covering location, status, costs and usage
- asset assessment including current and accurate condition, and functional and compliance assessments
- analysis of program information, ensuring all programs work as designed
- system requirements, assessment supports, service delivery and required maintenance, and identifies whether any system enhancements are required
- pilot study development, allowing for testing of financial and operational performance, status of the assets against maintenance regimens, and performance of systems support delivery and resource deployment
- fit for purpose assessment of assets to inform program design and program delivery
- input and collaboration with personnel from DCJ and LAHC frontline, policy and program development teams.

2.3 Program Design

Figure 3 | Program Design



Program design:

- enables the efficient and economic use of resources
- ensures strategies are converted into actions
- adopts a consultative approach with stakeholders in the planning of program activities
- provides a reference to ensure required activities are being undertaken
- makes sure investments occur on a timely basis and expenditure is effective and efficient
- identifies, mitigates and manages risks.

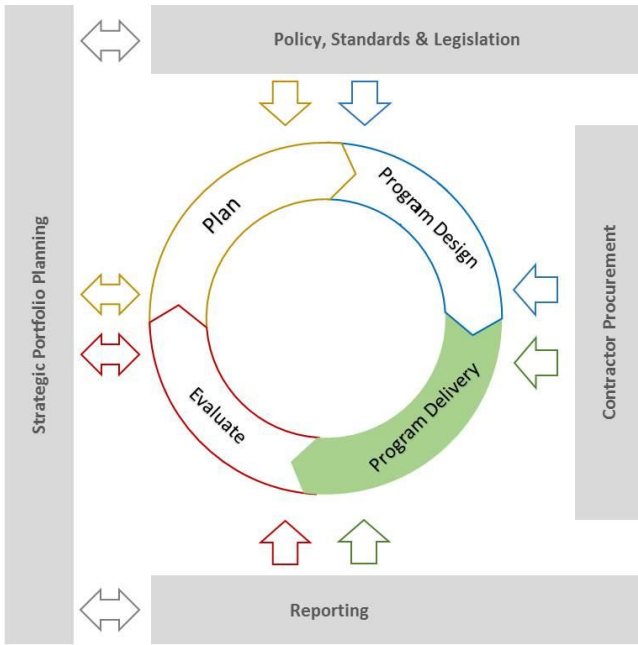
Key components of program design include:

- **Program development** - developing effective strategies for delivering programs, informed by the planning and evaluation stages of asset life-cycle management
- **Financial forecasting** - involving property reviews, business case development, and capital versus revenue expenditure forecasts
- **Risk management** - analysis of implementation and modelling risks
- **Program optimisation** - development of realistic programs that maximise performance against cost to deliver affordability, value for money and long-term benefits.

Maintenance program design will be carried out by CHPs.

2.4 Program Delivery

Figure 4 | Program Delivery



Program maintenance delivery should promote value for money and achieve dwellings that are clean, safe, and habitable in accordance with the Lease, LAHC standards and all legislative and statutory requirements, including the Residential Tenancies Act 2010 (NSW) (Residential Tenancies Act).

LAHC’s asset management and maintenance programs incorporate the following elements:

- **Responsive maintenance** - urgent and priority works
- **Vacant restoration works** - works to ensure that a property is in an appropriate condition for occupation by a new tenant
- **Planned maintenance** - evaluation, planning and design components of the life-cycle process, intended to ensure that properties are at LAHC’s Maintained Benchmark Standard (defined in Section 4.2)
- **Servicing works** - maintenance programs for lawns, grounds and cleaning (LGC), building essential services (BES), lift maintenance, security guarding/CCTV and fireline monitoring
- **Assessment programs** - programs for the assessment of property condition including the Property Assessment Survey (PAS, described in Section 6)
- **Quality assurance, audit and trend analysis** - assessments and reviews to ensure that life-cycle management objectives are being met in the delivery of maintenance
- **Reporting on works program planning and delivery** - collaborating with LAHC in planning meetings, and providing regular reports to ensure service delivery goals are met.

LAHC requires CHPs to implement a comparable program of planned maintenance, responsive maintenance, reporting and review that ensures properties meet the requirements of the Lease, LAHC standards and the requirements of the Residential Tenancies Act (and any other relevant legislation).

2.5 Evaluation

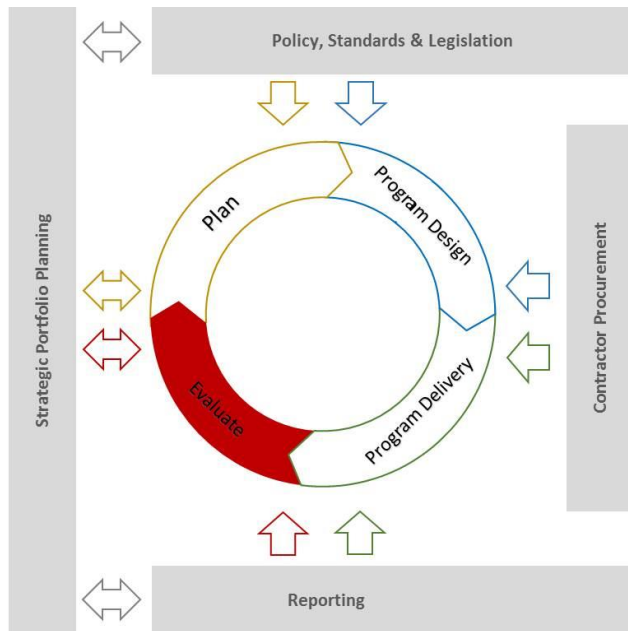


Figure 5 | Evaluation

Evaluation of the way in which maintenance impacts the condition and functionality of property assets (both individually and across the portfolio) is crucial in determining if program planning and program delivery are correctly structured, resourced and managed.

The key components of program evaluation involve:

- assessment of the effectiveness of maintenance programs based on PAS, local knowledge of the asset, assessment of property condition standards and required maintenance
- ensuring that tenant satisfaction with asset maintenance delivery is being achieved (via the Tenant Satisfaction with Maintenance Experience Survey detailed in Section 11.)

3 Standards and Regulation

CHPs are required to comply with all relevant legislative and statutory obligations including regulations, as amended from time to time, when managing LAHC-owned properties. These currently include, but are not limited to:

- Residential Tenancies Act 2010 (NSW) (Residential Tenancies Act)
- Disability Discrimination Act 1992 (Cth) (Disability Discrimination Act)
- National Disability Insurance Scheme Act 2013 (NDIS Act)
- Community Housing Provider (Adoption of National Law) Act 2012 (Cth) (CHP Act)
- National Regulatory System for Community Housing (NRSCH)
- The National Construction Code (NCC), which comprises the Building Code of Australia 2013 (BCA) and the Plumbing Code of Australia 2013 (the Plumbing Code)
- Environment Protection and Biodiversity Control Act 1999 (Cth) (EPBC Act)
- Heritage Act 1977 (NSW) (Heritage Act)
- Environmental Planning and Assessment Act 1979 (NSW) (EPA Act)
- Swimming Pools Amendment Act 2012 (NSW) (Swimming Pools Act)
- Strata Schemes Management Act 2015 (NSW) (Strata Schemes Act)
- Work Health and Safety Act 2011 (NSW) and the Work Health and Safety Regulations 2011 (NSW) (WHS legislation).

4 LAHC Standards

4.1 Basic Provision Standards

All LAHC properties must meet the basic provision standards established for LAHC's housing portfolio, which ensure that no dwelling is without services such as hot water to the kitchen and bathroom. The basic provision standards are set out in the tables below. CHPs are required to ensure that all LAHC-owned properties meet these standards at all times, where relevant to dwelling type.

Table 1 | Dwelling standards

Dwelling				
Security	Window locks, deadlocks as per existing policy for external front and rear doors (all property types)			
Safety	<ul style="list-style-type: none"> ▪ Smoke alarms in accordance with relevant policy and legislation ▪ Stove clips ▪ Key window locks on all windows. 			
Floor finishes	All dwellings to have finishes to floors waterproofed, with slip resistant finishes to wet areas (including vinyl sheet and paint) and carpet in cold climate towns (if not already provided)			
Telephone outlets	Only one telephone outlet required in dwelling and may be in any location			
Rooms	Hot & cold water	TV outlet	Power points	Fixtures
Kitchen	Yes	No	1x1, 2x2	Sink, benches*, drawer, stove
Bathroom	Yes	No	1x1	Basin, toilet, bath/shower
Laundry	Yes	No	1x2	Tubs, washing machine connection
Living	No	Yes	2x2	N/A
Main Bedroom	No	No	2x2	(Yes - for accessible housing only)
Other Bedrooms	No	No	1x2	N/A

Table 2 | Kitchen benches

*Kitchen benches			
Bench specification	Bench top area (excludes stove only, sink included)	Length for 600mm wide bench	Length for 450mm bench
Dwelling size			
Room (optional)	0.75 sq. metres	1.25 m	1.7m
Studio apartment	1.00 sq. metre	1.7m	2.2m
1 bedroom	1.20 sq. metres	2.0m	2.7m
2 bedroom	1.30 sq. metres	2.2m	2.9m
3 bedroom	1.45 sq. metres	2.4m	3.2m
4 bedroom	1.55 sq. metres	2.6m	3.4m
5 bedroom	1.75 sq. metres	2.9m	3.9m

Table 3 | Front yard

Front Yard	
Address	Letter box, street number, unit number if applicable
Access	Footpath to front door, minimum 900 mm wide, non-slip, no steep grades
Fencing	Cut-off fencing (if applicable)
Car	Nil

Table 4 | Back yard

Backyard	
Clothes drying	Drying line, length as follows: <ul style="list-style-type: none"> ▪ Small dwellings (bedsit and 1 bed) - 15m ▪ Medium dwellings (2 bed - 3 bed) - 20m ▪ Large dwellings (4 + bedrooms) - 35m.
Access	Footpath to drying line from rear external door and / or building complex, minimum 600 mm wide.
Fencing	Boundary fencing - secure, with side gate access between front and rear.
Other	1 x tap required for cottages, villas and townhouses 2 x taps required for common areas/building

4.2 Maintained Benchmark Standards

LAHC requires all of its residential properties to meet the Residential Tenancies Act (RTA) requirement for properties to be clean, safe and habitable, or equivalent legislative requirements applicable from time to time.

LAHC has developed Maintained Benchmark Standards to measure the performance of its property assets against the RTA. Under this condition rating system, properties are assigned a standard of Maintained, Well Maintained or Below Maintained based on property component condition and defect data, and the estimated cost of required maintenance¹. Data used to assess property performance is drawn from the LAHC Property Assessment Survey (PAS), outlined in Section 6.

Each of the Maintained Benchmark Standards (Well Maintained, Maintained and Below Maintained) indicate compliance with the RTA requirement for properties to be clean, safe and habitable or equivalent legislative requirements applicable from time to time.

The Maintained Standard is assigned where a dwelling has no major safety faults, no more than two major functional faults, and no more than three minor safety faults; and the total amount calculated to rectify identified safety and functional faults does not exceed \$5,848 for a cottage, townhouse or villa or \$3,695 for a unit (subject to annual CPI escalations)².

CHPs must comply with the terms of the Lease regarding the obligations imposed on them regarding the care of properties, and social housing properties achieving a Maintained Standard.

¹ Detailed definitions of each of the Maintained Benchmark Standards are available in 'An Overview of the Property Assessment Survey (PAS)' (the PAS Overview), which is available on request from LAHC.

² These values are correct as at November 2020, and escalate in line with CPI in June each year.

5 Condition standards for landscaping and common areas

To the extent that CHPs are responsible for the maintenance of common areas as defined and/or described under the Lease, these assets are to be maintained to at least 'Good Condition', as defined by relevant IPWEA (Institute of Public Works Australia) Practice Notes, as amended from time to time. Currently, the relevant Practice Notes are as follows:

- Practice Note 3 - Building Condition and Performance Assessment Guidelines (V2 2016. Refer Section 17.1).
- Practice Note 10.1 - Parks Management: Inventories, Condition and Performance Grading. (V1 2014. Refer Section 7.)

LAHC's consent may be required to obtain permits or development consent for tree removal or pruning. In these cases, CHPs shall comply with the Vegetation Management Operational Procedure.

CHPs are to maintain records of maintenance of landscaping and common areas (including building exteriors).

6 Property Assessment Survey (PAS)

The Property Assessment Survey (PAS) is a tool developed by LAHC to measure the condition and performance of LAHC's social housing dwellings, based on the condition of property components.

The PAS is designed to assess and promote compliance with the Residential Tenancies Act, which requires leased residential premises to be clean, safe, and habitable. As outlined in Section 4.2, data from the PAS is used to identify whether each property achieves a Well Maintained, Maintained or Below Maintained Standard.

CHPs will be required to commence undertaking the PAS three years after the commencement date of the first Lease. From this time, for all properties managed under the Lease, the CHP will be required to undertake the LAHC PAS for 100% of properties over a 3 year period, with between 30% and 36% of properties surveyed for any given year. Results of surveys undertaken will be required to be reported annually.

In the period before CHPs undertake the PAS, CHPs will identify and record any damage to social housing properties at least annually, as part of Annual Client Service Visits.

6.1 PAS Methodology

The methodology for conducting the PAS is provided in 'An Overview of the Property Assessment Survey (PAS)', which is available on request from LAHC.

The full PAS methodology is learned via LAHC-approved PAS training. The PAS may only be conducted by personnel accredited via this training. CHPs may access accredited contractors from a panel engaged by LAHC, or engage other contractors (including personnel associated with the CHP) who have successfully completed PAS training and accreditation.

6.2 Aggregated Portfolio Condition Score

In addition to the Maintained Benchmark Standards, PAS data is used to calculate two (numerical) condition scores:

- A Condition Grading Index (CGI) score – a measure of individual property condition, based on the condition of key property components, their criticality and the cost of replacing these key components. Details on calculation of the CGI are provided in the PAS Overview.
- The Aggregated Portfolio Condition Score (APCS) - an indicator of the overall condition of a group of properties, based on the average value of individual property CGI scores for the group. The APCS is scaled between 1 and 10 (1 being the worst and 10 the best).

The APCS is based on the average CGI scores of the social housing properties managed under the Lease (the CHP's portfolio). LAHC will calculate the APCS based on the PAS data submitted by the CHP each year.

LAHC requires CHPs to maintain the APCS across the properties under the Lease, as follows:

- For properties on a lease of 20 years or less CHPs are required to maintain an APCS of at least nine (9) for the first 10 years following commencement date of the first Lease in respect of the Site, and at least seven (7) in subsequent years, for the balance of the Term of the Lease and any holding over period.
- For properties on a 49-year lease CHPs are required to maintain an APCS of:
 - at least nine (9) for the first 10 years following the commencement date of the first Lease in respect of the Site
 - at least seven (7) from years 11 to 20 of the Lease, and
 - at least six (6) in subsequent years, for the balance of the Term of the Lease and any holding over period.

The condition of individual properties may vary over time, reflecting the nature of component life cycles; however, individual dwellings must achieve a CGI score of at least six (6) during the Term of the Lease and any holding over period, and the APCS must be maintained or improved, as specified in this AMF and the Lease.

7 Maintenance Program Requirements

7.1 Introduction

CHPs should ensure appropriate maintenance contracting arrangements are in place to deliver maintenance services in accordance with the terms of the Lease and this AMF.

CHPs must comply with the obligations under the Lease regarding property condition and property maintenance, including maintenance of LAHC social housing dwellings, and maintenance of common areas and infrastructure.

Maintenance programs should also support LAHC's asset life-cycle management approach. The CHP:

- is responsible for all maintenance required on LAHC social housing dwellings and common property as defined in the Lease, and for ensuring the safe and accessible habitation of LAHC social housing dwellings and their surrounds by social housing tenants
- must have an established set of criticality indicators with which to categorise all maintenance requests and issues. This will define the required timeframes for completion of responsive maintenance (defined in Table 5, below)
- must rectify any defect or issue which is a high hazard and/or risk to health and safety immediately with suitable risk elimination, so far as is reasonably practicable. If risk elimination is not reasonably practicable, immediate action must be taken to minimise risks to people and property
- must notify LAHC promptly in writing in the case of structural and core infrastructure defects, providing details of the defect and the risk management strategy implemented by the CHP
- must establish scheduled maintenance programs and budgets for all infrastructure, social housing dwellings and common areas, as identified, defined and/or described under the Lease
- must establish a responsive maintenance budget for all infrastructure, social housing dwellings and common areas, as identified, defined and/or described under the Lease
- will keep detailed records detailing:
 - issues raised regarding the property
 - requests for maintenance
 - actions taken to rectify identified issues
 - date of initiation and completion of corrective actions
 - costs of actions, both planned and responsive
 - warranties for all mechanical, electrical, solar, computer and other plant
 - Hazardous Materials and Asbestos management, in accordance with relevant legislation and Sections 7.4 and 7.4.1 of the AMF.

Without limitation, maintenance programs, budgets and issues registers must cover:

- the social housing dwellings
- the building structure, including sub and superstructures, foundations and waterproofing
- common area management³
- core infrastructure⁴.

Maintenance programs should provide for responsive and planned maintenance (described in Table 5 below).

Table 5 | Maintenance Types

Maintenance Type
<p>Responsive maintenance</p> <p>Repairs that are necessary to return a building, building component, core infrastructure asset or common area to a safe and functional level that provides safe and accessible habitation and use. These include any modifications for the purpose of disability support or accessibility, and routine repairs to address issues that cause tenant discomfort and/or could become a risk to health and safety if not undertaken. Indicative timeframes are as follows:</p> <ul style="list-style-type: none"> ▪ Urgent works – services required in response to a functional failure which results in an immediate risk to safety, health or security, or in response to an emergency or major incident/risk. Due to their criticality, these works are associated with very short response timeframes. ▪ Priority Works – services performed in response to functional failure of a component, or to address an immediate safety threat or security risk. These works should be undertaken within a short timeframe (e.g. between 24 and 48 hours). <p>Planned maintenance</p> <p>Planned maintenance includes inspections, testing and maintenance completed at a known frequency, and/ or upgrades. It ensures that buildings, building components, core infrastructure and common areas are continually maintained at or above the required standard and in compliance with legislative and statutory requirements; and that properties provide safe and accessible habitation. Planned maintenance includes:</p> <ul style="list-style-type: none"> ▪ all necessary servicing works, including but not limited to: <ul style="list-style-type: none"> ○ building essential services and statutory maintenance ○ lift maintenance ○ fireline monitoring ○ security / CCTV services ○ cleaning and rubbish removal ▪ all necessary landscaping works, including but not limited to: <ul style="list-style-type: none"> ○ lawns and grounds maintenance ○ tree and plant maintenance ▪ cleaning and rubbish removal ▪ preventative maintenance, upgrades and/or component replacements, including core infrastructure upgrades ▪ vacant restoration works ▪ disability modifications ▪ Annual Compliance Statements ▪ Property Assessment Surveys.

³ Common Area management includes the management of any infrastructure or assets required for accessibility and amenity for any tenant as per the relevant Lease.

⁴ Core infrastructure assets are all major assets or improvements shared at building or estate level, such as water and wastewater infrastructure, lifts, fire detection and suppression systems; heating and air-conditioning ventilation (HVAC) systems; and security access systems.

CHPs must determine the frequency of operations having regard to seasonal requirements and weather conditions to keep vacant land and landscaped areas maintained. In such cases, the various tasks must be carried out at whatever frequency is necessary to ensure a high standard of maintenance is achieved at all times.

All tree pruning must be carried out strictly in accordance with local tree preservation orders and any required approvals from the relevant local authority must be obtained prior to commencing such work.

7.2 Annual Compliance Statement

CHPs are required to undertake an Annual Compliance Statement (ACS) for each property managed under the Lease to ensure compliance with legislative and statutory obligations.

CHPs must provide annual certification that all buildings, core infrastructure and common areas managed under the Lease are compliant with legislative and statutory obligations, including obligations for:

- Smoke alarm testing, servicing and certification. 100% compliance per annum is required
- Smoke alarm replacement. 100% compliance with 10 year replacement timeframe (or earlier if specified by the manufacturer of the smoke alarm) is required
- Thermostatic mixing valves servicing and testing, where applicable
- Annual Fire Safety Statements, where applicable, covering each Essential Fire Safety Measure installed in the building as per Environmental Planning and Assessment Regulation.

CHPs shall comply with the Annual Fire Safety Statement Operational Procedure when preparing and submitting Annual Fire Safety Statements.

7.3 Servicing Works

Servicing works include routine maintenance programs for lawns, grounds and Building Essential Services (BES)⁵ assets such as; cleaning, lift maintenance, security / CCTV services and fireline monitoring. Servicing works ensure systems are receiving the cyclical maintenance required to meet statutory, specification and manufacturers' requirements.

Annual Asset Maintenance Plans should identify provisions for servicing works.

CHPs are also required to report on completion of statutory maintenance via annual updates to LAHC's BES Component Register (described in the following section). 100% compliance with legislative and statutory obligations is required.

⁵ Building Essential Services include, but are not limited to fire detection, alarm, extinguisher and suppression systems; electrical services; hot and cold water systems; sewerage, stormwater and sump pumps; backflow prevention devices; mechanical / HVAC systems; lightning protection; and other building components covered by statutory maintenance regimes.

7.3.1 Maintenance of Building Essential Services (BES) Asset Data

LAHC will provide a BES Component Register for the purpose of identifying the BES components at each property that require Servicing Works, in accordance with statutory requirements. CHPs are required to ensure the BES register remains up to date, and to provide annual updates to LAHC, in the format provided at the time. Should BES assets or components be installed or significantly altered, CHPs are also required to provide a copy of associated documentation, such as as-built diagrams and maintenance regimes, to LAHC.

BES components are bar-coded. CHPs must ensure bar code numbers are recorded for each component contained on the BES Component Register and replace bar codes where necessary (e.g. where components are replaced).

7.4 Hazardous Materials

Hazardous materials include lead paint, hazardous chemicals (as defined in WHS Legislation) and any other contaminant in or on properties or in or on the land on which properties are built that is likely to cause a risk to the health and safety of persons. Asbestos is covered separately in the following section.

Where hazardous materials are present, CHPs are required to provide LAHC with a Hazardous Materials Report⁶, or update any existing Hazardous Materials Report. This is to be updated and used to inform maintenance planning through the period of the relevant Lease.

All costs associated with the management of, removal of and/or containment of Hazardous Materials present at or on the properties during the term of the Lease (whether identified in Hazardous Materials Reports or not) are to be borne by the CHP. As part of the asset maintenance planning and management process CHPs must:

- take any Hazardous Materials recorded in the Hazardous Materials Reports into account
- in planning, managing and arranging the delivery of maintenance services, take all reasonable, practical steps to eliminate, or if elimination is not reasonably practicable, to minimise the risks to health and safety so far as reasonably practicable, from the Hazardous Materials in accordance with all relevant legislative obligations
- report contamination (where contamination is significant enough to warrant regulation) to the NSW Environment Protection Authority (EPA) as required by the Contaminated Land Management Act 1997 (NSW). The requirement for reporting is triggered when the CHP or CHP's representative 'ought reasonably to have been aware' of the contamination
- include updated Hazardous Materials Reports in the Annual and Ten Year Asset Maintenance Plans and detail the activities for monitoring and management of Hazardous Materials at all properties.

7.4.1 Asbestos

In its management of asbestos, LAHC requires CHPs to ensure that all reasonably practicable steps are taken to eliminate, or if elimination is not reasonably practicable, to

⁶ Means the Hazardous Materials Report and the Contaminated Land Register.

minimise the risk of people's exposure to asbestos and its fibres. Containment has been demonstrated to minimise the risks to health and safety arising from asbestos and should be adopted by CHPs as a control measure (where possible and appropriate) when managing properties that contain asbestos.

Where it becomes evident that asbestos is present, CHPs are required to inform LAHC and update LAHC's Asbestos Register⁷. This is to be updated and used to inform maintenance planning throughout the Lease.

All costs associated with the management of, removal of and/or containment of Asbestos present at or on the properties during the term of the Lease (whether identified in Asbestos Reports or not) are to be borne by the CHP.

As part of the asset maintenance planning and management process CHPs must:

- comply with the relevant Acts, Regulations and Codes of practice related to asbestos management and safety
- develop their own Asbestos Management Plan for compliance with the WHS Regulations, ensuring it aligns with their Asset Maintenance Plan
- investigate, prepare, and act on reports of any property issues which may expose Asbestos Containing Materials (ACM); manage actions related to working with ACM; and take reasonable, timely and practical actions to protect the health of all parties involved
- ensure any maintenance or demolition work on properties that may have ACM is done safely by appropriately qualified and licensed contractors, using safe work methods and having appropriate supervision of work, in compliance with all relevant legislative obligations.

If the CHP becomes aware of the presence of asbestos on the Properties during the term of the Lease, the CHP must:

- ensure the asbestos is reported and recorded in the CHP's system(s) for recording the presence of asbestos in a property
- notify LAHC in writing as soon as possible of the probable or actual identification of asbestos at or on a property
- organise an asbestos consultant/NSW Asbestos Assessor to confirm the presence of asbestos and advise on appropriate risk management and control strategies
- follow advice from the asbestos consultant
- arrange for the carrying out of all asbestos-related works and advise LAHC that the works have been completed, with appropriate clearances provided.

⁷ LAHC's register of known asbestos or ACM present in or on its properties. A copy will be provided on request, should this be relevant to a CHP's operations.

7.5 Quality Assurance, Audit and Trend Analysis

CHPs must implement processes of confirmation and verification within their quality assurance regime, where the findings of ongoing audits and monitoring are used to ensure that life-cycle management objectives are being met.

8 Portfolio Requirements

8.1 Introduction

There are a number of portfolio-wide activities, including wide-scale service disruption management, environmental sustainability and insurance activities for which CHPs should develop an approach and plans.

8.2 Disaster Management

A Disaster Management Plan (DMP) must be prepared by CHPs to ensure a precise, coordinated response that ensures the safety and well-being of tenants in any major disaster, including:

- flooding, storms, bushfires and pandemics
- major incidents, such as emergencies in high and medium-rise buildings.

The DMP must include preventative programs, preparedness measures, response arrangements and the coordination of immediate and ongoing recovery measures. These will optimise the CHP's response at a local level, and facilitate a seamless and concurrent interaction with LAHC and other organisations for rapid response and recovery to business as usual.

8.3 Environmental Sustainability

CHPs are encouraged to develop innovative approaches that improve the personal and social wellbeing of tenants; reduce energy, water and living costs; reduce environmental risks and continually improve environmental performance.

Strategies may include:

- water and energy efficiency measures that reduce energy and water usage and costs for social housing tenants
- industry leading water and energy efficiency measures
- proactively managing environmental risks and implementing risk reduction strategies
- minimising environmental impacts from maintenance.

Where environmental sustainability improvements result in a change to the property (for example, photovoltaic cells) information should be provided to LAHC annually in order to update its Asset Register.

For LAHC-owned properties, physical improvements may first require the consent of the owner. Please refer to the lease in the first instance.

8.4 Major incidents involving insurance assessments

Where a property suffers extensive damage, the CHP should liaise with LAHC directly and promptly to streamline the insurance process and lessen unnecessary delays. In the event of an emergency, such as a fire, the managing CHP has immediate health and safety responsibilities with respect to their tenants/clients and other persons in the vicinity of the property, as well as property management obligations.

A CHP is immediately required to inform LAHC of any significant damage to a property as the result of a major incident, and the actions taken to ensure the risks posed to residents and the public have been mitigated. These may include securing the property, reporting on affected asbestos and forensic requirements (if any), and arranging site fencing and disconnection of services, where necessary.

For additional information regarding insurance claims and major incidents, CHPs should refer to relevant sections of the Lease and the Notifiable Insurance Events Operational Procedure.

9 Strata & Stratum Management

Should any dwellings be strata or stratum-titled the following conditions will apply.

In order to comply with section 186 of the Strata Schemes Act, CHPs are required to provide each tenant with a copy of the by-laws and any Strata Management Statement (SMS) within 14 days of:

- (a) A new tenancy agreement commencing; or
- (b) A change in the by-laws or SMS during the term.

The CHP should endeavor to issue the tenant with a copy of the by-laws and SMS at the same time it provides the tenant with the final signed tenancy agreement. The CHP is also required, pursuant to section 258 of the Strata Schemes Act, to provide written notice to the Owners Corporation within 14 days after a property is leased or subleased, or on assignment of any lease or sublease, subject to LAHC being able to rely on the Privacy and Personal Information Protection Act 1998 (NSW) as an exemption to the obligation. The exemption is to be discussed by the CHP on a case by case basis.

The CHP must also comply with the relevant terms of the Lease in relation to its management of strata and stratum properties owned by LAHC.

10 Maintenance Plans

10.1 Introduction

LAHC is responsible for strategic asset management across the entire LAHC portfolio. To support this objective, CHPs are required to submit and carry out Annual and rolling Ten-year Asset Maintenance plans to inform LAHC of the CHP's maintenance activities, in order to satisfy their obligations to provide safe, clean and habitable housing.

10.2 Annual Asset Maintenance Plan

CHPs are required to provide an Annual Asset Maintenance Plan to LAHC. LAHC will provide a template to CHPs, detailing the information required. Plans will include, but not be limited to, the following key information:

- management processes for conducting responsive maintenance
- responsive and planned maintenance priorities
- building and services plans
- summary reports
- maintenance recommendations
- budget
- actual expenditure compared to prior year forecast
- spreadsheet(s) covering the required information.

10.3 Ten Year Asset Maintenance Plan

CHPs are required to provide a rolling Ten Year Asset Maintenance Plan to LAHC each year. The plan is to identify how maintenance plans and strategies will maximise the portfolio life and minimise and manage the requirements for structural repairs.

LAHC will provide a template to CHPs, detailing the information required. Plans should include, but not be limited to, the following key information:

- planned and preventative maintenance methodology
- building and services plans
- summary reports
- details of the activities for monitoring and management of Hazardous Materials at all properties, for the purpose of mitigating risks to the health and safety of occupants
- maintenance recommendations
- budget
- spreadsheet(s) covering the required information
- priority and budget for core infrastructure and other upgrades.

Both plans will be reviewed by LAHC, and (where relevant) LAHC may seek clarity regarding CHPs' methodologies for achieving agreed maintenance and asset management outcomes.

11 Reporting and Review

CHPs must comply with the reporting, compliance and performance requirements detailed in the following pages. Reporting to LAHC will include:

- historical information from the previous year, including maintenance completed, disability modification improvements and details of property condition assessments
- forward planning information, as evidence that CHPs are addressing their short and long-term obligations to ensure LAHC properties are compliant with statutory requirements and asset standards, and that required maintenance is being prioritised. This should comprise responsive, planned and preventative maintenance methodologies and programs, including timing for delivery of maintenance; and processes and procedures for maintenance delivery, in accordance with legislative and statutory obligations
- additional unit-level data on assets - required by LAHC to satisfy Treasury, strategic and operational requirements. This will also act to reconcile LAHC, CHP and CHP property data and identify anomalies for further action and resolution.

The following documents provide information on reporting for CHPs:

- the Community Housing Contract Compliance and Performance Management Framework (CHCCPMF)
- the Community Housing Contract Compliance and Performance Management Framework Data Collection and Reporting Guidelines, which provides guidance on submitting data and reporting under the CHCCPMF.

These documents are available on the DCJ website, and CHPs are required to adhere to their requirements, as amended from time to time.

Table 6 (following page) provides the reporting requirements and frequency.

Table 6 | Reporting Requirements

Reporting components	CHP Obligation	Frequency	Purpose of Information
Annual Asset Maintenance Plan	A detailed report that details maintenance performance in the previous 12 months and the strategies and plans for upcoming maintenance delivery in the 12 months covered by the Plan. LAHC will provide an Annual Asset Maintenance Plan template which will define the structure and minimum requirements for this Plan.	Annually	Provides evidence of CHP performance against the planning and prioritisation of maintenance in order to satisfy their obligations to provide safe, clean and habitable housing.
10-year Asset Maintenance Plan	A rolling 10-year plan, updated annually, that provides a strategic long- term view of maintenance, with the aim of ensuring the portfolio life is maximised and structural repair requirements managed and minimized. LAHC will provide a 10-year Asset Maintenance Plan template which will define the structure and minimum requirements for this Plan.	Annually	Provides evidence of CHP planning and prioritisation of maintenance in order to satisfy their obligations to provide safe, clean and habitable housing.
Statutory maintenance (Servicing Works)	100% compliance with legislative and statutory obligations for statutory maintenance is required. CHPs are required to: <ul style="list-style-type: none"> ▪ report the % of the portfolio that is compliant ▪ document completed testing, inspections and maintenance via updates to the BES Register (refer to specific requirements for 'Updates to the BES Component Register'). 	Annually	Legislative and statutory obligations to ensure properties are safe, clean and habitable.
Annual Compliance Statement	% of portfolio that is compliant, as defined in Section 7.2. Signed certification from CHP's Board (for all compliance requirements): <ol style="list-style-type: none"> 1. 100% compliance for smoke alarm servicing is required. Unit level data is required for each property including: <ol style="list-style-type: none"> a. PRN b. Address c. Date of last smoke alarm service 2. Smoke alarm replacement. 100% compliance with 10 year replacement timeframe (or earlier if specified by the manufacturer of the smoke alarm) is required. Unit level data is required for each where replacement occurs including: <ol style="list-style-type: none"> a. PRN b. Address c. Replacement date 	Annually Annual requirement, reported quarterly	Legislative obligations to ensure properties are safe, clean and habitable.

Asset Management Framework

FOR NEW LAHC SOCIAL HOUSING MANAGED BY CHPs

Reporting components	CHP Obligation	Frequency	Purpose of Information
	<p>3. Annual Fire Safety Statement (AFSS), where applicable, for each Essential Fire safety Measure installed in the building.</p> <p>4. Thermostatic mixing valve servicing and testing.</p>		
Property Assessment Survey	<p>Provide PAS survey data to LAHC for each property surveyed.</p> <p>100% of properties are to be PAS assessed every 3 years. (This can be achieved through undertaking a PAS on a minimum of 30% of the portfolio in any year, provided that any shortfall below one third is caught up in the next financial year, with a maximum of 36% for any given year.)</p> <p>Maintain a CGI score of at least six (6) for individual dwellings during the term of the Lease and any holding over period.</p> <p>For properties on a lease of 20 years or less maintain an Aggregated Portfolio Condition Score of at least:</p> <ul style="list-style-type: none"> ▪ Nine (9) for the first ten years following the commencement date of the Lease and ▪ Seven (7) in subsequent years. <p>For properties on a 49-year lease maintain an Aggregated Portfolio Condition Score of at least:</p> <ul style="list-style-type: none"> ▪ Nine (9) for the first ten years following the commencement date of the Lease ▪ Seven for years 11 to 20 of the Lease and ▪ Six (6) in subsequent years. 	<p>Annually</p> <p>(Reporting is to commence in the 4th year of the Lease.)</p>	<p>Provides data necessary for valuing assets in a way which satisfies Treasury requirements.</p>
Updates to the Building Essential Services (BES) Component Register	<p>Update the BES Component Register to reflect:</p> <ul style="list-style-type: none"> ▪ the current configuration of BES assets and systems ▪ current barcodes associated with BES assets ▪ completed testing, inspections and maintenance. <p>Provide any associated documentation, in accordance with statutory requirements. (E.g. as-built diagrams and statutory maintenance regimes).</p>	<p>Annually</p>	<p>Ensures LAHC holds a complete, accurate and up-to-date record of BES assets, including testing and servicing dates, to support statutory compliance.</p>
Disability modifications	<p>Report on:</p> <ul style="list-style-type: none"> ▪ Value and type of modifications (for each property modified) ▪ Source of funding 	<p>Annually</p>	<p>Enables modifications to be recorded against relevant funding sources.</p>

Asset Management Framework

FOR NEW LAHC SOCIAL HOUSING MANAGED BY CHPs

Reporting components	CHP Obligation	Frequency	Purpose of Information
Asset failure	Number of properties with structural damage notified to LAHC.	Annually	Legislative obligations to ensure properties are safe. Understand CHP responses to structural risk.
Disaster Management Plan	<p>A detailed plan that shows the CHP response to potential disasters, including but not limited to:</p> <ul style="list-style-type: none"> ▪ flooding, storms, bushfires and pandemics ▪ major incidents. <p>The DMP must include preventative programs, preparedness measures and response arrangements.</p>	Annually	Provides evidence of CHP compliance with insurance obligations.
Tenant damage	Total \$ amount of tenant damage identified, and amount verified and accepted by tenant or NCAT.	Annually	Provides evidence of CHP planning and prioritisation of maintenance in order to satisfy their obligations to provide safe, clean and habitable housing.
WHS Report & Insurance Report	<p>WHS Certification</p> <p>Insurance cover/policy: Certificates of Currency for all insurances required under Lease to be provided</p>	Annually (or more frequently if requested by LAHC)	Provides evidence of CHP compliance with the WHS Legislation and its insurance obligations.
Lodged Insurance claims	Number of LAHC owned properties that were the subject of lodged insurance claims.	Annually	Provides evidence of LAHC properties subject to insurance claims
Tenant Satisfaction with Maintenance Experience Survey	The CHP must achieve a minimum 85% tenant satisfaction rating for maintenance experience throughout the term of the Lease. Tenant Satisfaction must be measured by an independent survey, based on 5% of post completion Work Instructions per month.	Quarterly	Aligns with Future Directions objective to improve the tenant experience.
Incorporate practices in environmental sustainability and innovation	Report on sustainability initiatives, practices, and/or grants.	Annually	Capital improvements can be recorded in the LAHC Asset Register, which may impact asset valuations required by Treasury.

Reporting components	CHP Obligation	Frequency	Purpose of Information
Valuation Property Elements NOTE: This requirement is currently satisfied by the PAS. It is retained as a requirement in case of any future operational changes.	Property identifier, address, other locational data, number of bedrooms, housing type and program purpose, floor level, level access, suitability for tenants with disabilities, other alterations Property aspect, interior and street appeal (poor, moderate, good), indicative yard size, approximate dwelling size, and car accommodation (small, medium, large)	Upon request	Valuation Property Elements are a Treasury reporting requirement.

Note: Unit-level data requirements may change. Specific data requirements and file format/ template will be provided to CHPs prior to the commencement of the Lease.



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