Housing Registrar Report 2014–15
## Contents

<table>
<thead>
<tr>
<th>The Housing Registrar</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our mission</td>
<td>1</td>
</tr>
<tr>
<td>Our vision</td>
<td>1</td>
</tr>
<tr>
<td>Four key objectives</td>
<td>1</td>
</tr>
<tr>
<td>Message from the Registrar</td>
<td>2</td>
</tr>
<tr>
<td>The year in review</td>
<td>3</td>
</tr>
<tr>
<td>Our team</td>
<td>8</td>
</tr>
<tr>
<td>The registered sector</td>
<td>10</td>
</tr>
<tr>
<td>The registered sector</td>
<td>12</td>
</tr>
<tr>
<td>as at 30 June 2015</td>
<td></td>
</tr>
<tr>
<td>Snapshot of the sector</td>
<td>13</td>
</tr>
<tr>
<td>Financial data</td>
<td>15</td>
</tr>
<tr>
<td>Summary financial statements</td>
<td>17</td>
</tr>
<tr>
<td>Spotlight on a newly registered agency</td>
<td>19</td>
</tr>
<tr>
<td>Innovation in the sector</td>
<td>20</td>
</tr>
<tr>
<td>The future</td>
<td>24</td>
</tr>
<tr>
<td>With thanks/acknowledgements</td>
<td>28</td>
</tr>
</tbody>
</table>
The Housing Registrar

Our mission
To protect social housing assets and ensure quality services to tenants by regulating well governed, well managed and financially viable rental housing agencies.

Our vision
A robust, vibrant regulated housing sector that grows affordable housing for the Victorian community.

Four key objectives
> ensure that all housing agencies are viable, well governed and properly managed;
> protect and ensure accountable use of government assets managed by the affordable housing sector;
> build confidence in the private sector to invest in and grow affordable housing; and
> ensure quality and continuous improvement in service delivery and outcomes for tenants.

The regulatory framework supports and promotes best practice while identifying and addressing poor performance.
Welcome to our eighth annual report and the second in the new streamlined format, supported by sector dashboards and the detailed statistical analysis on Data.Vic.

Much like last year, we have seen very modest growth in the sector with just under 300 new homes created, taking the total number of units to 19,284, valued at more than $2.7 billion. The 41 registered agencies who provide much needed affordable housing and services employ 1,275 people.

One of the biggest changes this year was the start of a new set of Performance Standards on 1 July 2014. Our Standards are informed by our Evidence Guidelines, and now incorporate the National Regulatory Code, which underpins the National Regulatory System for Community Housing (NRSCH). The introduction of the new Standards also gave us the opportunity to remove some of the performance measures we collect. The second biggest change was the decision to replace our IT system, REGIS, with a new system, CHiMES, built on Salesforce (the same platform used in the NRSCH). These two pieces of work complete Victoria’s alignment with the national system. I also continue to work with the Registrars in other jurisdictions who are keen to learn from the wealth of regulatory experience that we have to offer.

We have seen some changes in the Housing Registrar team, with some people moving on and new faces appearing. A new structure was introduced, with generic regulation teams headed by a Regulation Manager. I would like to thank all staff for their hard work in what has been a demanding year. In particular, building a new IT system was a major challenge and everyone worked very hard to make sure we got it right.

This year we saw another merger, with Hanover Welfare Services and HomeGround Services merging to create a new housing provider – Launch Housing.

We applied the principles of continuous improvement by producing guidance for those moving from housing provider to housing association status, corporate group structures, reportable events and the asset register.

Our relationship with the Department of Health and Human Services (DHHS) continued to flourish with active participation in our regular protocol meetings. I am grateful to the Registrar’s Advisory Panel, which provided guidance for me on some difficult regulatory issues during the year, as well as a new registration.

Over the years we have consistently received a number of complaints and enquiries from tenants, residents and the public. We issued new guidance around complaints management, which has proved useful for all, and also held specialist training sessions for staff. It is encouraging to see that in the majority of instances agencies are able to remedy problems without formal involvement by the Registrar.

Given the move to the General Lease for many agencies and the greater responsibility it brings in respect of asset management, we undertook research into best practice, which will inform guidance for the sector.

Despite the limited growth in terms of numbers we are able to focus on two magnificent developments by Port Phillip Housing Association and Common Equity Housing Limited. Both are innovative, well designed and a credit to the sector but most importantly have brought about amazing changes to people’s lives. My sincere thanks to Anne and Graham, Bree and Bily for sharing how their new homes have transformed their lives.

Yours sincerely

Anthony Hardy
NRSCH alignment

A major change was the introduction of new Performance Standards that incorporated the National Regulatory Code, which forms an important part of the NRSCH. This means that while Victoria is not fully participating in the NRSCH we are aligned to the NRSCH.

We commenced building a new regulatory management and workflow system using Salesforce, the software platform used in the NRSCH. This will replace REGIS, which was introduced in 2007 and is due for updating. A major focus for the year was determining the business requirements and functional specifications for the new system. This will allow our new Community Housing Information and Engagement System (CHiMES) to be ready for roll out for 2014-15 agency reporting. We welcomed Katrina Pantazopoulos back to the Housing Registrar as project manager for this process.

The Registrar continues to participate in national Registrars’ Forums and associated meetings, providing opportunities for exchanging advice and guidance across jurisdictions.

We have also introduced new guidance on corporate group structures, which assists agencies working interstate and interstate agencies seeking registration in Victoria.

Regulation in practice

A significant part of our ongoing work each year is direct engagement with all registered housing agencies. This engagement aims to assure agencies are complying with Performance Standards and other legislative requirements, as well as demonstrating continuous improvement in their operations and performance. Where this is not the case we work closely with agencies to rectify any issues, and have considerable powers to intervene if required.
**Annual regulatory reviews**

Forty-one annual reviews were completed, all of which were delivered within set timeframes. One agency was in the process of deregistering at year end, following its merger with another registered agency, and was not required to submit any reporting.

Reviews are comprehensive and require the regulator to examine:

> annual reporting received from the agencies;
> progress against improvement objectives determined from the previous year’s review;
> evidence of compliance that agencies have uploaded in REGIS (soon to be CHiMES), including policies, procedures and reports on project outcomes or improvement initiatives undertaken;
> feedback from the DHHS on agency performance against leases held with the Director of Housing (DoH) and/or on progress of capital development projects in which the DoH has an interest; and
> our non-routine contact with the agency in the past year following up complaints, issues and other matters of concern, and the outcomes of these.

The new reporting format introduced last year comprises a one-page compliance and performance assessment, together with a list of key performance measures (KPMs) and financial metrics comparing an agency’s results with its previous year results, and with peer agencies. Where an agency is assessed as not meeting a Performance Standard or a legislative requirement an explanation of the reasons for the judgement is included as an attachment.

Further information regarding the annual review process is available in the updated Our Regulatory Framework publication, available on our website.

**Data validation**

In 2013-14, in order to improve the quality of reporting to the Housing Registrar, we initiated a series of checks of selected agencies through data validation. Agencies are selected using a risk-based approach, which identifies those agencies experiencing issues completing the annual asset reconciliation process, finalising KPMs data or complaints data during the latest reporting period.

In 2014-15 we selected Women’s Housing Limited and Common Equity Housing Limited for review.

Final reports with findings and recommendations were issued in August 2015, and focussed on how to improve reporting to the Housing Registrar. We require each agency to develop an action plan that addresses all recommendations. Common issues included multiple systems being used for the one type of data (for example, property assets), missing data fields required for reporting, reliance on one staff member’s knowledge and expertise, lack of written instructions or guidelines, and many manual calculations with little or no records of these kept.

This work continues to enable real improvements in data quality and accuracy.

**Sector engagement and communication**

**Guidance documents**

**Housing provider to housing association**

The Housing Registrar revised its information sheet for housing providers seeking to change the category of their registration from housing provider to housing association. The updated guidance takes account of the changes in the financial, political and policy environment over the past five years and recognises the increasing professionalism within the sector.

**Corporate group structures**

We have had a number of subsidiary arrangements operating in Victoria for some time now. Following the introduction of the NRSCH, we were aware that an increased number of Victorian agencies may wish to work interstate and interstate organisations may seek registration in Victoria. This, coupled with our new Performance Standards and Evidence Guidelines, prompted a review of how these arrangements should be governed and managed. The guidance document promotes best practice in the sector by identifying the expectations of the Victorian regulator in relation to corporate groups and their operation in Victoria.
Assets/complaints jurisdiction
Registered housing agencies have considerably expanded the range and geographic spread of rental housing properties under management since the introduction of sector regulation in 2005. Accordingly, the Housing Registrar developed guidance on the housing assets required to be listed within the agency register and those tenants and prospective tenants whose complaints may be referred to the Registrar. This guidance clarifies Registrar requirements given the Housing Act 1983 does not deal with these issues explicitly.

Reportable events (reviewed)
We reviewed our guidance on reportable events, following agency feedback requesting more information on what constitutes a reportable event. In conjunction with the development of CHiMES, we extended the list of events occurring in an agency that need to be reported to the Housing Registrar.

Sector imagery
We commissioned Mark Farrelly Photography to refresh the Housing Registrar’s portfolio of photos. The assignment was undertaken during June and July 2015, providing a new suite of photos for use in our publications including the Housing Registrar report and EQUIP, as well as our website.

We now have a set of images that visually display the changes and developments in the sector since the previous photos were taken back in 2011. The images include themes such as tenants in their home setting, staff providing services to tenants/prospective tenants, agency offices and housing developments. The new photos are taken from various geographic areas, agencies, housing types, tenant groups, and property exteriors and interiors.

Regulatory forums
Biannual regulatory forums were held in December 2014 and June 2015. Each was attended by more than 60 representatives from the registered sector.

The December forum covered a number of topics, including:
> a discussion of various key Housing Registrar projects, including the alignment process with the NRSCH and three significant internal guidance documents under development [as discussed previously];
> a case study presentation from Haven; Home, Safe on the agency’s recent merger with North East Housing Service; and
> an update from the Community Housing Federation of Victoria, including a discussion of sector specific matters.

The June forum included:
> a discussion from the Housing Registrar on upcoming reporting changes as a result of the NRSCH, including revised Evidence Guidelines and the new community engagement Performance Standard, as well as updates on other current projects, including data validation and Data.Vic;
> a presentation on the Common Housing Register initiative from a DHHS representative; and
> two presentations from the registered sector, including St Kilda Community Housing on their initiative to introduce solar power for community housing, and Eastern Suburbs Rental Housing Co-operative discussing their latest housing development.

Newsletter
Our EQUIP newsletter was published in September and December 2014, and in February and May 2015. Along with Housing Registrar news items, we sought input from registered housing agencies on new initiatives and developments, including the launch of the Rooming House Survival Guide (St Kilda Community Housing) and the opening of Sunbury Gardens rooming house (VincentCare Community Housing). Copies of past editions can be found on our website.
Building internal capability

Our staff

In March 2015 we restructured the Housing Registrar into three regulatory teams, each responsible for the financial and operational regulation of a portfolio of registered agencies. The restructure reduces duplication of activities and provides greater clarity to agencies. Furthermore a number of registered agencies now have one regulator who deals with both financial and non-financial regulatory engagement. Other non-regulatory roles, including the specialist roles of sector data analysis and communications, were distributed between the teams.

During the year we farewelled to Olga Anisimova (November 2014) who transferred to DHHS and Chamath Fernando (November 2014), who transferred to a new role as part of the Department of Treasury and Finance’s (DTF) job transfer program. In April 2015, Kai Chong was seconded to DHHS until July 2016 and Emma Iacobaccio went on maternity leave in May 2015. We welcomed Yuki Bao (December 2014) and Kudrat Gill (June 2015) as Senior Regulators and Doreen Arulanantham (January 2015) and Elise Corbin (May 2015) as Regulation Analysts.

Training and development

- Staff attended complaints training led by Kevin Thomas, which drew upon his extensive experience in handling complaints within DHHS. The training provided our team with valuable hints and a fresh approach to complaint handling and was especially useful for the newer team members.
- Julian Ashby, Chair of the Homes and Community Agency Regulation Committee in the United Kingdom, addressed DTF on social housing reform and provided an understanding of the landscape and issues resulting from changes in United Kingdom housing regulation.
- Other development opportunities included an asset management seminar led by the Australian Housing Institute.

Communication with other stakeholders

Registrar’s Advisory Panel

The Registrar’s Advisory Panel made a number of important recommendations to the Registrar of Housing Agencies (RHA), including the registration of Launch Housing as a housing provider. The Panel increased its membership to include DoH representation. The new DoH member will bring additional knowledge in social and affordable housing in general and the registered housing sector in particular.

Department of Health and Human Services (DHHS)

In accordance with the Information Sharing Protocol, the RHA and DoH met monthly to exchange information regarding the performance of the registered sector, housing policy and potential growth opportunities for registered agencies. Six-monthly meetings were also held with the DHHS Performance, Regulation and Reporting Branch to exchange information about a number of registered agencies that receive operating grants from DHHS. A similar protocol governs this relationship.

Complaints and enquiries

We continue to play a significant customer service role in responding to enquiries from tenants, other social housing stakeholders and the general public.

Some enquiries, such as those from people seeking affordable housing, are straightforward. We have an information sheet that describes the different forms of affordable housing options and provides contact details for housing agencies. We email or post this information if a person does not have access to our website.
Other enquiries, particularly those from a tenant of a registered agency, or an advocate on their behalf, may take a period of several days or even weeks to resolve depending on the issue’s complexity.

Where a tenant or prospective tenant has formally complained to a registered agency about the agency’s handling of, or unsatisfactory resolution to, the issue we can review and, if appropriate, investigate the complaint after 30 days, if requested.

In 2014-15, 78 complaints were referred to the Housing Registrar, compared with 64 in 2013-14 and 77 in 2012-13. Consistent with previous years, a significant number of these matters were referred back to an agency’s complaints process, or were assessed as being outside our jurisdiction. Only one complaint resulted in a formal investigation being commissioned by the Registrar.

The summary of complaints is as follows:

<table>
<thead>
<tr>
<th>Type of Complaint</th>
<th>Number</th>
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<tbody>
<tr>
<td>Tenant complaint subject to agency’s complaints handling process – referred back to agency</td>
<td>39</td>
</tr>
<tr>
<td>Prospective tenant complaint subject to agency’s complaints handling process – referred back to agency</td>
<td>1</td>
</tr>
<tr>
<td>Neighbour complaint – outside Registrar’s jurisdiction – referred back to agency</td>
<td>4</td>
</tr>
<tr>
<td>Co-operative membership complaint – outside Registrar’s jurisdiction – referred back to agency</td>
<td>1</td>
</tr>
<tr>
<td>Internal review – under Registrar’s jurisdiction but not requiring formal investigation</td>
<td>18</td>
</tr>
<tr>
<td>Formal investigation</td>
<td>1</td>
</tr>
<tr>
<td>Outside Registrar’s jurisdiction (for example, public housing or private rental market tenant)</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total complaints</strong></td>
<td><strong>78</strong></td>
</tr>
</tbody>
</table>

Complaints data submitted by registered agencies within their KPM data showed the following:

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<tbody>
<tr>
<td>Total number of complaints</td>
<td>817</td>
<td>811</td>
<td>957</td>
<td>930</td>
<td>661</td>
</tr>
<tr>
<td>Total number of complaints from tenants/prospective tenants</td>
<td>305</td>
<td>361</td>
<td>339</td>
<td>386</td>
<td>242</td>
</tr>
<tr>
<td>Tenant/prospective tenant complaints resolved within 30 days (percentage)</td>
<td>83.6</td>
<td>87.3</td>
<td>86.1</td>
<td>85.7</td>
<td>82.6</td>
</tr>
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</table>

Overall the total number of complaints received in 2014-15 remained relatively stable compared to 2013-14, while complaints from tenants/prospective tenants fell by 16 per cent during the same period. With current tenancies at capacity for the sector at over 19,000, the number of complaints from tenants/prospective tenants has remained very low at less than two per cent.
The registered sector
### The registered sector as at 30 June 2015

#### Housing associations
- Common Equity Housing Ltd
- Community Housing (Vic) Ltd
- Housing Choices Australia Ltd
- Loddon Mallee Housing Services Ltd (trading as Haven; Home, Safe)
- Port Phillip Housing Association Ltd
- Rural Housing Network Ltd
- Wintringham Housing Ltd
- Yarra Community Housing Ltd

#### Housing providers
- Aboriginal Housing Victoria Ltd
- Active Community Housing Ltd
- Baptcare Affordable Housing Ltd
- BAYSA Ltd (trading as Barwon Youth)
- Centacare Housing Services Inc
- Eastcoast Housing Association
- EACH Housing Ltd
- Eastern Suburbs Rental Housing Co-operative Ltd
- Hanover Welfare Services
- The Haven Foundation Ltd
- HomeGround Services
- Inner East Social Housing Group Inc
- Launch Housing Ltd (registered 25 June 2015)
- Mallee Accommodation and Support Program
- Mission Australia Housing (Victoria)
- Northcote Rental Housing Co-operative Ltd
- North East Housing Service Ltd
- Northern Geelong Rental Housing Co-operative
- Prahran/Malvern Community Housing Inc
- Servants Community Housing
- Social Housing Victoria
- SouthEast Housing Co-operative Ltd
- South Port Community Housing Group Inc
- St Kilda Community Housing Ltd
- Sunshine/St Albans Rental Housing Co-operative Ltd
- The Salvation Army Red Shield Housing (Victoria)
- United Housing Co-operative Ltd
- UnitingCare Housing Victoria Ltd (trading as Uniting Housing Victoria)
- Urban Communities Ltd
- Victorian Women’s Housing Association Ltd (trading as Women’s Property Initiatives)
- VincentCare Community Housing
- WAYSS Ltd
- West Turk Housing and Elderly Services Co-operative Ltd
- Williamstown Rental Housing Co-operative Ltd
- Women’s Housing Ltd
Snapshot of the sector

Total number of rental housing units

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<tbody>
<tr>
<td>Units</td>
<td>15,849</td>
<td>17,769</td>
<td>18,583</td>
<td>19,245</td>
<td>19,284</td>
</tr>
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Total number of staff

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<tr>
<td>Staff</td>
<td>1,243</td>
<td>1,272</td>
<td>1,284</td>
<td>1,303</td>
<td>1,275</td>
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</tbody>
</table>
### Profile of tenancies 2014-15

#### Long term housing (including rooming house)

<table>
<thead>
<tr>
<th></th>
<th>Housing associations</th>
<th>Housing providers</th>
<th>Total sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tenancies as at 1 July 2014</strong></td>
<td>9,546</td>
<td>5,109</td>
<td>14,655</td>
</tr>
<tr>
<td><strong>Exits</strong></td>
<td>1,292</td>
<td>1,012</td>
<td>2,304</td>
</tr>
<tr>
<td><strong>Vacancies</strong></td>
<td>1,702</td>
<td>1,214</td>
<td>2,916</td>
</tr>
<tr>
<td><strong>Percentage of tenancies maintained for 12 months (excluding rooming house)</strong></td>
<td>88.0</td>
<td>87.9</td>
<td>87.9</td>
</tr>
<tr>
<td><strong>Percentage of tenancies maintained for 12 months (for rooming house)</strong></td>
<td>79.6</td>
<td>79.6</td>
<td>79.6</td>
</tr>
<tr>
<td><strong>New tenancies (excluding transfers)</strong></td>
<td>1,340</td>
<td>1,047</td>
<td>2,387</td>
</tr>
<tr>
<td><strong>Tenancies as at 30 June 2015</strong></td>
<td>9,448</td>
<td>4,985</td>
<td>14,433</td>
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#### Transitional housing

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<tr>
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<th>Housing associations</th>
<th>Housing providers</th>
<th>Total sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tenancies as at 1 July 2014</strong></td>
<td>1,437</td>
<td>1,910</td>
<td>3,347</td>
</tr>
<tr>
<td><strong>Exits</strong></td>
<td>1,231</td>
<td>2,189</td>
<td>3,420</td>
</tr>
<tr>
<td><strong>Vacancies</strong></td>
<td>1,356</td>
<td>2,432</td>
<td>3,788</td>
</tr>
<tr>
<td><strong>New tenancies</strong></td>
<td>1,188</td>
<td>1,699</td>
<td>2,887</td>
</tr>
<tr>
<td><strong>Tenancies as at 30 June 2015</strong></td>
<td>1,394</td>
<td>1,420</td>
<td>2,814</td>
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</table>

These figures were reported by registered agencies in the 2014-15 KPM data collection (figures were reviewed, and updated as necessary, during the reporting period).

*This data is no longer reported by agencies and has been arrived at from calculations of the data supplied by agencies.*
### Total assets

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
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<tbody>
<tr>
<td>HAs</td>
<td>2,369.2</td>
<td>2,509.1</td>
</tr>
<tr>
<td>HPs</td>
<td>218.7</td>
<td>223.7</td>
</tr>
<tr>
<td>Sector</td>
<td>2,587.9</td>
<td>2,732.8</td>
</tr>
</tbody>
</table>

### Total capital grants received

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
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<tbody>
<tr>
<td>HAs</td>
<td>15.9</td>
<td>16.5</td>
</tr>
<tr>
<td>HPs</td>
<td>3.8</td>
<td>4.2</td>
</tr>
<tr>
<td>Sector</td>
<td>19.7</td>
<td>20.7</td>
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Operating revenue

Operating revenue breakdown

Incremental growth in housing assets of housing associations
## Summary financial statements

### Income Statement (in $millions)

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<tbody>
<tr>
<td><strong>Rent revenue</strong></td>
<td>63.2</td>
<td>75.7</td>
<td>82.0</td>
<td>85.4</td>
<td>35.2</td>
<td>38.2</td>
<td>39.9</td>
<td>39.8</td>
<td>98.4</td>
<td>113.9</td>
<td>121.9</td>
<td>125.2</td>
<td></td>
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<tr>
<td><strong>Operating grants</strong></td>
<td>16.9</td>
<td>18.8</td>
<td>20.7</td>
<td>23.0</td>
<td>60.6</td>
<td>63.0</td>
<td>66.9</td>
<td>65.8</td>
<td>77.5</td>
<td>81.8</td>
<td>87.6</td>
<td>88.8</td>
<td></td>
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<tr>
<td><strong>NRAS subsidy</strong></td>
<td>4.8</td>
<td>7.4</td>
<td>10.3</td>
<td>12.0</td>
<td>0.6</td>
<td>0.7</td>
<td>0.7</td>
<td>0.1</td>
<td>5.4</td>
<td>8.1</td>
<td>11.0</td>
<td>12.1</td>
<td></td>
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<tr>
<td><strong>Other revenue</strong></td>
<td>30.5</td>
<td>12.0</td>
<td>7.6</td>
<td>8.2</td>
<td>11.2</td>
<td>13.5</td>
<td>15.3</td>
<td>14.7</td>
<td>41.7</td>
<td>25.5</td>
<td>22.9</td>
<td>22.9</td>
<td></td>
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<tr>
<td><strong>Total operating revenue</strong></td>
<td><strong>115.4</strong></td>
<td><strong>113.9</strong></td>
<td><strong>120.6</strong></td>
<td><strong>128.6</strong></td>
<td><strong>107.6</strong></td>
<td><strong>115.4</strong></td>
<td><strong>122.8</strong></td>
<td><strong>120.4</strong></td>
<td><strong>223.0</strong></td>
<td><strong>229.3</strong></td>
<td><strong>243.4</strong></td>
<td><strong>249.0</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Admin &amp; property expenses</strong></td>
<td><strong>83.1</strong></td>
<td><strong>73.7</strong></td>
<td><strong>78.3</strong></td>
<td><strong>83.0</strong></td>
<td><strong>96.4</strong></td>
<td><strong>100.3</strong></td>
<td><strong>105.7</strong></td>
<td><strong>107.7</strong></td>
<td><strong>179.5</strong></td>
<td><strong>174.0</strong></td>
<td><strong>184.0</strong></td>
<td><strong>190.7</strong></td>
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<tr>
<td><strong>Depreciation</strong></td>
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<td>17.3</td>
<td>13.7</td>
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<td>3.1</td>
<td>3.5</td>
<td>3.3</td>
<td>3.7</td>
<td>19.0</td>
<td>20.8</td>
<td>17.0</td>
<td>17.1</td>
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<tr>
<td><strong>Finance costs</strong></td>
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<td>18.7</td>
<td>17.4</td>
<td>16.8</td>
<td>1.9</td>
<td>1.8</td>
<td>1.5</td>
<td>1.1</td>
<td>22.4</td>
<td>20.5</td>
<td>18.9</td>
<td>17.9</td>
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<tr>
<td><strong>Other expense</strong></td>
<td>4.3</td>
<td>5.2</td>
<td>5.5</td>
<td>7.5</td>
<td>2.9</td>
<td>3.0</td>
<td>3.0</td>
<td>2.6</td>
<td>7.2</td>
<td>8.2</td>
<td>8.5</td>
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<tr>
<td><strong>Total operating expense</strong></td>
<td><strong>123.8</strong></td>
<td><strong>114.9</strong></td>
<td><strong>114.9</strong></td>
<td><strong>120.7</strong></td>
<td><strong>104.3</strong></td>
<td><strong>108.6</strong></td>
<td><strong>113.5</strong></td>
<td><strong>115.1</strong></td>
<td><strong>228.1</strong></td>
<td><strong>223.5</strong></td>
<td><strong>228.4</strong></td>
<td><strong>235.8</strong></td>
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<tr>
<td><strong>Net operating surplus</strong></td>
<td>-8.4</td>
<td>-1.0</td>
<td>5.7</td>
<td>7.9</td>
<td>3.3</td>
<td>6.8</td>
<td>9.3</td>
<td>5.3</td>
<td>-5.1</td>
<td>5.8</td>
<td>15.0</td>
<td>13.2</td>
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<td><strong>Capital grants</strong></td>
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<td>15.9</td>
<td>16.5</td>
<td>14.8</td>
<td>2.5</td>
<td>3.8</td>
<td>4.2</td>
<td>160.5</td>
<td>51.4</td>
<td>19.7</td>
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<td><strong>Other one-time items</strong></td>
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<td>41.5</td>
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<td>67.0</td>
<td>4.1</td>
<td>5.4</td>
<td>0.0</td>
<td>2.7</td>
<td>4.8</td>
<td>46.9</td>
<td>25.4</td>
<td>69.7</td>
<td></td>
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<tr>
<td><strong>Net surplus</strong></td>
<td>138.0</td>
<td>89.4</td>
<td>47.0</td>
<td>91.4</td>
<td>22.2</td>
<td>14.7</td>
<td>13.1</td>
<td>12.2</td>
<td>160.2</td>
<td>104.1</td>
<td>60.1</td>
<td>103.6</td>
<td></td>
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</table>

Note: data may vary from previously published figures due to a change of accounting policies in three housing associations and consequent data amendments.
### Balance Sheet (in $millions)

<table>
<thead>
<tr>
<th></th>
<th>Housing Associations</th>
<th>Housing Providers</th>
<th>Sector</th>
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<tbody>
<tr>
<td><strong>Cash and short term investments</strong></td>
<td>47.9</td>
<td>47.1</td>
<td>50.0</td>
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<td><strong>Other current assets</strong></td>
<td>19.6</td>
<td>21.5</td>
<td>19.6</td>
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<tr>
<td><strong>Current assets</strong></td>
<td>67.5</td>
<td>68.6</td>
<td>69.6</td>
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<td><strong>Housing assets</strong></td>
<td>2,183.0</td>
<td>2,239.2</td>
<td>2,277.5</td>
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<tr>
<td><strong>Other non-current assets</strong></td>
<td>20.0</td>
<td>23.0</td>
<td>22.1</td>
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<tr>
<td><strong>Total non-current assets</strong></td>
<td>2,203.0</td>
<td>2,262.2</td>
<td>2,299.6</td>
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<td><strong>Total assets</strong></td>
<td>2,270.5</td>
<td>2,330.8</td>
<td>2,369.2</td>
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<tr>
<td><strong>Interest bearing loan liabilities</strong></td>
<td>1.8</td>
<td>1.2</td>
<td>1.3</td>
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<tr>
<td><strong>Other current liabilities</strong></td>
<td>115.7</td>
<td>84.4</td>
<td>85.7</td>
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<tr>
<td><strong>Current liabilities</strong></td>
<td>117.5</td>
<td>85.6</td>
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<tr>
<td><strong>Interest bearing loan liabilities</strong></td>
<td>271.4</td>
<td>282.5</td>
<td>285.2</td>
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<tr>
<td><strong>Other non-current liabilities</strong></td>
<td>75.9</td>
<td>73.2</td>
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<td><strong>Total non-current liabilities</strong></td>
<td>347.3</td>
<td>355.7</td>
<td>342.3</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>464.8</td>
<td>441.3</td>
<td>429.3</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>1,805.7</td>
<td>1,889.5</td>
<td>1,939.9</td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td>92.3</td>
<td>86.6</td>
<td>72.4</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>1,713.1</td>
<td>1,803.1</td>
<td>1,867.3</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>1,805.4</td>
<td>1,889.7</td>
<td>1,939.7</td>
</tr>
</tbody>
</table>

Note: data may vary from previously published figures due to a change of accounting policies in three housing associations and consequent data amendments.
Launch Housing Ltd – a merger between HomeGround Services and Hanover Welfare Services

On 1 July 2015, HomeGround Services and Hanover Welfare Services officially merged to create Launch Housing. Amid increased demand on homelessness services, the merger provides greater scope to better assist people who need housing in Victoria. Given both organisations’ common values and history of working together to end homelessness, Launch Housing will work with clients, government and the community to provide a greater range of services and support for people experiencing homelessness.

The merger builds capacity for Launch Housing to meet the challenges of a changing social and political climate in Australia and advocate on behalf of the unacceptable and growing number of men, women and children who are either homeless or at risk of homelessness. The combined workforce expertise, including front line services, advocacy, policy and research staff, will be better able to respond to the challenge of ending homelessness.

Led by Chief Executive Officer (CEO) Tony Keenan from Hanover Welfare Services and Deputy CEO Dr Heather Holst from HomeGround Services, Launch Housing will focus on:

- early intervention to prevent more people slipping into homelessness;
- increasing the supply of, and access to, safe and affordable housing;
- improving the health, wellbeing, and social and economic outlook for those we support;
- ensuring people get housing and keep housing; and
- research into the causes and consequences of homelessness and campaigning to influence policy.

The new organisation was officially launched at the Melbourne Town Hall on 16 July 2015 with Launch Housing staff and clients. The Minister for Housing, the Hon Martin Foley MP, attended, stating ‘this is a merger about making life better for Victorians’. CEO Tony Keenan emphasised the importance for Launch Housing to end homelessness. This was supported by Chair of the Board Neil Chatfield, Deputy Chair Geoff Nicholson and Deputy CEO Heather Holst.
‘On the sunny side of the street’: Essendon’s new community housing a life changer

Port Phillip Housing Association’s (PPHA) new 60 unit community housing development in Mount Alexander Road, Essendon was officially opened on 1 December 2015 to the tune of ‘On the sunny side of the street’, played with gusto by saxophonist Justine Jones, a PPHA tenant from St Kilda, and guitarist Pat Lajoie.

‘It’s hard to think of a more appropriate song for the occasion’, said Frank O’Connor, Chair of PPHA.

‘It was the first day of summer and a gloriously sunny day. More to the point, these attractive, high quality apartments offer homes and optimistic futures to more than 60 people in great need.’

‘Of the new tenants, 57 per cent came off the DHHS waiting list for public housing. In total 55 per cent rely on a pension or benefit. A further eight per cent are living on a combination of part-pension and wages and the remainder of tenants are key workers on low wages.’

‘We salute the project managers, RCP, Hacer the builders and Metaxas Architects for making the most of a challenging, triangular site.’

Danny Pearson MP, the Member for Essendon, officially opened the community housing development and announced its name – Wominjeka Apartments.

‘Wominjeka means ‘welcome’ in Woiwurrung, the language of the Wurundjeri people, and these community housing units are certainly welcome in Essendon where affordable housing is in extremely short supply’, he said.

Mr Pearson said ‘The new building we’re opening today ticks all the boxes when it comes to providing modern, affordable housing. All 60 apartments are built to allow for disability modifications, if that becomes necessary, which will help tenants to ‘age-in-place’. And the building itself is centrally placed, close to services, jobs and public transport.’

‘And visually, I have to say I’m quite impressed – it’s a pretty stunning building which shows just how important clever design can be.’

The $20.8 million development consists of 38 one-bedroom and 22 two-bedroom units, over five levels, with 59 car parking spaces in the double basement.
'Community housing is a life changer. Before, we were existing – now we are living.' That’s the conclusion of Anne Bonanno who has just moved into Wominjeka Apartments with Graeme Billinghurst.

Anne, 57, is the carer of seventy year-old Graeme, who has a number of mobility and health issues. They spent three years in a public housing bedsit in Moonee Ponds.

‘I contacted Wintringham Housing and was put in touch with PPHA. We were fortunate to move into the Mount Alexander Road apartments within a month.’

‘I never thought we’d live in a location like this. This place is beautiful and the tram is right across the road which is great for going to the Royal Melbourne Hospital for medical appointments. The shops are nearby.’

Seventy-three year old Graham Willoughby, who has variously worked as a cartographer, cleaner and furniture salesperson, is now a professional artist.

He used to rent the back of a 1940s house with a bathroom whose tiles had fallen off and a landlord who refused to fix anything. He had to step into a bath to have a shower, which increasingly became a problem as he suffers from ankle, knee and back problems and now has lupus.

‘Two months ago the Office of Housing (DHHS) told me they’d transferred me to the PPHA list and I have to admit I was sceptical. However, I had an interview with the tenancy worker and said yes to the first apartment I walked into.’

‘It’s fabulous. It’s full of light with wonderful views of Melbourne to the northwest. It’s comfortable and secure. The shower is a dream. I am astounded at the quality of the fittings and the size of the apartment. My only complaint is that the garden I’m creating on my balcony isn’t growing fast enough.’
Innovation in affordable and accessible housing – Common Equity Housing Ltd

Common Equity Housing Ltd (CEHL) has set a new benchmark in innovative affordable and accessible housing for a broad spectrum of the community at Gipps Street, Abbotsford, an inner Melbourne suburb. A mixed social/private development of 59 apartments, 33 for social housing and 26 for owner occupiers and investors. The bulk of the social housing apartments are owned and managed by CEHL under a co-operative housing structure for low income tenants.

Diverse community integration is bolstered through the provision of six apartments specifically designed for disabled tenants, owned by the Transport Accident Commission (four apartments) and the Summer Foundation (two apartments). The apartments include smart home technologies with an onsite support worker to enable independent living and provide support for young people who formerly lived in residential aged care facilities.

While private ownership has underpinned the financial viability of the project, the overall delivery has been a resounding success and establishes a clear model for providing social housing in mixed tenure developments into the future.

‘The sense of community amongst the private and social residents is seamless and the positive impact of this integration is evident for the Gipps Street residents’ said Alex Naughton-Smith, CEHL Co-operative Strategy Team Leader.
Bree has been living in her apartment for nearly two years and is immensely proud of living independently. It’s the sense of community and feeling part of ‘normal’ life that has resonated with Bree.

‘Words cannot explain how thrilled I am to have a place to call my own home. The best thing has been to prove to myself and my family that I can live independently. I have done more than I could have ever imagined. I have lived by my motto ‘You’re not going to know until you try.’

Bily has been living at Gipps Street for over a year, which has given him an independence and ability to return to living his life as he wants.

On the opening night of his only art exhibition Bily’s life changed forever after one punch left him in a coma for six months and with a permanent brain injury. Bily spent a number of years in rehabilitation in aged care facilities as there is little provision for suitable housing and care for young people with support needs.

‘Now that I’m in my own house, I’m alive again, I have the freedom to do anything I like. I am doing art again, for the first time in 20 years. I’m finally free, free to live the way I wish.’

The smart technology integrated into the apartment gives residents the independence to control the systems in the house through a smart phone or tablet; things most of us take for granted like turning lights on and off, controlling the air conditioning and opening doors and windows. There is also provision of a support worker on site 24 hours every day, who residents can call on for assistance.

‘The technology lets me go to bed without any help. I can go outside without any help. I can heat and eat food any way I like. Apart from needing to leave through the carport because the front gate ramp is too tight for my big bat car (Bily’s name for his motorised wheelchair) I love it all’ said Bily.
The future
CHiMES roll out

During 2014-15, the Housing Registrar team spent a significant amount of time and resources working closely with our Salesforce partner to finalise the business requirements and functional specifications for CHiMES. We have scheduled our ‘go live’ date for August 2015 to ensure CHiMES is ready for upcoming agency reporting.

We have completed the data migration plan in readiness to transfer all existing data and documents from REGIS to CHiMES in 2015-16. The roll out will also incorporate training sessions for all users and the provision of detailed user manuals and ongoing communication from the Housing Registrar on various topics and frequently asked questions. We have two staff who are now trained system administrators to provide functional or technical support.

As part of our contract negotiations, we have secured a post-implementation warranty period of 90 days from our Salesforce partner. This will be crucial in ensuring we are well equipped to deal with implementation issues as we embark on our first round of annual reporting in CHiMES in 2015-16. Our licensing agreement with Salesforce also allows us access to Salesforce’s premier support team at all times.

Our work so far suggests that CHiMES will significantly enhance the sector’s reporting capabilities. We have replaced many of our MS Word and Excel reporting templates with online data entry forms. This will also help in extracting and consolidating data efficiently and providing meaningful information to the Registrar and other stakeholders in a timely manner.

The reporting capability in CHiMES will also allow users to translate a magnitude of data into meaningful and usable information. Both the Housing Registrar and the sector will benefit greatly from this reporting functionality.

Publications

Asset management guidance

As a result of the large number of agencies moving to a General Lease during 2014-15, the Housing Registrar identified the need for updated guidance in asset management. The General Lease transfers many of the responsibilities and obligations of ownership to agencies during the five year lease period.

By the end of June 2015, the Housing Registrar issued an expression of interest request to a number of companies to develop a framework for best practice in asset management. We have since engaged Price Waterhouse Coopers and look forward to releasing a good practice guide to registered agencies in 2015-16. The guide will be scalable for agencies of all sizes. We look forward to liaising with the sector to develop a workable guide.

Review of Our Regulatory Framework series

The Our Regulatory Framework series of documents was substantially upgraded to take account of changes to our regulatory environment over the past seven years. To eliminate duplication and improve readability, we have consolidated the six individual booklets into one user-friendly document on-line.

Readers will be able to follow links to all relevant publications on the Housing Registrar website directly from the on-line document.

Web site review and upgrade

Like many registered agencies, we are committed to continuous improvement. During 2014-15, we reviewed our website to ensure quality of content, ease-of-use, adaptability to mobile devices and visual identity. Our review identified improvements to the structure and layout of the website. The Housing Registrar will explore options, including re-designing the whole website to improve user friendliness, during 2015-16.
Housing Registrar key performance indicators

The planned development and implementation of key performance indicators for the Housing Registrar was not completed during the past year given our focus on the development of CHiMES. The Housing Registrar is committed to prioritising this project in the second half of 2015-16.

An annual survey of registered agencies on their experience of the regulatory approach and engagement will be considered, alongside the key indicators, to provide qualitative feedback.

Staff development

In 2015-16, training is planned in the areas of:

- Performance Standards guidance – to provide the team with much greater understanding of the new NRSCH aligned Performance Standards, in particular the new Standard of community engagement;

- Finance training – with the restructure of the Housing Registrar it is important for all team members to have an understanding of core financial issues;

- Residential Tenancies Act 1997 (RTA) and the Victorian Civil and Administrative Tribunal (VCAT) – to give staff an understanding of the RTA and VCAT and the impact of these for our registered agencies; and

- Regulatory escalation – to improve our understanding of regulatory escalation, in particular investigations, so that a consistent approach can be maintained across individual regulators.
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