

**Submission
No 9**

**EXAMINATION OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS JULY 2015 –
JANUARY 2016**

Organisation: Department of Family and Community Services
Name: Ms Anne Skewes
Position: A/Secretary
Date Received: 4 October 2016

Mr Bruce Notley-Smith MP
Chair
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Mr Notley-Smith

Performance Audit – Community Housing

Thank you for your letter of 6 September 2016 requesting a response to the Auditor-General's performance audit report on Community Housing, including actions taken to date. The Department agrees with the recommendations in the Auditor-General's report and over the last twelve months, has made notable progress in implementing these recommendations. Some key achievements to note:

- The Social Housing Policy, *Future Directions for Social Housing in NSW* was launched in January 2016. The policy describes new outcomes for people supported by social housing programs in NSW, and includes an expanding role for the community housing sector. Measurable social housing targets that align with the Premier's and State Priorities have been identified. A copy of the policy is provided.
- Release of the Communities Plus Program, which identifies a number of redevelopment opportunities across the social housing portfolio. The Program seeks to engage private sector developers and community housing providers (CHP's) to deliver affordable social and private housing on NSW Land and Housing Corporation land.
- FACS is implementing the Human Services Outcomes Framework, which sets the outcomes that FACS programs, including Community Housing, are expected to achieve into the future.

FACS' responses on the status of the recommendations are detailed in the attached report.

Should your officials wish to discuss the report further, please ask them to contact Paul O'Reilly, Executive Director, Future Directions Office on 8753 8792 or email paul.o'reilly2@facs.nsw.gov.au

Yours sincerely



**Anne Skewes
A/Secretary**

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
<p>1 Finalise FACS social housing policy and ensure that the social housing policy:</p> <ul style="list-style-type: none"> a. sets a clear direction for the community housing sector b. clearly defines the outcomes it wants to achieve for tenants in community housing c. sets measurable targets in relation to those outcomes 	Accepted	<p>In January 2016 the Minister for Social Housing launched <i>Future Directions for Social Housing in NSW (FD)</i>. The document sets out the 10 year plan for the social housing sector including but not limited to the direction of the community housing sector and the vision for the types of outcomes that Government is committed to assisting clients to achieve. FD is underpinned by three strategic priorities:</p> <ul style="list-style-type: none"> a. More social housing; b. More opportunities, support and incentives to build housing independence; and c. A better social housing experience. <p>Refer to website at www.socialhousing.com.au.</p>	Social housing policy was announced in January 2016	In progress. Policy has been set and has been announced.	FACS Strategic Reform & Policy
<p>2 Publicly release its asset portfolio framework so that community housing providers can better align their asset management plans with the Department's</p>	Accepted	<p>LAHC's role, under Future Directions, is to develop a portfolio-wide strategy. In this regard, LAHC has released its Communities Plus program, which identifies a number of redevelopment opportunities across its portfolio. The Communities Plus program will leverage the value of key sites within the existing portfolio to accelerate supply. It facilitates the redevelopment of these key</p>	Communities Plus was announced in 2015	On track	FACS Land & Housing Corporation

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<p>strategy for its social housing portfolio</p>		<p>sites by engaging private sector developers and CHPs to deliver affordable, social and private housing on LAHC land. Refer to website at www.communitiesplus.com.au.</p> <p>FACS continues to engage with CHPs through regular forums to discuss Future Directions implementation, asset strategy, opportunities.</p>			
<p>3 Ensure that contracts include performance measures that are clearly linked to the outcomes it sets in the social housing policy</p>	<p>Accepted</p>	<p>FACS is implementing the Human Services Outcomes Framework, which sets the outcomes that FACS programs are expected to achieve into the future, including community housing programs. The FACS community housing contracting performance framework is being adjusted to incorporate measures for social outcomes, in addition to the measures that exist in the contracts currently. Contracts signed from December 2016 will include outcomes linked to the Future Directions social housing policy.</p>	<p>December 2016</p>	<p>On Track</p>	<p>FACS Program & Service Design</p>
<p>4 Ensure that its contracts are for a long enough period to enable community housing providers to deliver the</p>	<p>Accepted</p>	<p>FACS is implementing a range of initiatives under its Future Directions for Social Housing in NSW Strategy. In the coming months FACS will negotiate a range of long term contracts with community housing providers for Communities Plus, the Social and Affordable Housing Fund and the</p>	<p>December 2016</p>	<p>On Track</p>	<p>FACS Program & Service Design</p>

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outcomes it sets in the social housing policy		Management Transfer Program. Communities Plus contract duration will be bid back by the market via a tender process; SAHF contracts will be for a duration of 25 years and longer term leases are proposed under the Management Transfer Program.			
5 Ensure that it monitors the performance of providers against the outcomes set in the social housing policy.	Accepted	Contract performance framework will enable monitoring of community contract outcomes from 2017. These outcomes reflect the Future Directions policy. FACS will use existing administrative data initially to measure performance and will apply additional outcomes data as it becomes available.	December 2016	On track	FACS Program & Service Design