



ASSET MANAGEMENT POLICY

Date approved: 15 November 2021
Date for review: 12 months from approval date
Version control: vNov2020
Document administrator: CEO
Document approver: Board
Record of Review:

<i>Date issued</i>	<i>Review date</i>	<i>Reason for review</i>
April 2020	April 2021	First release
November 2020	November 2021	Addition of caveats for compliance with repairs and maintenance timeframes
15 Nov 2021	15 Nov 2022	Removal of repairs and maintenance details (moved to stand-alone policy)

ASSET MANAGEMENT POLICY

POLICY STATEMENT

Housing is critically important for the overall economic and social well-being of Many River's clients. It provides the foundation on which individuals and families build stable, healthy and productive relationships with their communities and links to employment, education, health and other services and aligns with Many Rivers Regional Housing's philosophy.

***“Closing the Gap in Aboriginal Wellbeing
through housing, partnerships and community development”.***

PURPOSE

1. Many Rivers provides safe and well-maintained properties for our tenants
2. Many Rivers takes a systematic approach to governance and practices as they relate to asset management throughout the property lifecycle.
3. Property condition, property value and lifespan are maximised
4. Many Rivers and Owning Partners provide management and the board with a plan and visibility of future maintenance liabilities required to sustain the portfolio over the long term

SCOPE

This policy is relevant for the Many Rivers team including the senior management team and the board.

The Asset Management Policy applies to all properties managed by Many Rivers.

It highlights Many Rivers' obligations under:

- NSW Residential Tenancies Act 2010
- Commonwealth Disability Discrimination Act 1992
- NSW Community Housing Provider Act 2012
- 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
- Commonwealth Environmental Protection and Biodiversity Control Act 1999
- NSW Work Health and Safety Act 2011 and the Work Health & Safety Regulations 2011

This policy has the following sections:

1. Asset management inspections and budgeted maintenance plans
2. Managing vacant and condemned properties
3. Insurance
4. Contractor licencing and quality assurance
5. Feedback

DEFINITIONS

Tenant	Person or persons as listed on the Residential Tenancy Agreement
RTA	Residential Tenancy Agreement (RTA). An agreement under the Residential Tenancy Act 2010 between the social housing provider and a tenant for the purpose of leasing a residential property.
Untenantable property	A property where repairs and maintenance can return the property to a tenantable status, the funds for the required repairs and maintenance do not need to be currently available.
Condemned property	Property condition requires demolition and rebuilding to become tenantable property
Owning Partner	An organisation that owns property that provides Aboriginal community housing which is managed by Many Rivers

POLICY OVERVIEW

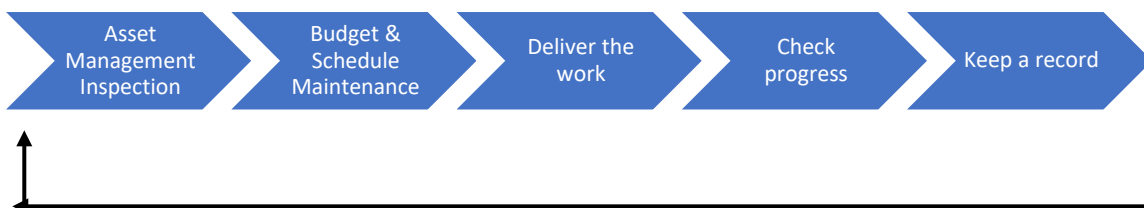
SECTION 1: ASSET MANAGEMENT INSPECTIONS AND BUDGETED MAINTENANCE PLANS

A suitably qualified individual conducts asset management inspections annually. The asset management inspection includes:

- Assessment of property condition (maintained, well maintained and below maintained) focusing on housing items listed for planned maintenance
- Structural condition / structural integrity
- Building safety: fire, health, amenity and accessibility for people with disabilities
- Management of risks associated with hazardous material (asbestos, lead-based paint and acid sulfate soils)
- Generation of an asset management schedule / asset management plan i.e. an accurate record of what work is required to maintain the inside and outside of the property

Budgeted asset maintenance plans are developed for all properties. The plan is informed by asset inspections and the financial profile of the portfolio. The Asset maintenance plan provides a record of work required to maintain the inside and outside of the property. It schedules planned maintenance (what needs to be done, when, by who, and the estimated cost) and identifies funds needed to keep properties functional and safe for the duration of the plan.

Asset management flow chart



The Manager of Service Development works together with the Finance Manager to develop the budgeted asset maintenance plans. The Manager of Housing and Tenant Services, via the allocated Housing Support Officer, is responsible for budget management for repairs expenditure in Categories 1, 2 and 4. The Manager of Service Development is responsible for budget management for repairs expenditure in Category 3.

The planning process provides an opportunity to identify how financing will be sourced, including through rent collection, rent review or other financial options. It makes predictions on backlog maintenance and how long it will take to address as well as fluctuations in expenditure in the coming years.

Many Rivers establish annual budgets for fixed costs, responsive maintenance and – wherever budgets allow – planned maintenance (including required upgrades). A rough guide for annual planned maintenance budgets is about 1-2% of the replacement cost of the property.

Asset management plans are currently 3 years. With increased organisational capacity, the length of the plans will increase to 10 years. Planning for the long term provides best practice cost control for Many Rivers and our Owning Partners. Planning also supports fair and equitable expenditure across the property portfolio.

Many Rivers works in partnership with Owners to review their existing stock. Options to consider at review include:

- Portfolio diversification to address the housing needs of the local population
- Re-development
- Sale of non-viable stock
- Acquisition of new stock

These decisions are informed by the strategic objectives of the Owner, their portfolio's financial profile and identified housing needs of the local population.

SECTION 2: MANAGING VACANT, ABANDONED AND CONDEMNED PROPERTIES

The target is to fill all vacancies within 14 days. All work to vacant properties is checked before the property is tenanted.

There is a safety procedure and a Field Safety Kit for when a team member is to enter a property that is believed to be abandoned. Team safety is the highest priority and no team members should enter a property if they feel unsafe.

When a property is condemned, temporary fencing is erected for safety and to deter squatters. The electricity is also disconnected.

SECTION 3: INSURANCE

Properties managed by Many Rivers are covered by our Industrial Special Risk (IRS) master policy. All properties are insured for their full replacement value. IRS covers property damage and public liability.

Contents insurance is the responsibility of tenants. However, in some circumstances, limited contents insurance is available under our IRS policy.

ISR property insurance coverage is retained for all untenable properties. An untenable property is one where repairs and maintenance can return the property to tenable status; the funds for the required repairs and maintenance do not need to be currently available.

If the property condition requires demolition and rebuilding to become tenable (i.e. a condemned property), Many Rivers recommends cancelling the property insurance and retaining public indemnity insurance only. In these situations, Many Rivers provides a written assessment to the owning partners and obtains written agreement from the owning organisation before cancelling the property insurance.

The master insurance register is reviewed annually for completeness and accuracy.

The Manager Service Development is responsible for notifying our broker of new properties within our portfolio and properties no-longer under Many Rivers management. The broker then provides an updated master insurance register reflecting these changes.

SECTION 4: CONTRACTOR LICENCING AND QUALITY ASSURANCE

Any contractors engaged to complete work of more than \$5,000 in value (including labour and materials) must be licenced. Additionally, specialist tradespeople who carry out any of the following work must be licensed, regardless of the cost of the work:

- electrical wiring
- plumbing, draining and gas fitting work
- air conditioning and refrigeration work (except plug-in appliances)

Many Rivers maintains a Contractors Register within Chintaro of approved and preferred tradespeople for a range of services across our footprint.

The Contractors Register is reviewed annual based on feedback from staff and tenants on the quality and timeliness of services, customer service skills, value for money delivered and ability to source required tradespeople in that areas.

All major works (>\$2,000) are checked by the Housing Support Officer or the Manager Service Development or Manager Housing and Tenant Services or an independent and suitably qualified professional. Additionally, Many Rivers undertakes random inspections 10% of other maintenance works representative of the works and tradespeople using during the previous quarter.

All tradespeople are required to comply with Many Rivers Code of Conduct.

Further details on contractor licencing are available in the Procurement Policy.

An inventory of appliances in each property is retained in Chintaro. This includes stoves/ovens, hot water systems and air conditioning units. When a new appliance is installed the following details are recorded in inventory:

- Date of installation
- Make and model
- Compliance plate details
- Tradesperson responsible for installation
- Warranty expiry

SECTION 5: FEEDBACK

Feedback from tenants is sought regarding their satisfaction with their property, the performance of tradespeople and their workmanship and Many Rivers' service. Many Rivers also conducts an annual tenant satisfaction survey.

Feedback is used to resolve issues and inform all future planning, policy and service delivery processes.