Aboriginal Housing in NSW - Doing Things Differently
27 September 2017
Today’s Agenda

• Financial viability for Community Housing Sector
• Improving productivity
• Long term sustainability
• Why is a productive/sustainable sector important
Sector Overview

• The Community Housing sector in NSW:
  – has consolidated
  – is preparing their businesses for a period of sector growth and enhanced public expectation
• The Registrar is improving its capability to assess complex financial and business models in 2017/18.
• Self-regulatory system
• Incentivised regulatory system v contract or non-incentivised
Assets and Residents

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets in NSW for Registered Providers with Primary Jurisdiction NSW as at 30 June</th>
<th>Number of People Living in Community Housing in NSW as at 30 June</th>
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</thead>
<tbody>
<tr>
<td>FY14</td>
<td>NRSCH Data 27,450</td>
<td>FY14 FACS Data 51,800</td>
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<tr>
<td>FY17</td>
<td>35,030</td>
<td>FY16 FACS Data 53,300</td>
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</tbody>
</table>
Registered CHPs

39,278 assets managed by providers with NSW as their primary jurisdiction.

10% [4,248] of these assets are located in secondary jurisdictions.
Property Utilisation

- In FY16, 20 out of 27 providers (with completed assessments) reported an occupancy rate of 97% or above. This trend continued through to FY17.

- The Registrar will engage with the sector to improve data quality in reporting on this area by reducing the ambiguity of reporting thresholds.
A decline in reporting quality has largely been the product of four providers [14%].

Providers involved report this relates to maintenance contract and reporting changes.

The Registrar will work with the relevant providers in 2017/18 to reverse these trends.
Financial Measures (NRSCH)

**Tier 1:**
- EBITDA Margin: 8% to 15%
- 10 year forecast
- Operating cash adequacy: >1.20times

**Tier 2:**
- EBITDA Margin: 3% to 10%
- 10 year forecast
- Operating cash adequacy: >1.05times

**Tier 3:**
- EBITDA Margin: 0% to 5%
- Two year forecast
- Operating cash adequacy: >1.00times
Questions