



Aboriginal Housing Office

Benchmarking

Questions and Answers

1. What is Benchmarking

Benchmarking is a systematic process for identifying and implementing best or better practices.

Benchmarking sets the standard of an organisation's Key Performance Indicators (KPIs) such as operations, policies, programs, strategies, etc., and compares them with standard, similar measurements of its peers.

2. Why Benchmark?

The many benefits of benchmarking include:

- Identifying areas of excellence
- Finding ways to bring costs down
- Leveraging for growth
- Facilitating self-assessment of Aboriginal Community Housing Provider's (ACHP) own performance
- Determining whether an organisation operates professionally and where its strengths and deficiencies are.
- Identifying critical performance gaps.
- Identifying performance targets.
- Setting effective targets for improvement
- Obtaining data to support decision-making
- Setting new standards for the ACHP and Aboriginal community housing sector
- Enhancing ACHPs reputation
- Demonstrating to stakeholders that the organisation actively strives for internal improvement and the best possible use of its funds.

3. How are the Benchmarks determined?

The Aboriginal Housing Office (AHO) looked at the performance data and operating standards of some NSW social housing industry leaders to establish a benchmark foundation. A comparative analysis was undertaken on data from three key industry leaders which include mainstream community housing, Family & Community Services (FACS) managed AHO properties and mainstream managed AHO properties against the performance of portfolios managed by ACHPs.

Data for the last two years were also collected from ACHP Reports. These data were used to establish the baselines for benchmarking. The baselines set the starting point for which benchmarks will be established.

4. How will Benchmarks be used?

Benchmarks will be used for:

- Determining performance of portfolios under management
- Identifying how sublease providers are performing against the KPIs
- Identifying areas of strength and weaknesses of ACHPs
- Developing strategies to manage areas of weaknesses
- Sustaining areas of strength and best practice
- Comparing well performing stock across the Aboriginal community housing sector
- Providing feedback to ACHPs on KPIs and comparing performance of like providers
- Planning for improvements
- Reporting locally and nationally
- Compliance
- Determining support and assistance
- Setting targets that will enable providers to work towards meeting industry and national regulatory standards
- Leveraging for growth in the future

5. What are the Benchmarks?

Key Performance Indicator	Benchmark
Average weekly rent (rent charged)	\$150
Total rent collected (rent collected as a proportion of rent charged)	90%
Rent arrears from current tenants	10%
Occupancy rate	96%
Vacancy rate	4%
Average vacant turnaround time (days)	≤14
Total tenants at start of reporting period	Not required
Total tenants at end of reporting period	Not required
Responsive maintenance (per property per 6 months)	\$750
Provision for planned maintenance (per property per 6 months)	\$2,500
Recovery costs (per property for 6 months)	Not required
Management costs (per property per 6 months)	\$1,500
Tracking against budget	yes

6. How often will Benchmarks be reviewed?

Initially, the AHO will review the benchmarks after the reporting period ending in June 2015 to determine if they need to be adjusted or changed. Succeeding reviews will occur every two years (2) or when the AHO deems necessary.

7. What if an organisation does not meet the Benchmarks?

Benchmarks are set as a general marker to give a picture of an ACHP's progress. The AHO will regularly provide information and feedback to each ACHP which will help it to monitor its performance against the benchmarks and allow early identification of any possible issues. The AHO will work with the ACHP to identify potential performance gaps or issues and find suitable resolutions.

If benchmarks are consistently not achieved over a period of time, this could be due to a number of reasons such as insufficient organisational resources, or a need to review practices, the AHO will commence formal discussion with the aim of ACHPs meeting prescribed benchmarks within a specific period of time.

If and when benchmarks are not met after this, the AHO will as a last resort, take the management of these portfolios/properties and transfer to a suitable ACHP.

8. What happens if an organisation meets its Benchmarks?

The set benchmarks are an indication of industry standard therefore, an organisation that consistently meets these benchmarks has demonstrated that they are achieving results in line with the standard. This allows scope for setting targets to improve performance and increase growth. This will also enable the AHO to consider ACHPs consistently meeting these benchmarks as possible future recipient of additional portfolios/properties for management consistent with the AHO's Housing Management Selection Policy.

9. What happens if an organisation exceeds its Benchmarks?

An organisation that consistently exceeds the set benchmarks will be demonstrating success in property and tenancy management and it will be in a position to manage portfolio growth.

An ACHP consistently exceeding benchmarks will be supported to maintain its performance. This includes having the first call for future resource (stock) allocation. ACHPs continually exceeding benchmarks will be supported in building future business expansion consistent with the AHO's Housing Management Selection Policy.



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Opportunities for growth will be targeted to ACHPs consistently exceeding targets such as:

- Transfer of management of state owned managed indigenous properties
- Funding for innovative approaches to become industry champions
- Supporting strategies for ACHP tenants to transition to private rental and become non reliant on social housing
- Supporting strategies for ACHP tenants to own their own homes.

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