



NSW Land and Housing Corporation

2022-23 Statement of Business Intent

OFFICIAL: Sensitive - NSW Government

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We're innovating to deliver more keys in doors

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Agreement

The Statement of Business Intent for the NSW Land and Housing Corporation covering the financial year 2022-23 is approved by the Shareholder Minister and NSW Treasurer (refer page 9).

Objectives

The NSW Land and Housing Corporation (LAHC) is a Public Trading Enterprise established in 2001 under the *Housing Act 2001* and operates under the portfolio and direction of the Minister for Planning and Minister for Homes.

LAHC is part of the Homes, Property and Development (HPD) group, within the Department of Planning and Environment (DPE). HPD was established in July 2022 to streamline reporting lines and create efficiencies at the executive level to enable the delivery of market, affordable and social housing for all people in NSW.

LAHC's key strategic objectives are to deliver more social housing across metropolitan and regional NSW; efficiently manage and maintain our land and housing assets; and, to support the Government in optimising its social housing portfolio through financially sustainable asset management.

To achieve this, LAHC leverages the value of LAHC's social housing portfolio, and where appropriate the NSW Government's land assets, by working with the private and not-for-profit sectors to increase and accelerate the delivery of social housing. LAHC also undertakes periodic reviews of our maintenance services to assess value for money. LAHC collaborates across other areas of DPE and with the Department of Communities and Justice to achieve a unified administration of the *Housing Act 2001*.

Business Overview and Strategic Summary

LAHC owns and manages the NSW Government's mainstream social housing portfolio, comprising land, buildings and other assets. In accordance with the *Housing Act 2001*, LAHC provides rental accommodation for tenants on very low and low to moderate incomes through an unfunded subsidy.

LAHC's overarching strategy for managing the social housing portfolio continues to be set by the *LAHC Portfolio Strategy*, which aligns to and focuses LAHC's contribution to achieve the outcomes and priorities in the:

- Premier's Charter Letter to the Minister for Homes
- Government's housing strategy *Housing 2041*
- social housing policy *Future Directions for Social Housing in NSW* (Future Directions), and
- Aboriginal social housing policy *Strong Family, Strong Communities*.

LAHC contributes to increasing the supply of social housing through its building, renewal, sale and acquisition programs and its exploration of alternative funding and innovative financing models. LAHC's repairs and maintenance programs contribute to a better social housing experience.

In contributing to the delivery of the NSW Government policies and priorities, LAHC will lead, with the Aboriginal Housing Office and the Department of Communities and Justice, development of a revised Social and Affordable Housing Strategy for NSW.

As part of the NSW Government's economic response to COVID-19, LAHC is maintaining a focus on implementing stimulus initiatives to support the State's economic recovery by continuing to deliver and maintain social housing while creating and sustaining jobs for the people of NSW in the construction and construction services industries and community housing sectors.

In 2022/23, LAHC will continue to implement the following stimulus initiatives:

- \$150 million funding over 3 years to accelerate place-based redevelopment and completion of social dwelling renewals at Claymore and Airds Bradbury, which will support the construction of approximately 517 new social dwellings and 1,000 affordable vacant land sales, facilitating private housing construction.
- \$80 million funding over 4 years for the establishment of approximately 300 new housing construction apprenticeships, traineeships and cadetships enabled through LAHC and deliver about 100 new social houses including through a partnership with TAFE NSW (with more than 300 jobs already generated through the program).
- \$30 million funding over 2 years to deliver about 80 new small scale social housing properties, primarily in Western Sydney and regional NSW.
- \$50 million funding over 2 years to accelerate the delivery, in future years, of around 2,800 homes, including around 1,000 social homes to be built in Western Sydney, Wagga Wagga and Coffs Harbour in partnership with the private sector and Community Housing Providers (CHPs).
- Implementation of the Northern Rivers flood response initiatives, deploying \$168 million to repairs and reinstatement of social homes, and delivery of new social homes. Of the \$168 million, \$10 million will be allocated to Police Housing for key worker housing.

LAHC will also commence and implement, over 3 years, a new \$300 million capital maintenance program to upgrade more than 15,800 social homes in order to improve the quality and extend the life of those properties, and ensure they are suitable for ageing and less mobile residents.



Financial Summary

NSW Land and Housing Corporation	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Financial Performance Targets	\$ million	\$ million	\$ million	\$ million
Revenue	\$1,433	\$1,025	\$949	\$930
EBITDA ⁽¹⁾	\$636	\$302	\$213	\$183
EBIT ⁽²⁾	-\$213	-\$485	-\$520	-\$572
NPAT ⁽³⁾	-\$257	-\$527	-\$559	-\$610
CAPEX ⁽⁴⁾	-\$962	-\$936	-\$639	-\$535
CAPEX (including ROUA)	-\$1,003	-\$980	-\$683	-\$577
⁽¹⁾ EBITDA - Earnings before interest, tax, depreciation and amortisation ⁽²⁾ EBIT - Earnings before interest and tax ⁽³⁾ NPAT - Net profit after tax ⁽⁴⁾ CAPEX - Capital expenditure excluding Right Of Use Assets (ROUA)				

Performance Target Summary

Key Performance Indicator	Measure	FY 2022-23 Targets
Commitments (dwellings)	Number of contracts signed	1,111 social dwellings to be committed
Completions (dwellings)	Number of dwellings completed – new keys in doors	1,066 social dwellings to be completed
Apprenticeship Program	LAHC received stimulus funding in October 2020 to provide career pathways for young people and social housing tenants through pre-apprenticeships, apprenticeships and cadetships.	Minimum of 200 (apprenticeship) and 100 (cadetship) participants over 4 years
Maintenance Contracts - Tenant Satisfaction	Tenant satisfaction, based on the overall level of service provided. Customer surveys are conducted by the Housing Contact Centre every weekday, based on a proportion of works orders completed the previous day.	85%
Maintenance Contracts - Urgent Timeliness	Proportion of urgent works orders completed within 8 hours.	85%
Management of under occupancy	Percentage of new social dwellings delivered as 1 or 2 bedroom units.	80%
Current Ratio	Ratio of short-term (<12 months) assets to cover short term liabilities.	1.0

Signing by the Shareholder Minister

 <hr/> <p>Deborah Brill Acting Chief Executive NSW Land and Housing Corporation</p>  <hr/> <p>Michael Cassel Secretary Department of Planning and Environment</p> <p><i>2/8/22</i></p>	 <hr/> <p>Anthony Roberts Minister for Planning Minister for Homes NSW Government</p>  <hr/> <p>Joann Wilkie, Acting Secretary, NSW Treasury, on behalf of Matthew Kean Treasurer NSW Government</p>
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