



NSW Land and Housing Corporation

Statement of Business Intent 2021–22

Sensitive NSW Government

May 2021



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Agreement

The Statement of Business Intent for the NSW Land and Housing Corporation covering the financial year 2021-22 is approved by the Shareholder Minister (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 Water, Property and Housing.

LAHC is part of the Housing and Property Group, within the Department of Planning, Industry and Environment (DPIE), which was formed to maximise economic outcomes and deliver community benefits through more efficient utilisation of government owned land and property, in the delivery of diverse housing and public spaces.

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

In order 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 accelerate and deliver an uplift in social housing. LAHC also undertakes periodic reviews of our maintenance services to assess value for money. LAHC collaborates across other areas of DPIE and with the Department of Communities and Justice (DCJ) to achieve a unified administration of the *Housing Act 2001*.

Business Overview and Strategic Summary

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

LAHC supports the priorities of the Government's social housing policy Future Directions for Social Housing in NSW (Future Directions). Future Directions is underpinned by three strategic priorities:

- More social housing
- More opportunities, support and incentives to avoid and/or leave social housing
- A better social housing experience.

Future Directions sets out the Government's vision to transform the social housing system. LAHC plays a critical role in increasing the supply of social and affordable housing through LAHC's building program, and also a better social housing experience through its repairs and maintenance program.

As part of the NSW Government's economic response to COVID-19, LAHC is focused on 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 cleaning industries.

In 2021/22, LAHC will continue to implement the following stimulus initiatives:

- \$250 million for a program of new social housing supply to fast track the build of around 580 additional dwellings.
- \$150 million for LAHC to accelerate place-based redevelopment at Claymore and Airds Bradbury, which will help support 1,000 affordable vacant land lots for sale for new private housing to be built, construction of 240 social homes funded by LAHC, and 277 social homes funded by stimulus monies.
- \$200 million for the Social Housing Capital Works Maintenance Program to improve more than 3,500 properties, of which \$160 million will be invested by LAHC, and \$40 million will be made available to community housing providers.
- \$80 million for 300 new housing construction apprenticeships and cadetships enabled through LAHC.

Financial Summary

NSW Land and Housing Corporation	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Financial Performance Targets	\$ million	\$ million	\$ million	\$ million
Revenue	\$1,154	\$995	\$942	\$937
EBITDA ⁽¹⁾	\$343	\$256	\$153	\$153
EBIT ⁽²⁾	-\$294	-\$404	-\$579	-\$565
NPAT ⁽³⁾	-\$341	-\$448	-\$620	-\$604
CAPEX ⁽⁴⁾	-\$708	-\$520	-\$371	-\$374
⁽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				


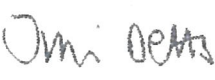
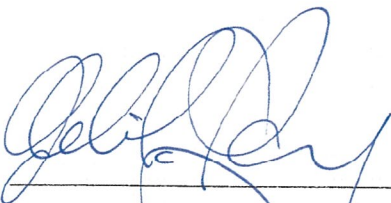

Performance Target Summary

Key Performance Indicator	Measure	To be achieved in FY 2021-22 ¹
Stimulus Construction Program	LAHC received stimulus funding in mid-2020 to accelerate the construction of approximately 550 new social housing dwellings. This funding is part of the Government's COVID-19 Economic Response – Housing Industry Support Measures, to support NSW's economic recovery. These dwellings will be delivered over two financial years (2020-21 and 2021-22) with the majority being delivered in 2021-22.	403 social dwellings to be completed
Redevelopment and renewal of Claymore and Airds/Bradbury	LAHC received stimulus funding in mid-2020 for social dwelling renewals at Claymore and Airds Bradbury and to accelerate place based redevelopment to provide new social dwellings and affordable vacant land lots for sale for new private housing to be built.	39 social dwellings to be completed
Social Housing Capital Works Maintenance Program	LAHC received stimulus funding in October 2020 for the Social Housing Capital Works Maintenance Program. Funding is made available for community housing providers.	3,500 properties (includes carry forward of some projects that commenced in 2020/21)
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 deep cleaning of social housing	LAHC has received a number of tranches of funds for preventative and responsive cleaning of social housing precincts and high rise buildings.	Will be completed in 2021
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	85%

¹ Based on data as at end of April 2021.

Key Performance Indicator	Measure	To be achieved in FY 2021-22 ¹
	proportion of works orders completed the previous day.	
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>1 June 2021</p> <hr/> <p>Michael Wright Group Deputy Secretary Housing and Property</p>  <p>29/06/2021</p> <hr/> <p>Jim Betts Secretary Department of Planning, Industry, and Environment</p>	 <hr/> <p>Melinda Pavey Minister for Water, Property and Housing NSW Government</p> <p>21.10.20</p> <hr/> <p>Matt Kean <u>OBO</u> Michael Pratt AM Treasurer Secretary NSW Government NSW Treasury</p> 
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