

# **Coordinated system reform for Asset Management in Aboriginal Community Housing**

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

# Presentation Roadmap

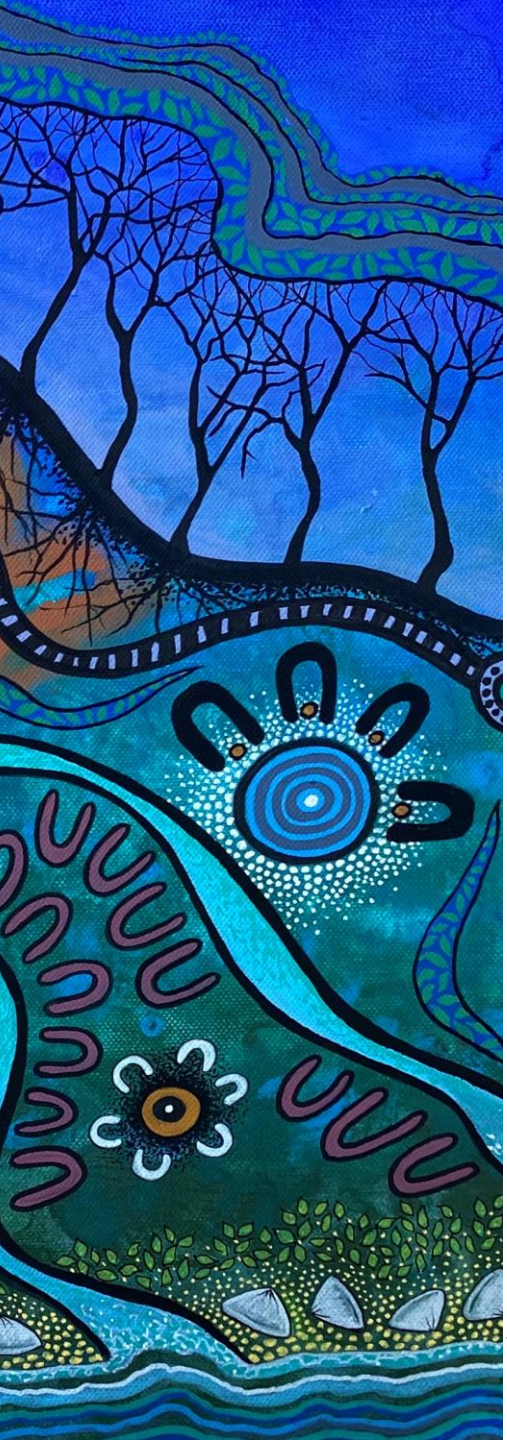
- An introduction to Many Rivers
- Asset management: what is it? why do it?
- Context for asset management in Aboriginal community housing
- Identified risks and issues
- System reform opportunities



# Many Rivers Regional Housing



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



# Portfolio heat map by LGA



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

# Asset Management

**Strong budgeting & financial controls** within the portfolio to fund planned maintenance programs

Routine inspections and detailed **property asset surveys**

**Property condition standards, safety & compliance**

**Maintenance:**  
Responsive, **planned & cyclical**

**Economy of scale**  
opportunities with planned and cyclical repairs

Identifying properties **Beyond Economical Repair (BER)**



# Budgeting & asset management



Develop budgets  
1,5, 10 years

Collect rent &  
manage costs

Build  
surpluses

Survey (PAS)  
Plan programs

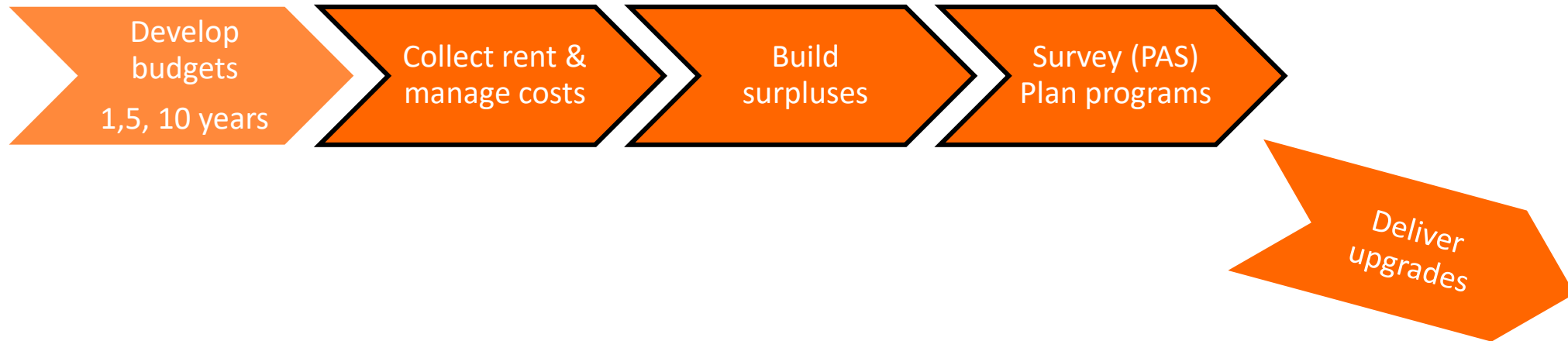
Deliver  
upgrades

# The impact

- Protects community housing from loss
- Savings so \$\$\$s go further
  - Economies of scale
  - Identifying and attending to issues early
  - Stop ill-advised investment in assets BER
- Monitoring safety, compliance and standards



# From theory to the coal face

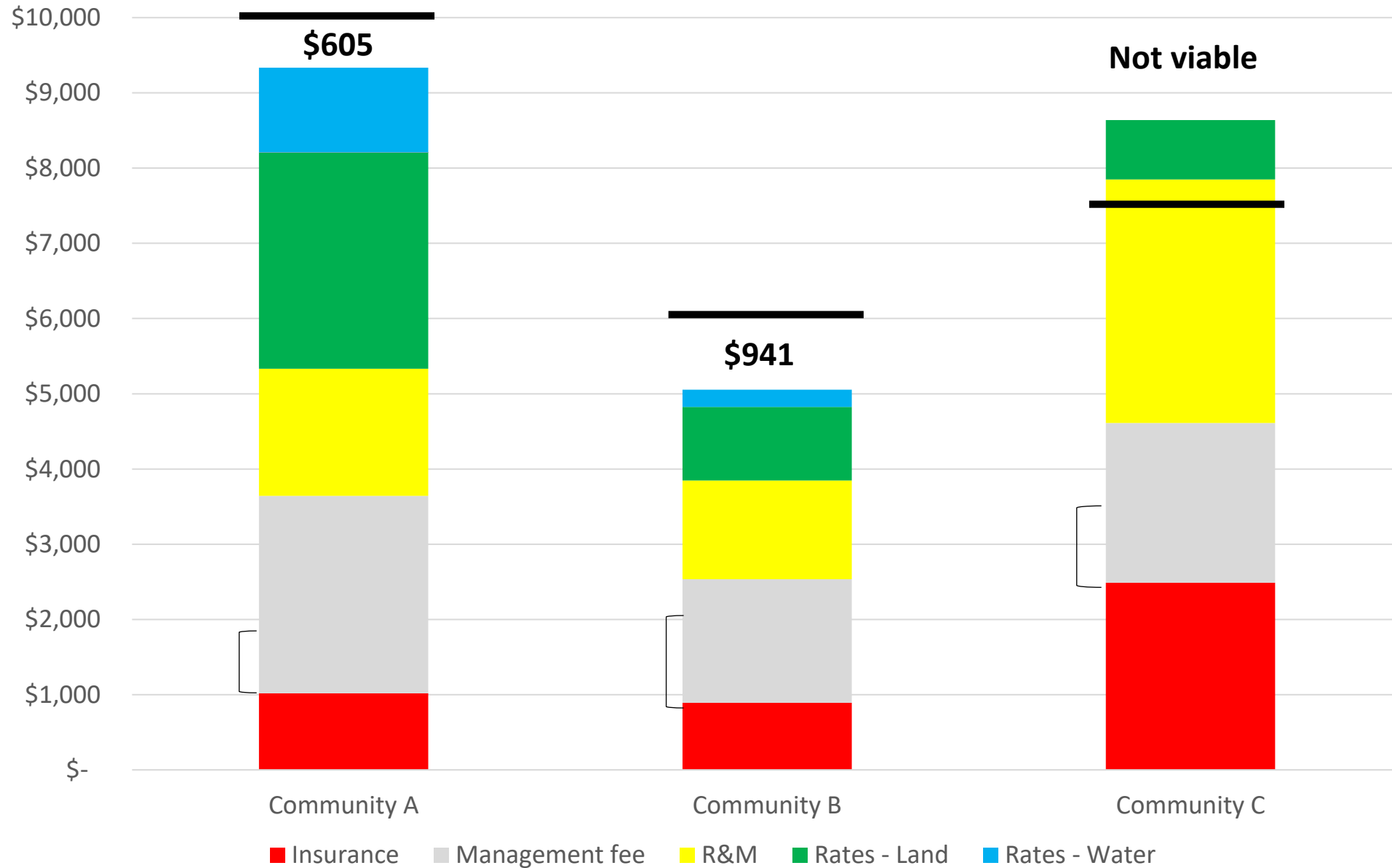






# Sector challenges and issues for effective asset management

# Financial Viability





# Other financial considerations

- Low rents yet other landlord expenses of rates and insurance are not discounted
- AHO rent setting model is 25% of household income thus rent is often not aligned with the property
- Commonwealth Rent Assistance (CRA) paid in rent at the tenant's discretion.



# Headline Acts



**\$183m social housing boost a positive step to reduce waitlists**

**Social housing investment key to recovery roadmap**

Funding boost for vital Aboriginal programs, housing and infrastructure

**The Property Tribune**

AUSTRALIA'S FINANCIAL PROPERTY NEWS

Extra \$183 million toward housing in NSW

**The Sydney Morning Herald**

NSW to spend \$250 million building and upgrading Aboriginal housing





# Most recent Aboriginal Community Housing Funding bundles

<b>2014-2015</b>	Build & Grow	\$50,000/prop	AHO Head leases
<b>2021-2022</b>	Aboriginal Community Housing Investment Fund (ACHIF)	\$50m by tender + \$40m	COVID economic stimulus

**A bucket? ...rather a pipeline.**



**OR**



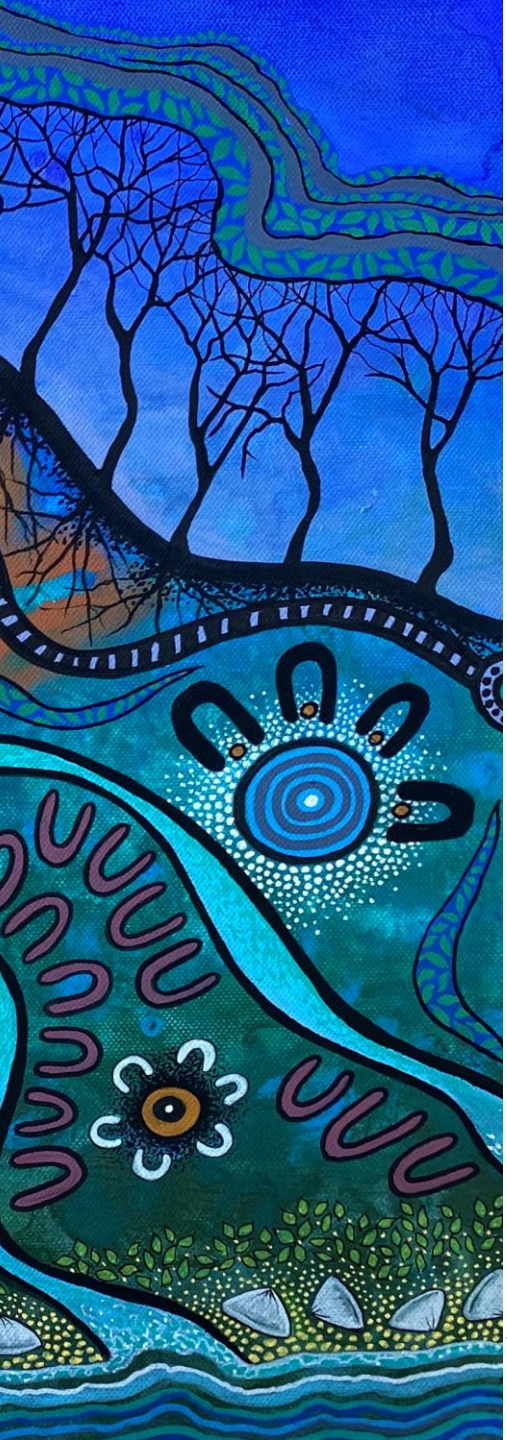






# Risks with the buckets

- Underdeveloped frameworks for making decisions: what are the highest needs of each property? what were the latest property upgrades?
- Limits economy of scale opportunities
- Limits best practice approaches to procurement
- “Make hay while the sun shines” vs data-informed, system-led approach to ensure achievement of common standards
- Challenging questions relating to equity
- Limits opportunity to build tenant’s understanding of their responsibilities in property care



# Workforce, systems & data

And those buckets mean....

- short-term intense projects
- no opportunity to build and retain skills within Aboriginal workforce
- risk to our trade base (incl. Aboriginal trades)
- specialist knowledge obtained by consultants and/or fixed-term contracts

AHO retains responsibility for Property Asset Surveys (PAS) and data not routinely shared



# Take home messages



- Effective asset management is critical to maintain housing
- Financial viability is often hard-fought. Changes in rent setting models and CRA structure can assist.
- Need for purposefully designed funding structures that sustainably build asset management systems within the sector and optimise spending.
- Need for workforce capacity & capability building, data sharing & partnerships

**Yes, adequate funding.....but delivered differently**



# Any questions?



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