

Financial Viability Guidance – Performance requirements, performance indicators and evidence sources to demonstrate capacity and compliance

Performance requirements	Performance Indicators	Thresholds	Suggested evidence sources to demonstrate capacity	Suggested evidence sources to demonstrate compliance
Ensuring a viable capital structure	The provider monitors and manages its capital structure to achieve its business goals	<ul style="list-style-type: none">Capital adequacy – the provider has sufficient capital resources to be able to meet all financial commitments, working capital, overall operations, and future growth. and has capacity to manage unexpected events	<p>Tiers 1, 2 and 3</p> <ul style="list-style-type: none">Business planning documentsRecent governing body (and relevant sub-committees if applicable) minutes reflecting discussions about capital structure with relevant operational and financial reportsAnnual ReportNRS Financial Performance ReportAudited financial statements for the last two financial yearsAudit management letter for most recent financial year (where they have been issued)Financial viability measures dataBoard approved budget and forecastAssumptions underpinning forecastsFinancial planning, sensitivity analysis and scenario testingDebt financing arrangements and covenantsProperty development and related financial plansEvidence of state's equity in housing assets <p>May be requested Recent project proposals (development and capital investments) and governing body consideration and approval (sample minutes)</p>	<p>Tiers 1, 2 and 3</p> <ul style="list-style-type: none">Business planning documentsRecent governing body (and relevant sub-committees if applicable) minutes reflecting discussions about capital structure with relevant operational and financial reportsAnnual ReportNRS Financial Performance ReportAudited financial statements of the most recent financial yearAudit management letter for the most recent financial year (where they have been issued)Financial viability measures dataBoard approved budget and forecastAssumptions underpinning forecastsFinancial planning, sensitivity analysis and scenario testingDebt financing arrangements and covenantsProperty development and related financial plansEvidence of state's equity in housing assetsReport of actions taken to address previous recommendations <p>May be requested Recent project proposals (development and capital investments) and governing body consideration and approval (sample minutes)</p>
Maintaining appropriate financial performance	The provider monitors and manages its financial performance to achieve its business goals	<ul style="list-style-type: none">Financial performance is monitored and managed to maintain short, medium and long-term viability.There are no significant and ongoing or repeated instances of inappropriate financial performance and/or failure to achieve business goals.	<p>Tiers 1, 2 and 3</p> <ul style="list-style-type: none">Business planning documentsRecent governing body (and relevant sub-committees if applicable) minutes about financial performance with relevant operational and financial reportsAnnual ReportNRS Financial Performance ReportAudited financial statements for the last two financial yearsAudit management letter for most recent financial year (where they have been issued)Financial viability measures dataBoard approved budget and forecastsGoverning body consideration and approval of budget and forecastsAssumptions underpinning forecastsFinancial planning, sensitivity analysis and scenario testingDebt financing arrangements and covenants <p>May be requested</p> <ul style="list-style-type: none">Recent project proposals (development and capital investments) and governing body consideration and approval (sample minutes)Budget proposal and discussion papers and Governing body minutes reflecting approval	<p>Tiers 1, 2 and 3</p> <ul style="list-style-type: none">Business planning documentsRecent governing body (and relevant sub-committees if applicable) minutes about financial performance with relevant operational and financial reportsAnnual ReportNRS Financial Performance ReportAudited financial statements for the most recent financial yearAudit management letter for the most recent financial year (where they have been issued)Financial viability measures dataBoard approved budget and forecastsGoverning body consideration and approval of budget and forecastsAssumptions underpinning forecastsFinancial planning, sensitivity analysis and scenario testingDebt financing arrangements and covenants <p>May be requested</p> <ul style="list-style-type: none">Recent project proposals (development and capital investments) and governing body consideration and approval (sample minutes)Budget proposal and discussion papers and Governing body minutes reflecting approval <p>Other sources Record of complaints and notifications under the National Law</p>
Managing financial risk exposure	The provider monitors and manages its financial risk exposure to protect its financial interests and the interests of investors	<ul style="list-style-type: none">Financial risks are appropriately mitigatedThere are no significant and ongoing or repeated instances of financial risks occurringAppropriate risk management response systems are in place and any risks identified are dealt with in a prompt and effective manner	<p>Tiers 1, 2 and 3</p> <ul style="list-style-type: none">Business planning documentsAudited financial statements for the last two financial yearsNRS Financial Performance ReportFinancial and risk management policies and proceduresFinancial risk management processGoverning body (and relevant sub-committee if applicable) minutes reflecting discussions about financial events and risk management (Sample)Financial planning, sensitivity analysis and scenario testingDocumented risk management systemRisk management planRisk registerDebt financing arrangements and covenants	<p>Tiers 1, 2 and 3</p> <ul style="list-style-type: none">Business planning documentsAudited financial statements for the most recent financial yearNRS Financial Performance ReportRecently amended financial and risk management policies and proceduresFinancial risk management processGoverning body (and relevant sub-committee if applicable) minutes reflecting discussions about financial events and risk management (sample)Financial planning, sensitivity analysis and scenario testingDocumented risk management systemRisk management planRisk registerDebt financing arrangements and covenants <p>Other sources Record of complaints and notifications under the National Law</p>