bridge housing
LINKING PEOPLE TO A BETTER FUTURE

ANNUAL REPORT 2012

Bridge Housing Limited Annual Report 2012

Contents

About This Report

The Bridge Housing Limited Annual Report provides key stakeholders with a summary of our operational and financial performance during the 2011–12 financial year.

We wish to tell the story of what we do, why we do it, and how our work affects the residents and communities we serve.

To assess how well we are performing, our outcomes for 2011–12 are measured against the targets set in our Strategic Plan 2009–12, which are detailed further in our Business Plan 2011–12.

The audience

This report is primarily aimed at the following stakeholders:

> residents, applicants and recipients of our housing management services

> federal and state government partners who fund and regulate Bridge Housing Limited

> support partners that provide services to our most vulnerable tenants

> Bridge Housing staff who deliver our services.

Acknowledgement

Bridge Housing Limited acknowledges the Gadigal and Boromedegal clans of the Darug people as the traditional custodians of the land on which we operate.

Our Vision

To be one of Australia's pre-eminent not-for-profit providers of quality, affordable housing.

Our Mission

To build sustainable communities through the provision of affordable housing for low to moderate-income earners.

Our Values

Our values are:	What does Bridge Housing mean by this?
Socially responsible	We are a socially responsible organisation with a commitment to social inclusion and improving the lives of the people and communities we support.
People-focused	We are a people-focused organisation. We keep our applicants and resident's needs at the core of all activity and decisions, empathise with their needs and deliver our services with fairness, respect and sensitivity. We value and support our employees to enable them to perform at their best and achieve their full potential.
Committed and passionate	We are committed and passionate and put our hearts and minds into our work. We value and encourage innovation and continually seek to improve our performance.
Build relationships	We build relationships based on trust and respect to create positive outcomes for the people and communities we serve.
Professionalism and integrity	We act with professionalism and integrity. We take responsibility for our decisions and actions and provide a consistent high-quality service. Our decisions are based on sound judgement and our culture engenders good governance, transparency and honesty.

Our Strategic Plan

To help achieve our mission, we develop a Strategic Plan every three years, which identifies the critical success factors we need to meet. These factors are implemented through our annual Business Plans.

The critical success factors for the Strategic Plan 2009–12 were as follows:

1. Strategic portfolio growth

2. Quality service delivery

3. Managing our housing assets

4. Effective governance

5. Business sustainability

6. Developing our people

7. Increasing our profile and reputation.

In this report we measures our performance against our Business Plan objectives for 2011–12 and present a summary of our new three-year Strategic Plan 2012–15 on page 26.

Our Services

Our services include the provision of long term accommodation for people on low- to moderate-incomes. We provide this through:

> owning properties

> managing properties from the public housing authority

> leasing properties from the private rental market

> managing properties on behalf of other organisations

> responsive and planned maintenance services on a property portfolio valued at $274 million.

Our housing services encompass social and affordable housing. We meet the needs of the most disadvantaged - who require assistance to maintain a sustainable tenancy - by working with over 40 support providers.

Highlights 2011–12

> Submitted a successful tender to Housing NSW to build 160 affordable dwellings on a public housing redevelopment site in Seven Hills by 2015.

> Submitted a successful tender to Housing NSW to manage 128 new-build properties in the Canterbury and Bankstown local government area by 2014.

> Implemented 'Platform 70', which aims to house 70 rough sleepers from Woolloomooloo in the private rental market. Secured 35 properties with support from Neami, (an organisation that is committed to improving mental health and wellbeing in the community).

> Acquired and converted a residential property into a group home suitable for four children with extensive physical disabilities, and finalised a support agreement for 24-hour support with Ability Options. The project was funded with a $1.3 million grant from the Department of Ageing, Disability and Home Care (ADHC).

> Won the 2012 Australian Housing Institute NSW/ACT 2012 'Leading Innovation Award' for Platform 70.

> Awarded the 2011 PwC Transparency Award – Best First Time Entrant for our Annual Report 2010–11. (Bridge Housing is the first community housing provider in Australia to win this award).

> Recognised by the 2012 Australasian Reporting Awards:
  » Silver Award for Distinguished Achievement in Reporting.
  » Finalist in the Best First Time Entry category.

> Completed our first Employee Opinion Survey.

> Revised our Values and Code of Conduct.

> Market leader in remuneration and benefits policy.

Housing Supply and Affordability for Low-Income Households

The National Housing Supply Council was established by the Australian Government to monitor housing demand, supply and affordability in Australia. Its most recent State of Supply Report 2011 indicated that:

'Despite the recent surge in investment in response to the global financial crisis, social housing supply lags well behind demand in this sector. Since there is no sign of any easing in rents at the lower end of the market, the problem of housing availability and cost is likely to be more acute for less wealthy households. In addition, lower income households tend to spend a larger proportion of their income on 'essentials', such as food and fuel, which have increased in price by more than overall inflation in recent years.'

'The current rate of new home building is exceptionally low, so the 'gap' may widen by more than forecast in the medium-trend projections over the next couple of years. The impact is likely to be felt most at the lower end of the socioeconomic spectrum, which may, in turn, put additional pressure on the social housing sector. Lower income groups' ability to access the market is already a significant issue that affects access to employment and services. Lack of access to healthy, affordable, well-located housing could have intergenerational implications for engagement with work and community, and for productivity in the economy.'

(Source: National Housing Supply Council, State of Supply Report 2011, page xix.)

In the National Housing Supply Council's Housing Supply and Affordability – Key Indicators, 2012, the Council sets out the extent of the problem:

> In 2009–10, 60 per cent of lower income private renters faced direct housing costs of more than 30 per cent of their income, an increase from 57 per cent in 2007–08.

> A larger proportion of lower income renters in capital cities faced housing costs of more than 30 per cent of income than did low-income renters outside those cities.

> New South Wales, followed by Queensland, had the highest proportion of lower income renters paying more than 30 per cent of income.

> There is a shortage of properties that are affordable and available for lower income renters. The Council estimates that there is a shortage of 539,000 rental properties that are both affordable and available for this group.

(Source: National Housing Supply Council, Housing Supply and Affordability – Key Indicators, 2012, page vii.)

How do we measure affordability?

Bridge Housing uses the definition provided by the Centre for Affordable Housing (a division of Housing NSW): 'Housing is considered to be 'affordable' when it is priced so that other essential costs like food, clothing, transport and services can be adequately met. This is generally where housing costs are less than 30 per cent of gross household income for low- to moderate-income households'.

There is a diverse and growing group of people, who cannot access affordable and appropriate housing in their local area, including:

> very low-income households, with incomes less than $35,300 (50 per cent of median income)

> low-income households with incomes from $35,300 to $56,500 (50 per cent to 80 per cent of median income)

> moderate-income households with incomes from $56,500 to $84,700 (80 per cent to 120 per cent of median household income).

(Source: Centre for Affordable Housing, **www.housing.nsw.gov.au**)

Bridge Housing operates across Sydney's inner and middle-ring suburbs, incorporating 16 local government areas. This region features Australia's highest housing costs and very low levels of affordable rental and purchase properties. The chart at top right compares rental affordability within inner Sydney, Parramatta and across Sydney's metropolitan area. Between 2009 and 2012, the supply of affordable rental properties fell for very low- to moderate-income households within inner Sydney. A similar trend is evident in the Parramatta local government area.

The possibility of purchasing a home has also diminished significantly over the same period. Less than 10 per cent of dwellings in inner Sydney and 20 per cent in Parramatta were affordable for moderate-income households, with the majority of very low- and low-income households unable to purchase a home.

Public housing demand

Another important indicator of housing demand by low-income households is the 'public housing waiting list'. In NSW this is called the Housing Register. The latest figures (30 October 2011) show that there were approximately 14,400 households waiting for public housing, with wait times of five to ten years, across the region within which Bridge Housing operates.

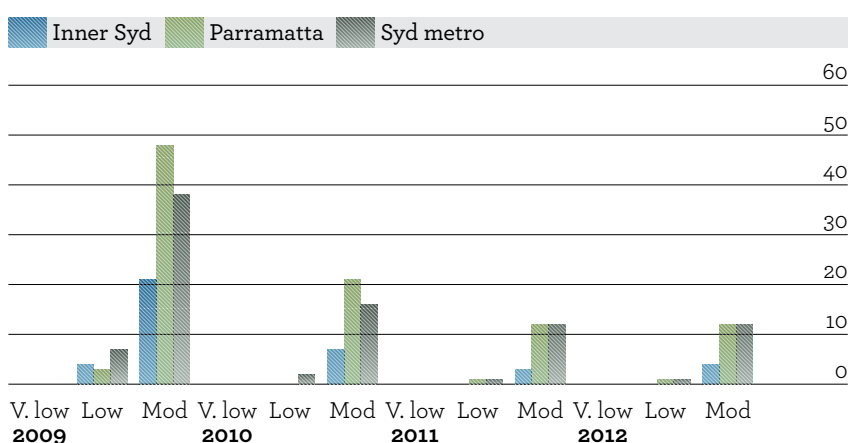Further information is available at **www.housingpathways.nsw.gov.au**.

Affordable Rental

Affordable rental properties by income percentage, 2009–12
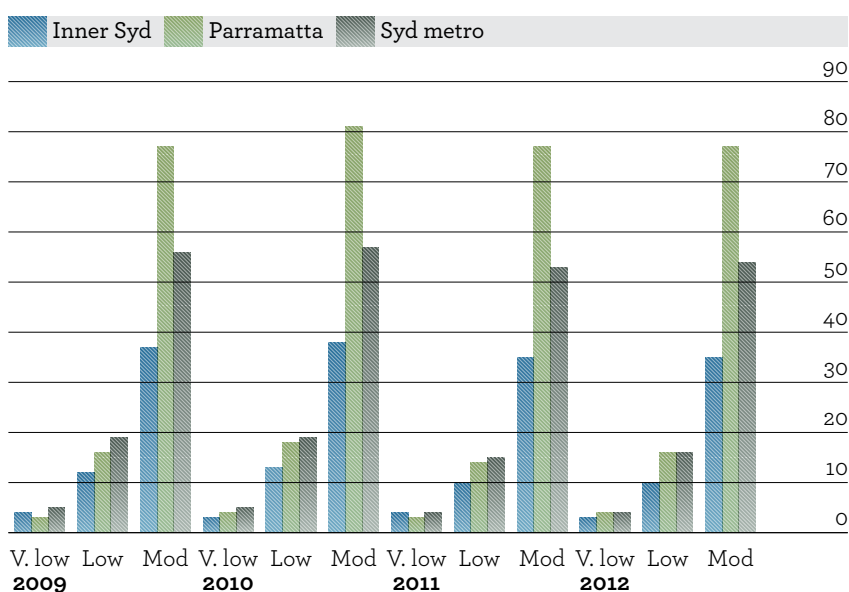
Affordable Purchase

Affordable purchase properties by Income percentage, 2009–12

Homelessness

The shortage of affordable housing has a significant effect on homelessness rates. The region in which Bridge Housing operates has the highest number of homeless households in the Sydney metropolitan area. The most recent homelessness figures, from the 2006 Census,[1] counted more than 10,000 people as homeless in coastal Sydney, including over 400 Indigenous people. The Census counted more than 2,200 homeless households in the City of Sydney, with decreasing numbers in the Marrickville, Parramatta, Auburn, Randwick and Holroyd local government areas.

(Source: Regional Homeless Action Plan 2010–2014, Coastal Sydney and Greater Western Sydney, **www.housing.nsw.gov.au**.)

Homelessness

Homeless households by local government area, 2006

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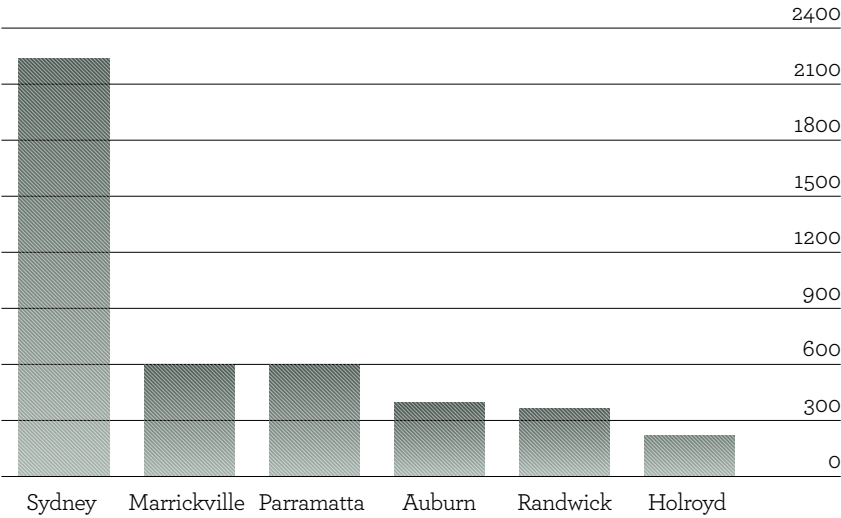
1 Homelessness figures from the 2011 Census will be available in November 2012 and will be posted on **www.bridgehousing.org.au**.
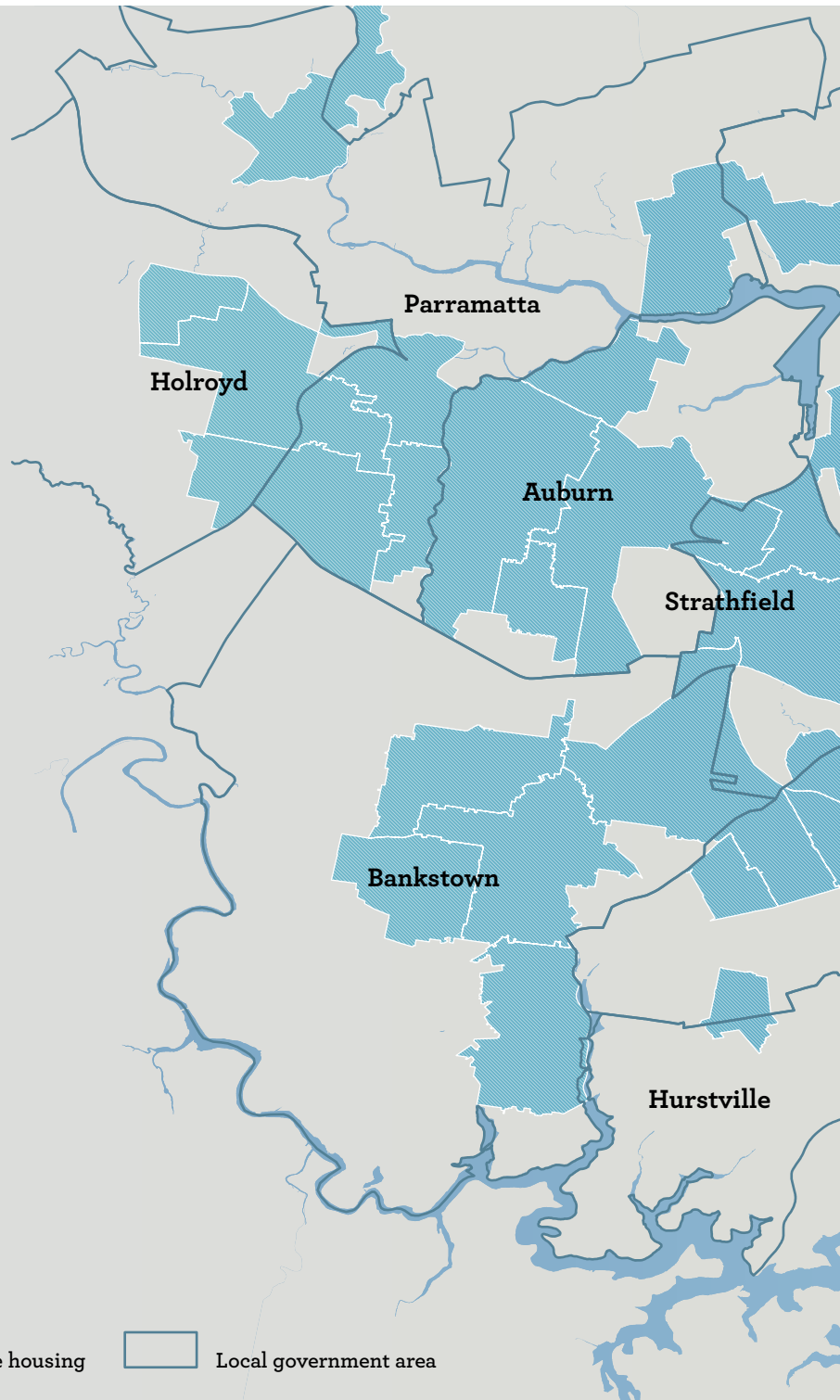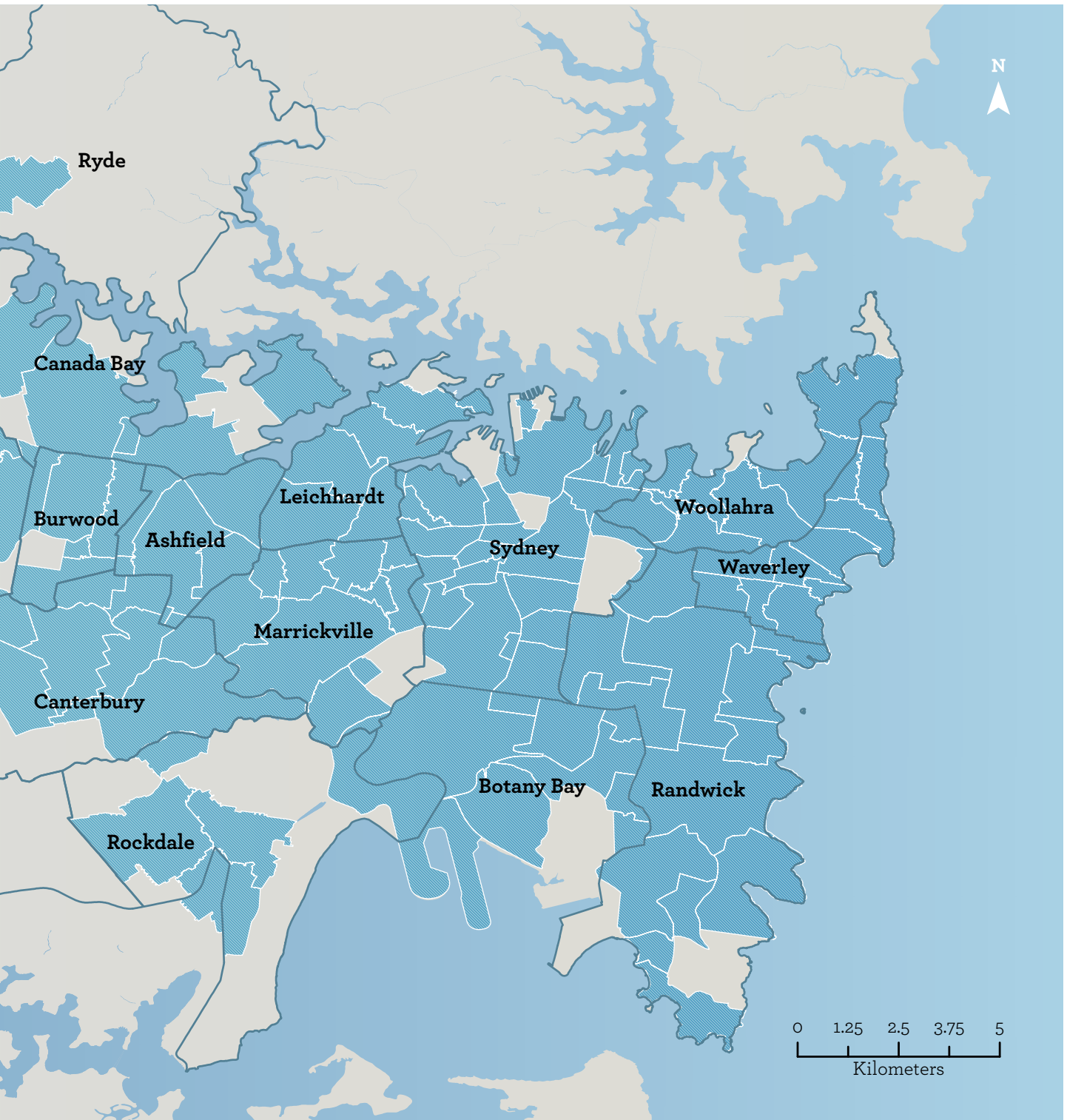
Bridge Housing Profile

Bridge Housing Limited is a Class 1 registered community housing provider based in Redfern, Sydney. Established in 1985, we provide affordable housing solutions to low and moderate income households across the inner and middle ring of the Sydney metropolitan area.

Bridge Housing is registered and regulated by the NSW Registrar of Community Housing. It is also a:

> Registered Charity with Deductible Gift Recipient status

> Company limited by guarantee regulated by the Australian Securities and Investment Commission and managed by a Board of seven non executive directors who are elected by the members of the company.

> Member of the NSW Federation of Housing Associations and part of a network of 26 community housing providers operating throughout NSW

> Further information is found under Governance on page 79 of this Annual Report and at **www.bridgehousing.org.au**.

At 30 June 2012, Bridge Housing owned or managed 1,552 properties and operated across 16 local government areas as illustrated to the right.

Parramatta

Holroyd

Auburn

Strathfield

Bankstown

Hurstville

Suburb where Bridge Housing provide housing

Local government area

Ryde

Canada Bay

Burwood

Ashfield

Leichhardt

Woollahra

Sydney

Waverley

Marrickville

Canterbury

Botany Bay

Randwick

Rockdale

N

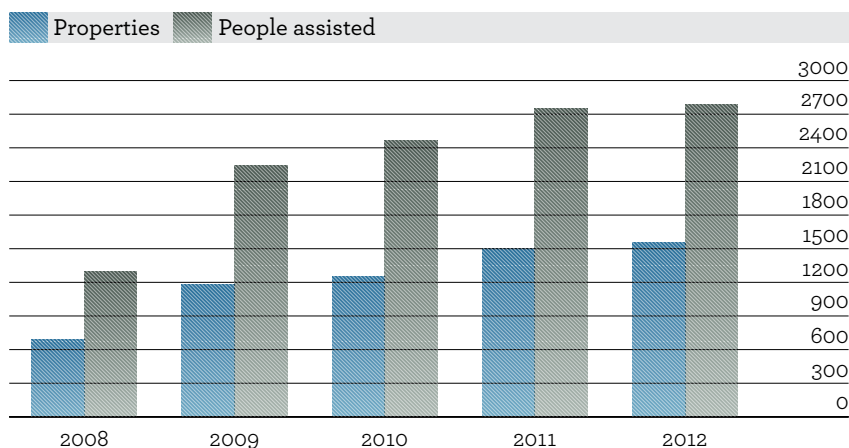0   1.25   2.5   3.75   5
Kilometers

Bridge Housing Limited began as the South West Inner Sydney Housing Cooperative in 1985. It amalgamated with the Inner West Housing Association in 1993, Darlinghurst Area Community Housing Scheme in 2001, Burwood Area Community Housing in 2008 and Eastern Suburbs Rental Housing Association in 2009. Bridge Housing Limited was incorporated as a company limited by guarantee in March 2009.

Bridge Housing's growth is driven by our three-year strategic plans and annual business plans. Our Strategic Plan 2006–09 enabled us to establish sound foundations for growth. Within 18 months, our portfolio had increased from 650 to 1,100 homes, largely through amalgamations with other community housing providers.

Our Strategic Plan 2009–12 built on this foundation, aiming to strengthen and extend operations to include procurement, property development and an increased level of community engagement. We planned to increase our property portfolio to 1,900 properties by 2012, achieving an actual increase to 1,552 properties and assisting 2,790 people through the provision of secure, affordable housing . During the period, we placed a greater focus on 'organic' growth through property transfer programs, competitive tendering and development opportunities.

We didn't meet the target of 1,900 properties due to NSW Government policy changes in 2011, which placed the property transfer program on hold.

This report details our performance against the targets we set in our strategic and business plans.

The future

Our Strategic Plan 2012–15 will help us grow our property portfolio to between 2,000 and 3,000 properties, in line with our projections in either the 'Medium Growth' or 'High Growth' scenarios.[1]

We are already working towards these growth targets, following successful tenders for properties in Canterbury and Bankstown, two public housing redevelopment opportunities in Glebe and Seven Hills, and the delivery of our Nation Building Leveraging Targets.

People and Properties
Number of properties and people assisted, 2008–12

1 Bridge Housing has developed two growth scenarios: 'Medium Growth', which assumes the delivery of existing projects in the pipeline (2,000 homes) and 'High Growth', which assumes the Medium Growth scenario plus the NSW Government recommencing the Property Transfer Program in 2012–13 and continuing it during our three-year strategic plan. The High Growth scenario also assumes that we successfully tender for 400 properties per annum (3,000 homes).

Properties by Program 2011–12

	Social Housing	Affordable Housing	Supported Housing *
Vested	164	8	80
Part equity	3		
Social Housing Subsidy Program		27	
Community Housing Leasehold Program (CHLP)			
> Capital Program	615		49
> Private rental	609		82
Leased Housing NSW (scheduled for redevelopment)	23		14
Fee-for-service			
> Local government	57	25	5
> State government (JTAP/HPA)	7		6
> Other community organisations	14		7
Total	**1,492**	**60**	**243***

*Supported Housing is a subset of the total Social Housing dwellings, which means the total number of properties at 30 June 2012 is 1,552.

Fee-for-service programs

As at 30 June 2012 we provided management services to the following organisations:

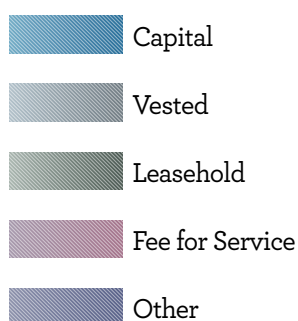| Organisation	Target group	Properties
Waverley Council		
> Affordable Housing	Moderate-income households in Waverley LGA, pay 75% of market rent	25
> Waverley Housing For Older Persons	Older people living in the Waverley LGA	51
> Waverley Community Living Program	People with mild intellectual disabilities living in the Waverley LGA	6
Settlement	The Darlington community	7
Aids Council of NSW	People with HIV or AIDS	7
Department of Juvenile Justice	Young people leaving the juvenile justice system (JTAP)	5
Housing NSW	Home Purchase Assistance Program (HPA)	2
Total		**103**

Program Descriptions

Vested properties

Property title is vested with the community housing provider, with the NSW Government holding a caveat on the title to protect its investment. This program was introduced in 2010 through the transfers of Nation Building Economic Stimulus Package (NBESP) properties, to give community housing providers with security to borrow from financial institutions to procure or develop affordable housing.

Capital properties

Capital properties are leased from Housing NSW and managed by Bridge Housing. These may be existing public housing properties, such as the South Coogee estate, or newly constructed properties such as those in Canterbury and Bankstown. Under the funding contract, community housing providers are responsible for allocations, tenancy management, property management, and responsive and planned maintenance. All rental income is retained by the community housing provider. Rents are specified by Housing NSW through the Community Housing Rent Policy. Rents are set at 25 per cent of assessable income, plus 100 per cent of Commonwealth Rent Assistance. Allocations are made to eligible tenants from the Housing Pathways housing register (**www.housingpathways.nsw.gov.au**).

Leasehold properties

Leasehold properties are sourced from the private rental market. Community housing providers become the head tenant and sign a Residential Tenancies Agreement under the *Residential Tenancies Act 2010* (NSW) *and Residential Tenancies Regulation 2010* (NSW). The property is then subleased to eligible applicants from the Housing Pathways housing register. Housing NSW provides a management, rent and maintenance subsidy under the NSW Government's Community Housing Leasing Program. Spotlight Five provides further information on the leasehold program.

Fee-for-service

Fee-for-service properties are managed by Bridge Housing on behalf of external organisations through a management agreement or contract. The management fee is based on the level of housing and property management services that Bridge Housing provides.

Bridge Housing Portfolio by Program Type

Capital
Vested
Leasehold
Fee for Service
Other

40% 3% 7% 39% 11%

Our Operating Environment: History, Contracting and Regulation

History

Beginnings 1982–96

The NSW community housing sector was established in the early 1980s, with 61 providers managing 2,000 homes. It has since grown substantially and at 1 June 2012, 28 providers managed or owned approximately 30,000 homes. Since 1986, the NSW public housing authority (now Housing NSW) has held principal responsibility for contracting, funding and resourcing the community housing sector. Through the Community Housing Leasing Program, the authority provides subsidies to lease private rental properties and transferred the management of existing and newly constructed public housing properties to community housing providers.

Consolidation 1996–06

The first significant growth in the NSW community housing sector occurred between 1996 and 2006, when the sector grew from 6,000 to 13,000 homes. During this period, the sector also underwent significant consolidation; the number of providers fell from 61 to 32 by 2006.

A typical inner west art deco property from the Bridge Housing portfolio

Growth 2006–12

Between 2007 and 2011, the community housing sector experienced further growth. The key driver was Planning for the Future 2007–2012, the NSW Government's five-year community housing growth strategy with a target of increasing the size of the sector from 13,000 to 30,000 properties by 2022 over 10 years. The strategy also sought to build the sector's capacity to deliver more affordable housing by adding property procurement and development to their core housing management operations and facilitating access borrowing from the financial sector. The mix of government grants, borrowing and the sector's tax advantages, which reduces the costs of providing new housing supply, would play a major part in increasing housing supply.

Underpinning this expansion in operations and risks was the establishment of a new regulatory system administered by the Registrar of Community Housing. The regime established a risk-based registration system with Class 1 and Class 2 providers targeted to receive the additional resources. This would provide confidence that the sector was well regulated and the substantial transfer of government assets would be protected through rigorous annual compliance reporting. The strategy also established a competitive tendering regime with allocation of housing and assistance to community housing providers based on capacity and performance. This also dismantled the old geographical operating regions and enabled providers to operate throughout NSW.

The future

By 2012, the community housing sector had grown to 30,000 homes[1] under management, reaching the government's target in less than half the time envisaged by Planning for the Future. The average size of a community housing provider is now 1,000 properties. The principal growth came from:

> the Property Transfer Program, which transferred 3,000 public housing properties to community housing management

> the Nation Building Economic Stimulus Package (NBESP), which delivered 6,000 new properties. Once built, the properties are transferred to community housing providers through competitive tender

> providers' own initiatives eg fee-for-service programs.

The NBESP was significant for two reasons: it provided a significant boost to the number of properties managed by community housing providers, and title was vested to community housing providers. Contractually, providers had to use the security of title and reliable cash flow to borrow funds to increase the supply of affordable housing. For example, Bridge Housing is required to deliver 75 affordable properties over 10 years. However, by the end of 2012 only half of the 6,000 properties under community housing management have been vested, as the NSW Government determines whether further properties will be vested.

Housing portfolio responsibilities in NSW are now shared by two ministers, the Minister for Community Services and the Minister for Finance and Services and administered by two departments. Administration of housing policy and tenancy management responsibilities lies with the Department of Family and Community Services, and the Department of Finance and Services controls housing assets.

The Minister of Finance and Services is currently reviewing the vesting arrangements and has placed further property transfers on hold. The government is yet to articulate a medium-term growth strategy beyond 2013 to replace Planning for the Future.

Funding and contracting

The Community Housing Division (CHD), a division of Housing NSW, has the primary relationship with, and contract management of, community housing providers in NSW. These responsibilities include:

> strategic planning to set the framework and direction of the community housing sector within the NSW Government and Housing NSW strategic priorities for public and community housing

> resource planning for allocation of social housing between public and community housing

> funding regime to determine the assistance given to community housing providers. This includes the provision of properties for management, ownership and subsidies to manage and secure private rental properties. These housing resources are increasingly being allocated through competitive tenders

> contractual arrangements managed through the development of policy, guidelines, performance standards, funding agreements and leases. CHD also monitors compliance with funding agreements and contracts.

Further information on the role of the CHD is available from **www.housing.nsw.gov.au.**

[1] NSW Federation of Housing Associations - **www.communityhousing.org.au**. These figures will differ from figures in the Housing NSW Annual Report 2011, which only reports on assistance from Housing NSW.

Regulation

The NSW Government established a new regulatory system for community housing providers on 1 May 2009. The purpose of the new system is to ensure a viable community housing sector that provides quality housing for residents. *The Housing Act 2001* (NSW) *and Housing Regulation 2009* (NSW) provided the legislative framework to establish the Registrar of Community Housing (**www.rch.nsw.gov.au**) and the Registrar's regulation of community housing providers.

The Registrar of Community Housing reports directly to the Minister for Family and Community Services, and registers community housing providers independently of Housing NSW. The Registrar's functions include:

> maintaining a register of community housing providers

> assessing the suitability of organisations to be registered as community housing providers

> registering suitable community housing providers

> investigating complaints and other matters involving registered community housing providers.

The Regulatory Code sets out the requirements for registered community housing providers. The requirements focus on key areas of risk in community housing including tenancy management, asset management, financial management, organisational governance and housing development.

Community housing providers must register to be eligible for assistance from the government. Upon registration, the Registrar determines the provider's 'Registration Class'. Four classes have been established to reflect risk associated with the scale and type of activities that providers are engaged in. Assessments for Class 1 registrations are complex and intense, while Class 4 registrations are far more basic, as these providers are considered to be lower risk.

The Registrar manages the ongoing regulation of the registered community housing sector through risk-based annual compliance assessments. These ensure that registered community housing providers maintain their performance according to the Regulatory Code.

In 2010, the state and federal governments began to introduce a national regulatory regime and legislation, which will come into effect from June 2013. The purpose of national regulations is to reduce the compliance costs of providers operating across state jurisdictions. Currently, providers registered in one state and wishing to operate in another must also undergo separate registration in that state. Under the proposed national regime, each state will pass complementary legislation and a community housing provider registered in one state will be deemed to be registered in all states.

Vicki Allen (Chairman)
John Nicolades (Bridge Housing CEO)

Bridge Housing Limited

Chairman's Report

This year Bridge Housing Limited completed its Strategic Plan 2009–12 and launched its Strategic Plan 2012–15 to guide our future growth and direction. The development of our latest Strategic Plan provides an opportunity to pause and consider what we have achieved over the past three years, and to look to the future.

Bridge Housing is now a very different organisation compared to 2009. Some of our key achievements over the past three years include:

> growing our property portfolio from 1,100 to 1,552 properties and winning tenders from Housing NSW to ensure our portfolio grows over the next three years

> increasing the number of people we help from 1,180 to 2,790

> establishing an effective executive management team in early 2011, to provide strong leadership and help us secure tenders

> increasing the number of skilled staff in our housing management, assets and finance teams from 15 to 40

> maintaining consistently high levels of tenant satisfaction, achieving an average rate of 88 per cent compared with the community housing sector average of 81 per cent

> developing innovative programs, such as Bridging the Digital Divide

> delivering homeless accommodation in the private rental market through My Place, the Homelessness Intervention Program and Platform 70

> establishing a strong governance system and culture and becoming one of the first community housing providers to adopt the Australian Securities Exchange (ASX) Governance Principles and Recommendations

> successfully registering as a Class 1 community housing provider and maintaining that status through two subsequent compliance assesments

> ensuring we attract, retain and develop staff by overhauling our human resources and remuneration policies.

In short, Bridge Housing is fulfilling its vision to be one of Australia's pre-eminent not-for-profit community housing providers. This status has been further enhanced by the 2012 Australian Housing Institute NSW/ACT 2012 'Leading Innovation Award' for our Platform 70 program, the PwC Transparency in Reporting Award for Best First Time Entrant for our Annual Report 2010–11 and securing a Silver Award at the 2012 Australasian Reporting Awards, as well as placing as a finalist in the Best First Time Entry section of these Awards. We are the first community housing provider in Australia to win these awards for an annual report.

Our success during this period was supported by the NSW Government's growth strategy for the community housing sector - Planning for the Future: New directions for community housing in New South Wales 2007/08 –2012/13. The strategy helped the community housing sector grow from 13,000 to 30,000 properties by the end of the financial year 2011. This growth was achieved by transferring properties from the public housing sector to the community housing sector and developing NBESP properties,

18

with subsequent vesting. The strategy provides the basis for the community housing sector's future expansion by enabling the sector to borrow so it can develop more affordable housing.

Looking forward

The Board's role is to ensure that Bridge Housing has a clear strategic vision and direction and exercises good governance. Bridge Housing's success has been built on the management team's execution of our clear strategic objectives during successive three-year strategic plans. The Registrar of Community Housing in Bridge Housing's 2012 Compliance Report noted:

'There is significant evidence that Bridge Housing has a strong strategic planning process … this approach has real strengths and could be highlighted as positive practice in the community housing sector'.

The Board and management devoted considerable time to developing the Bridge Housing Strategic Plan 2012–15 and the Business Plan 2012–13, which will commence operation in the first year of the three-year Strategic Plan. Our Strategic Plan 2012–15 is summarised on page 26 of this Annual Report and the Business Plan 2012–13 is available at **www.bridgehousing.org.au**. The underlying rate of growth in the number of dwellings is dependent upon timing and the number of new developments Bridge Housing can

undertake within our current financial capacity, and the High Growth scenario is dependent upon the NSW state government recommencing the Property Transfer Program.

The public policy environment for the NSW community housing sector has recently become less clear, as the NSW Government deliberates on further vesting and the transfer of properties to community housing management. Our strategy will enable Bridge Housing to grow as the NSW Government articulates a strategy for community housing beyond the end of Planning for the Future in 2013.

Effective governance

Effective governance of Bridge Housing is a Board responsibility. Bridge Housing has developed a robust governance culture, which we have strengthened by implementing recommendations from the Walton Report, the Board review we undertook in 2010–11. These recommendations led to the development of the Board Charter, which clearly sets out the expectations and responsibilities of Bridge Housing Directors. We also reviewed our training budget and increased it as part of our commitment to encourage Directors to undertake the Company Directors Course at the Australian Institute of Company Directors (AICD).

A critical element of Bridge Housing's governance culture is the transparency

and accountability we offer our stakeholders, including government, residents, support partners and the wider community. This is reflected in the continuous improvements we have made to the quality of our annual reports, recognised by the above mentioned awards.

I was pleased to be a presenter for the Registrar for Community Housing Occasional Industry Seminar series on good governance in March.

A key element of our governance culture is ensuring accountability throughout the organisation. We commenced our first internal audit, undertaken by RSM Bird Cameron in February 2012, and reviewed our fraud risk controls and financial policies. The review found that Bridge Housing has taken substantial actions to address both fraud risks and to ensure that appropriate policies and procedures are in place.

External scan

Bridge Housing, together with the community housing sector, faces a more challenging external policy environment at a federal and state government level. **At the federal level this includes:**

> renegotiation of the National Affordable Housing Agreement

> National Rental Affordable Scheme

> Australian Charities and Not-for-Profit Commission.

The National Affordable Housing Agreement (NAHA) sets the broad framework for housing policy and determines the allocation of funding for social and community housing between the state and commonwealth governments. NAHA is important as it establishes a direction for what resources are directed into the community housing sector for example, through property transfers. The most immediate impact on Bridge Housing is funding for the National Partnerships on Homelessness (NPH), which comes to an end in 2013. This affects our ability to extend innovative homelessness programs such as Platform 70, which is funded through NPH.

We look forward to the extension of the Federal Government's National Rental Affordable Scheme (NRAS). This is the most significant supply-side initiative from the Commonwealth. Bridge Housing received 300 NRAS subsidies in Round 4 for the Cowper Street Glebe and Seven Hills redevelopments. NRAS has a significant impact on our capacity for borrowing funds. We look forward to Round 5, the next NRAS round.

As a not-for-profit and a charity, Bridge Housing welcomes to the establishment of the Australian Charities and Not-for-Profit Commission. However, there is uncertainty over two reviews in regard to the definition of a charity and unrelated business activities. The first relates to whether the provision of affordable housing will be included in the new definition of a charity. Similarly, the review of unrelated business activities may adversely affect community housing providers, operations. Their combined impact may result in the loss of tax exempt status of some of our activities. Bridge Housing will work with our industry peak body to ensure that our existing tax status is maintained, as this provides a significant lever to assist in increasing affordable housing supply.

At the state government level key questions include:

> decision on vesting for NBESP properties and major redevelopment sites

> development of a strategy for the community housing sector – Planning for the Future

> review of the NSW Planning System.

The most immediate need is a Ministerial decision on the balance of vesting and major redevelopment sites. The NSW Government also requires a Strategy which provides certainty for the community housing sector. Bridge Housing is committed to working with the government to ensure the appropriate policy settings so the sector can capitalise on its strengths to deliver more affordable housing.

The NSW planning system also impacts the provision of affordable housing; its application by local governments determines the type, location of housing and land use that encourages supply. The Affordable Housing State Environmental Planning Policy (SEPP) helped with a modest increase in the provision of affordable housing. We look forward to the review by the Affordable Housing Taskforce, which commenced in July 2011, to provide certainty to local authorities, developers and community housing providers. The state government has also commenced a major review of the *Environmental Planning and Assessment Act 1979*. Improvement in the planning and assessment process, must ensure the provision of affordable housing in those areas undergoing significant redevelopment.

Bridge Housing's purpose is to ensure that we provide good-quality services to our tenants and help to increase the supply of affordable housing to low- and moderate-income households. I look forward to continued growth over the next three years.

I would like to thank my fellow Directors for the time and effort they have applied to their tasks in 2011-12, which they do on a voluntary basis. I acknowledge Gary Spreckley who resigned from the Board in early 2012. I welcome Alan Revell, whose considerable property development experience will enhance the Board's existing property development expertise. I also thank the Bridge Housing management team and all staff members, for their dedication in delivering this year's excellent results.

Vicki Allen
Chairman

CEO's Report

Bridge Housing performed well during 2011–12, securing the future growth of its property portfolio by achieving the following:

> Housing NSW tender to redevelop a public housing site in Seven Hills, which will provide 160 affordable housing units by 2015–16, and securing the equivalent number of NRAS subsidies, which will enable up to $15 million in borrowings

> Housing NSW tender to manage 120 new-build properties in Canterbury and Bankstown, which will be delivered between 2012 and 2014. The first 19 units were transferred to Bridge Housing in May 2012

> Sydney Metropolitan Development Authority Expression of Interest to develop the North Eveleigh site with 80 affordable housing units. We were also shortlisted with two other community housing providers for the select tender, which will be decided in late 2012

> a $1.3 million grant from the ADHC to upgrade a dwelling to accommodate four children with high-level physical disabilities, who require 24-hour care.

We also increased the number of leasehold subsidies we managed from 594 to 619 through Platform 70.

Despite this growth, Bridge Housing also faced some challenges, including the NSW Government placing the Property Transfer Program on hold, pending a review. This affected our ability to reach our target portfolio of 1,900 properties, which relied on the Property Transfer Program continuing as the main growth driver for community housing providers in NSW.

The NSW Government is still to decide on vesting the balance of NBESP properties and major redevelopment sites, including Cowper Street in Glebe. This has delayed the early stages of the 10 year leveraging targets for 75 properties, and will push back the delivery of 153 seniors units on the Cowper Street site from December 2013 to December 2015.

High-quality services

Bridge Housing has continued to develop and deliver high-quality services.

Our 2011–12 Tenant Satisfaction Survey showed an overall satisfaction rating of 86 per cent. This was slightly lower than the 88 per cent rating for 2010–11, but compares well with the 71 per cent achieved by the overall public housing sector and 81 per cent by the community housing sector.

We are delighted with the success of our Platform 70 program, which provides secure accommodation in the private rental market and support for 70 rough sleepers from Woolloomooloo. This program illustrates how close collaboration between a housing provider, such as Bridge Housing, and a support provider, such as Neami, can deliver effective and sustainable outcomes for one of the most disadvantaged groups in society.

At 30 June 2012, 32 rough sleepers had secured accommodation and were engaged in a support program with Neami. This achievement was recognised when Platform 70 won the Australian Housing Institute (NSW/ACT Division) 2012 Leading Innovation Award. Platform 70 is highlighted in Spotlight three on page 41 of this Annual Report.

We also undertook a major contract (worth $1.7 million) with Housing NSW to upgrade 14 crisis accommodation properties owned by other agencies. This was a complex project requiring close cooperation with support agencies, as many of the properties are heritage-listed and we had to decant tenants with complex needs, to undertake the work.

Maintaining our assets

We developed the Asset Maintenance Plan 2011–12 to ensure we keep our properties in good condition. In 2011–12, we continued to improve the efficiency of our responsive and planned maintenance services, completing 4,662 responsive maintenance jobs (costing $621,000) and 163 planned maintenance jobs (costing $1.5 million).

Some minor works were also carried out in newly built NBESP properties, which were transferred from Housing NSW to Bridge Housing. Some of the works could be classified as defects, but difficulties were often incurred as the builders did not address them. In some cases, further to tenant's occupation of the property, some builders would dispute that the item was not defective. Further compounding this was the fact some builders had entered liquidation. In such instances, it was faster and more effective for Bridge Housing to remedy these items, especially given our responsibilities as a landlord under the *Residential Tenancies Act*.

Business sustainability

We performed well across our operational and financial key performance indicators (KPIs) in 2011–12. Voids reduced from 37 days to our benchmark of 28 days and arrears were at 1.6 per cent, well below the industry benchmark of 4 per cent. However, vacancy rates were at 17 days, compared to our benchmark of 14 days. We have since established strategies to bring vacancies down to our benchmark in 2012–13.

Salaries as a percentage of total revenue increased to 11 per cent in 2011–12; however, we expect this to fall as our property portfolio increases. Bridge Housing has also employed more skilled staff, such as the Executive Team and experienced asset managers, to increase our organisational capacity. This has enhanced our ability to successfully submit and win tenders to grow our property portfolio. Our five-year Report Card and Financial Summary on pages 64 and 66 respectively provides further information about our performance.

Bridge Housing focuses on developing strong business systems and processes to support our growth. Following a comprehensive tender process, we appointed UK-based IT provider SDM Housing Software to implement a new information management system for our tenancy, asset and financial management. SDM has more than 30 years experience working in the UK housing sector. Implementation commenced in April 2012, with a go-live date scheduled for early December 2012.

Developing our people

Bridge Housing believes that active, passionate and engaged employees are the lifeblood of any successful organisation. In 2011–12, we implemented our HR Improvement Plan to ensure we attract, retain and develop quality staff by becoming a leading employer in the community housing sector. The plan involved a review of our values and culture, with emphasis on developing appropriate behavioural standards, improving our HR administrative processes, developing competency-based position descriptions, overhauling our recruitment process, and improving our remuneration and benefits policy. The improvements in our remuneration and benefits policy places Bridge Housing as one of the leaders in the community housing sector and well ahead of the Fair Work Australia Equal Pay decision in February 2012.

To establish a base line and measure our performance and the impact of the HR Improvement Plan, Bridge Housing undertook our first Employee Opinion Survey (EOS) in September 2011. Our staff engagement level was at 64 per cent, slightly lower than the Health and Community Services sector benchmark of 72 per cent[1].

Bridge Housing has undergone considerable growth and cultural change during the past 18 months, and, like most organisations undergoing

1 The EOS was undertaken by Voice Projects–**www.voiceproject.com.au**

change, staff turnover has been higher than usual. This year our staff turnover was 33 per cent. This was higher than we would have liked; however, it also gave us the opportunity to renew and refresh our staff and skills base.

The Our People section on page 68 provides a comprehensive report about the Employee Opinion Survey and our HR initiatives.

Increasing our profile

In 2011–12, Bridge Housing emerged as a more active participant in the community housing sector, with Directors and staff playing a more active role in sector events. I was a respondent at a seminar in November 2011 organised by the Centre for Social Impact, titled 'Community Investment and Community Empowerment: The role of social housing providers'. Directors and staff also presented papers at the PowerHousing Australia conference in March 2012.

In addition, I contributed to the community housing sector through my position as Deputy President of the NSW Federation of Housing Associations – the peak industry body for community housing providers in NSW.

We also increased our broader community involvement during the year. In June 2012, I participated in the St Vincent de Paul CEO Sleepout,

raising $13,000 for one of our support partners. Bridge Housing staff put on their running shoes and entered the City to Surf in August 2011, raising $1,600 for Weave, a Redfern-based support service, and the Red Cross Young Women's Program.

Bridge Housing believes in collaborating with other community housing providers to build a stronger and more dynamic community housing sector. Our collaborative activities this year have included working with Hume Housing to implement our information management systems, actively participating in various industry forums, including the NSW Federation of Housing Associations and PowerHousing Australia, to increase industry expertise.

Looking to the future

Our Strategic Plan 2012–15 sets out a growth path for Bridge Housing based on the work we have done to build our organisational capacity during 2009–12. Over the next three years, we will be operating in a much more uncertain policy environment. Neither the state nor federal government has a clear direction for the future of social housing generally, or community housing specifically.

Our Strategic Plan 2012–15 was developed to deal with this uncertainty through two scenarios: Medium Growth and High Growth. Under the Medium Growth scenario, our portfolio will increase by 500 properties to reach a target of 2,000 properties by 2015.

Our Strategic Plan also enables us to take advantage of opportunities created by any change in government policy, for example the recommencement of the Property Transfer Program. We now have the organisational capacity in terms of both staff and business infrastructure, to handle substantial growth and have developed a High Growth scenario. Under this scenario, we aim to increase our property portfolio by 1,500 properties to reach a target of 3,000 properties by 2015.

Bridge Housing could not have achieved the results from its Strategic Plan 2009–12 or established itself as a leading community housing provider without the dedication of its staff and the commitment of its Directors. I thank them all.

John Nicolades
Chief Executive Officer

Performance Summary

In 2011–12, Bridge Housing reached the end of its three-year Strategic Plan 2009–12. During the year, we achieved almost all of our annual targets. This positive outcome, combined with our overall performance between 2009 and 2012, has established Bridge Housing as one of the leading community housing providers in Australia. To further shape our direction, we began developing the Strategic Plan 2012–15 to cover the next three years. The Strategic Plan will be put into operation through our annual business plans, starting with the Business Plan 2012–13.

Bridge Housing Limited Strategic Plan 2012–15 and Business Plan 2012–13 are both available from **www.bridgehousing.org.au**.

2011–12 target	2011–12 performance
Strategic portfolio growth	**Key:** ◣ completed ◣ in progress ◣ not completed
Achieve target of providing 1,900 properties, through:	
Reviewing the strategic portfolio to identify potential for redeveloping Bridge Housing's existing property portfolio	Property portfolio grew to 1,552 — A tender was issued in 2011–12 and work began in early 2012–13
Securing a Housing NSW redevelopment site to deliver at least 150 units	Secured Housing NSW tenders at Seven Hills to deliver 160 properties by 2016
Securing a minimum of 200 properties through the Property Transfer Program	Secured Housing NSW tender at Canterbury and Bankstown to manage 128 new-build properties, to be delivered by 2014. The NSW Government placed the Property Transfer Program on hold, pending a review
Securing financing to meet NBESP affordable housing delivery targets	Received credit-approved discussion papers from lenders and developed a comprehensive financial model. However, the acquisition of projects has been delayed as the government has delayed the vesting of assets
Managing properties delivered through the Affordable Housing State Environmental Planning Policy	Negotiated an agreement with a private developer for the management of six properties — Submitted tender for management of Waverley City Council's affordable and social housing program
Delivering 27 multi-unit dwellings at Camperdown	Handover of the project was delayed to first quarter of 2012–13
Quality service delivery	
Achieve an overall satisfaction with Bridge Housing of 88 per cent or higher in the Tenant Survey 2011	Achieved an 86 per cent overall satisfaction rating in the Tenant Survey 2011
Complete Supported Housing Program review	Commenced the Supported Housing Program Review, including a Provider Survey which showed an 88 per cent overall satisfaction rating
Implement Platform 70 and meet Year 1 housing targets of 50 per cent of properties to be secured	Platform 70 met Year 1 target, with 35 properties secured.

Performance Summary (Continued)

2011–12 target	2011–12 performance
Managing our housing assets	**Key:** ▮ completed ▮ in progress ▮ not completed
Revise Bridge Housing Asset Management Strategy to align it with the NBESP affordable housing and other tender commitments	Partially completed the Asset Management Strategy, which is now due to be completed in 2012–13. The final strategy is on hold pending vesting approval by the NSW Government
Implement the Asset Maintenance Plan 2011–12	Completed the Asset Maintenance Plan
Re-tender contracts for responsive and cyclical maintenance	Commenced the tender process in 2011–12, which will be completed in early 2012–13
Implement a responsive maintenance management system to measure quality, contractors' performance and timeliness	Included within the Information Management System (IMS) project, with go-live in 2012–13. A policy on satisfaction and performance has been developed
Complete the Crisis Accommodation Program upgrade within time frame	Ninety per cent of properties completed
Effective governance	
Maintains Class 1 registration	Maintained Class 1 status through the 2012 compliance assessment process
Approve the Strategic Plan 2012–15 and Business Plan 2012–13	Approved the Strategic Plan 2012–2015 and Business Plan 2012–13
Approved the Risk Management Plan 2012–13 and ensure it meets AS/NZS ISO 31000:2009	Began changing the Risk Management Plan to an Enterprise Risk Management Plan to meet standards
Complete Internal Audit Program 2011–12	Completed Internal Audit Year 1 with no major issues
Implement the recommendations of the Bridge Housing Limited Board Governance Review	Board Charter adopted. Board Member uptake on AICD Company Director's Course
Business sustainability	
Implement the IMS	Completed the IMS tender and began implementing the system, with go- live due in December 2012
Outsource payroll and introduce the self-service leave management system	Outsourced payroll and self-service system implemented and operational
Implement enterprise-wide compliance system to meet legal and regulatory requirements	Contractor appointed and implementation commenced. Will be finalised in 2012/13.
Ensure arrears, vacancies and voids are at or below sector benchmarks	Arrears and voids below sector benchmark and vacancies slightly above sector benchmark

2011–12 target	2011–12 performance
Develop our people	**Key:** ▮ completed ▮ in progress ▮ not completed
Complete HR Improvement Plan	HR Improvement Plan 80 per cent completed, with the Performance Management System to be implemented by the second quarter of 2012–13
Conduct a staff satisfaction survey to establish satisfaction benchmark	Undertook the first Employee Opinion Survey, with staff engagement at 64 per cent
Review Remuneration and Benefits Policy	Implemented the Remuneration and Benefits Policy in April 2012, placing Bridge Housing as a leading employer in the sector
Implement performance management system	Successfully trialled Performance Management Plan, which will be rolled out fully in 2012–13
Develop training needs, analysis and development plans for all staff, aligned with Strategic Plan objectives	Learning and development is incorporated in the Performance Management initiative
Increase our profile	
Complete communications strategy	Communications strategy placed on hold pending appointment of a communications consultant
Redesign the Bridge Housing website to increase functionality	Modified the website in advance of the planned Social Media Strategy
Enter state and national awards	> Awarded: PwC Transparency Award for Best First Time Entrant > Australasian Reporting Awards: Silver Award for Distinguished Achievement in Reporting Finalist in Best First Time Entry > Australian Housing Institute NSW/ACT 2012 'Leading Innovation Award' for Platform 70

Our Strategic Plan 2012–15

Moving forward

Bridge Housing Board and management commenced its strategic planning cycle in 2011–12 to ensure Bridge Housing had a clear pathway for sustainable growth over 2012–13. We analysed our internal strengths and weakness, and the external environment and developed a plan which will leverage off our growth path established over 2009–12.

The Strategic Plan 2012–15 identifies six critical success factors to drive the achievements of our three year objectives. These are:

1. Strategic portfolio growth

2. Deliver quality homes and services to residents

3. Effective governance

4. Business sustainability

5. Develop our people

6. Enhance our reputation and extend our relationships

These critical success factors are shown in detail below and illustrate how we will measure success in the first and last years of the plan. The 2013 objectives provide the basis of our Business Plan 2012–13. A key element of the Strategic Plan is Bridge Housing's capacity to operate under different scenarios. Accordingly, we have prepared two growth scenarios: Medium Growth and High Growth, details of which can be found on 31 of this report.

1. Strategic portfolio growth to meet affordable housing needs in the community

Steps to success in 2013	Steps to success in 2015
Grow property transfer numbers	
Commence the three-year transfer of 110 properties as part of the Canterbury and Bankstown tender	Deliver 110 properties through Canterbury and Bankstown tender
Influence government to recommence the Property Transfer Program	Successfully tender for a minimum of 1,300 properties through the Property Transfer Program
Build and develop more homes	
Meet the existing commitment to develop 153 seniors units on the Cowper Street public housing redevelopment	Meet the existing commitment to develop 160 affordable housing units through the Seven Hills redevelopment
Secure opportunities to deliver 12 NBESP affordable housing homes	Meet the NBESP affordable housing target of 50 properties
Seek and develop new opportunities	
Undertake a portfolio review to identify redevelopment opportunities	Deliver redevelopment opportunities which emerge from the portfolio review
Prepare and seek partnerships for potential public private partnerships opportunities	Secure one PPP opportunity emerging from NSW Government programs
Pursue strategic merger opportunities, which build balance sheet and business capacity	Deliver strategic merger opportunity with a community housing provider
Tender for affordable housing opportunities	Secure additional fee-for-service contracts by pursuing private sector NRAS opportunities
Grow tenancy management opportunities	
Seek opportunities to increase fee-for-service management opportunities through NRAS/affordable housing State Environment Planning Policy (SEPP)	Increase the number of properties secured through fee-for-service management
Identify leasehold program improvements, develop private rental sector and recommend changes submitted to the government	Gain support from the government for changes in leasehold programs and implement the changes

2. Deliver quality homes and services to our residents

Steps to success in 2013	Steps to success in 2015
Engage residents and build communities	
Develop Community Building and Integration Strategy and implement Year 1 Community Plan	Implement community building and integration programs, measure outcomes, establish benchmarks and define community impacts
Expand tenant engagement (for example, by establishing block meetings)	Tenant engagement improved and measured by external review

2. Deliver quality homes and services to our residents (Continued)

Steps to success in 2013	Steps to success in 2015
Develop and understand community profile through the 2011 Census	Property portfolio, new developments and community initiatives reflect the needs of the communities in which we operate
Develop and build a customer service culture	
Develop a customer service charter and service improvement program	Maintain a high level of customer service by developing customer improvement plans and encouraging external recognition
Maintain tenant satisfaction levels at or above the sector average	Measure tenant satisfaction levels through an independent review to ensure they are at or above the sector average
Ensure feedback confirms community building programs meet the requirements of high-need residents and that support partners register a high level of satisfaction	Improve support partners' satisfaction benchmark and incorporate feedback into new community building programs
Improve and maintain the homes of our existing and future residents	
Maintain a strategic focus on the procurement, maintenance and disposal of assets by updating the Asset Management Plan 2012–23	Complete Asset Management Plan 2015–25
Implement the Asset Maintenance Plan 2012–13 Ensure Asset Maintenance Plan 2013–14 is approved	Ensure 20-year Asset Maintenance Plans are approved by the Board
Monitor service-time response rates and tenants' satisfaction to ensure maintenance services are delivered responsively and reliably	Improve the service time response benchmark and tenant satisfaction with maintenance work benchmark
Monitor the quality of contractors' work by conducting sample surveys of completed work	Maintain the quality of contractors' work by conducting sample surveys of completed work

3. Effective governance

Steps to success in 2013	Steps to success in 2015
Culture of strong governance	
Review Governance Principles to incorporate diversity and sustainability principles and reflect ASX Corporate Governance Principles	Bridge Housing's Governance Principles continue to reflect ASX Corporate Governance Principles
Conduct an internal review to enhance Board capacity and effectiveness and development of succession plan	Ensure the external Board review identifies Bridge Housing as a well-governed community housing association in accordance with the ASX Corporate Governance Principles
Delivering our corporate social responsibility	
Develop strategy and incorporate corporate social responsibility and global reporting initiatives as business drivers	Become a sector leader in meeting corporate social responsibility and global reporting initiatives benchmarks
Meeting our regulatory and compliance responsibilities	
Maintain Class 1 registration under the NSW Regulatory Framework	Maintain Class 1 registration under the NSW Regulatory Framework

4. Business sustainability

Steps to success in 2013	Steps to success in 2015
Planning and delivering our strategy	
Approve and implement Business Plan 2012–13	Deliver Strategic Plan 2012–15 Approve Strategic Plan 2015–18
Technologies that improve organisation's performance	
Ensure the IT housing management system is implemented and operational	Review information management system to ensure it remains fit for purpose
Implement technology to deliver business process efficiencies (for example Complispace and Digital Records Management System)	Use technology-driven efficiencies in business systems. Successfully implement data mining software and review existing systems and processes to identify enhancements
Review digital technology opportunities (applications, web and smartphone) to improve access and communication with tenants (for example maintenance, repairs, rent payments and SMS)	Put in place one form of digital technology that improves the effectiveness and efficiencies of transactions and communications with tenants
Improve and embed risk management good practice	
Ensure Enterprise Risk Management and Compliance system meets AS/NZS ISO 31000:2009 and that key risks are monitored and mitigation strategies successful	Organisation has a strategic approach to risk management which it has successfully integrated across the organisation
Complete Internal Audit Program year two of Internal Audit Strategy 2011–14 and address identified weaknesses	Review Internal Audit Strategy and develop and approve three-year Internal Audit Program 2015–18
Maintaining strong financial management and performance	
Manage financial performance to maintain Class 1 Registration under the NSW regulatory regime	Manage financial performance to maintain Class 1 Registration
Review the financial management and reporting system to ensure good practice	Review internal audits and quality assurance to ensure good practice in the financial management and reporting system
Meet financial institutions' standards for borrowing obligations	Secure funds from financial institutions to deliver the Property Procurement Development Program

5. Developing our people

Steps to success in 2013	Steps to success in 2015
Ensure right structures are in place to support the strategy	
Meet organisational structure and management capabilities required for sustainable growth	Meet organisational structure and management capabilities required for sustainable growth
Recruit for identified positions to deliver Strategic Plan 2012–15 (Community Building, Communications, Risk and Compliance)	Ensure new positions are filled

5. Developing our people (Continued)

Steps to success in 2013	Steps to success in 2015
Attract, retain and develop quality staff	
Complete and implement HR Improvement Strategy and measure impact with Staff Temperature Survey	Recruit, develop and retain high-quality staff, reflected in staff satisfaction rating and an equal or lower turnover rate than the sector benchmark
Implement the Performance Management and Development System to coach, train and develop staff	Ensure Bridge Housing has a highly skilled and diverse workforce
Develop succession planning for the Executive Team	Put in place all key organisational roles
Ensure key leaders participate in leadership and team training to acquire new skills	Establish leaders with the skills and abilities for the future

6. Enhance our reputation and extend our relationships

Steps to success in 2013	Steps to success in 2015
Leverage and build on Bridge Housing's reputation	
Develop a communication strategy to enhance engagement with key stakeholders at national, state and local levels	Achieve a high level of positive recognition among key stakeholders
Secure state and national awards for good practice in reporting, HR, sector service, service delivery and the website	Ensure Bridge Housing is recognised through its awards as an innovative leader which follows good practice
Look for opportunities to deliver papers at conferences and other public events	Receive requests for Bridge Housing Directors and staff to deliver speeches or participate on key panels at sector conferences
Develop and build communication strategies	
Review social media policies to identify potential external and internal communications and reach low-income communities	Embed social media technologies and capabilities in the organisation to increase the effectiveness of communication with stakeholders
Review and update website with user-friendly and accessibility enhancements	Review website to enhance useability and accessibility
Policy and advocacy	
Investigate how we can increase our thought and policy leadership, sponsorship, commissioning and/or participation	Ensure Bridge Housing is an effective advocate for affordable housing supply in its operating area

Growth Scenarios

Bridge Housing, together with the NSW community housing sector is, operating in a more uncertain policy environment. The NSW Government is considering various options for the future of the social housing sector and the role of the community housing providers within it.

Our Strategic Plan 2012–15 responds to this uncertainty through developing two possible growth scenarios over the next three years, pending NSW Government policy decisions: a 'Medium Growth' and 'High Growth'. These two scenarios are illustrated in the chart on the right.

The Medium Growth scenario (which assumes existing NSW Government policy settings), envisages our portfolio growing from 1,552 properties to 2,000 properties between 2012 and 2015 – a growth rate of 27 per cent.

The High Growth scenario, which assumes the NSW Government resumes the Property Transfer Program and vesting of properties, envisages portfolio growth from 1,552 properties to 3,000 properties between 2012 and 2015 – a growth rate of 100 per cent.

Portfolio
Projected portfolio growth numbers, 2011–15
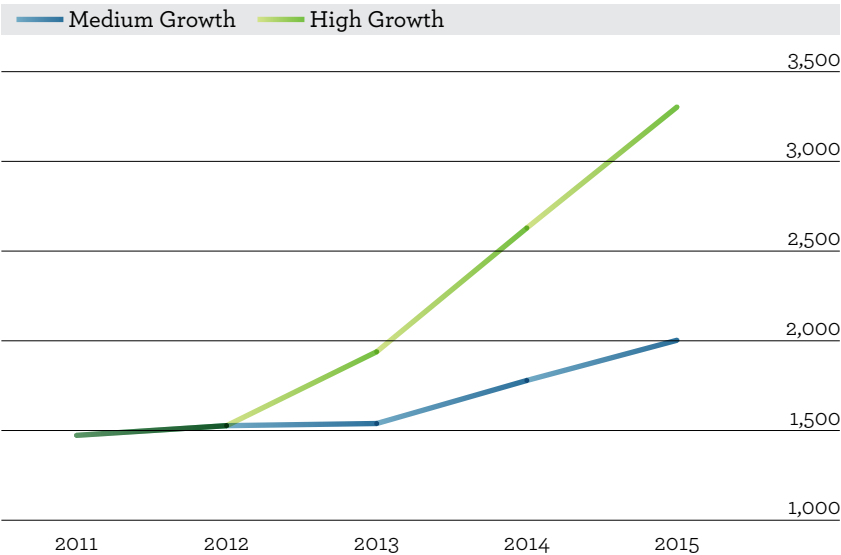
How Bridge Housing Works

Introduction

Bridge Housing is led by an executive management team. The Executive consists of the Chief Executive Officer and three General Managers who are each responsible for one of three operational divisions:

> Housing and Community

> Finance and Corporate Services

> Assets

The Executive is responsible to the Bridge Housing Board of Directors through the Chief Executive Officer and charged with delivering Bridge Housing's strategic and business plan objectives. This relationship is shown in the Bridge Housing organisational chart, below.

This section of the Annual Report 2012 describes the main functions of each division and how they contribute to delivering Bridge Housing Strategic and Business Plan objectives.

Each division has primary responsibility and ownership of particular critical success factors. However, the successful delivery of the Strategic and Business Plan requires each division to work together.

Bridge Housing Limited Organisational Chart

Board

Chief Executive Officer

Executive and Project Assistant

Development Manager (Consultancy)

General Manager Assets

General Manager Finance and Corporate Services

General Manager Housing and Community

Platform 70 Project Coordinator

Asset Manager

Asset Consultant

IT Support (Consultancy)

Finance and Admin Manager

Team Leader East Team

Team Leader West Team

Team Leader Pathways

Community Development Officer

After hours Maintenance Call Centre

Asset Technical Officer

HR (Consultancy)

Management Accountant

Housing Manager x 4

Housing Support Officer

Pathways Support Officer

Income Coordinator

Asset Coordinator

Assistant Accountant

Housing Managers x 4

Housing Manager Pathways x 3

Policy and Special Projects Manager

Asset Admin X1.75

Accounts Officer x 2

Office Administrator

Receptionist

Executive Team

John Nicolades

Chief Executive Officer
Bachelor of Arts, Bachelor of Social Work
Graduate Diploma in Applied Finance and Investment (FINSIA)

John has led Bridge Housing Limited since 2006, growing the organisation from 650 to 1,552 properties. As CEO, he provides the strategic focus for the company's direction.

Prior to joining Bridge Housing, John held senior management positions in state government and the community services sector. He led affordable housing policy development in the NSW Department of Housing and Department of Planning, and was Community Services Manager with the Uniting Church Board for Social Responsibility. He has also advised federal and state governments on housing policy.

Hugh Phemister

General Manager, Assets
Bachelor of Commerce
Chartered Accountant (CA)

Hugh was appointed General Manager, Assets in January 2011 to lead the Asset Team and provide a strategic focus to guide the growth of the portfolio. Hugh is a Chartered Accountant with considerable property development and finance expertise. He has worked for PwC and Macquarie Bank, and more recently as Chief Financial Officer for Citta Property Group, which undertook mixed use developments of up $100m to $500 million. These projects included the Commonwealth Games athletes village; Carlton Gardens, a private social housing development in Melbourne; and Workplace 6 the first commercially developed 6, Star Green Star building in NSW.

Andrew Riolo

General Manager, Finance and Corporate Services
Bachelor of Agricultural Economics

Andrew was appointed as General Manager, Finance and Corporate Services in January 2011.

Prior to his appointment, Andrew provided strategic and operational financial management advice to Bridge Housing, helping Bridge Housing win successful tender bids. He has extensive experience in the private and not-for-profit sectors. He has been Chief Financial Officer for Body Corporate Services, one of Australia's largest strata management companies, and St George Community Housing.

Hayley Austin

General Manager, Housing and Community
Bachelor of Social Science, Postgraduate Diploma Housing Studies

Hayley was appointed General Manager, Housing and Community in January 2011. She has more than 15 years experience working in social housing, predominantly with Somer Housing Group in the UK, which owned and managed 11,000 homes. She has worked in a variety of operational roles, including managing teams such as Income Recovery, Voids and Lettings, and Anti-Social Behaviour, as well as generic teams delivering a comprehensive housing management service. Her last post in the UK was as a development manager, sourcing land and building new homes for social housing.

Housing and Community

Introduction

The Housing and Community section of the report:

> presents the highlights for the Housing and Community Team from 2011–12

> reports on how the team has delivered on its critical success factors

> provides an overview of key activities under each of its three operational areas, (Housing Services, Community Engagement and Community Development)

> outlines our objectives for 2012–13

Highlights from 2011–12 include:

> Development and launch of our Platform 70 initiative, which in the first nine months of operation has housed 32 rough sleepers, and Bridge Housing presented with the AHI Award for Leading Innovation

> Submission of a tender to provide tenancy and property management services to Waverley Council

> Delivering on KPIs, such as the reduction in arrears to 1.6 per cent, while whilst restructuring the staff team

> maintaining our high levels of customer satisfaction

> expanding our tenant engagement opportunities, providing a menu of options for tenants to get involved in what we do.

Our critical success factors

The Housing and Community Team has a key role in delivering the critical success factors on quality service delivery.

Measure	How did we do?
Key: �માં completed ◢ in progress ◢ not completed	
Implement tenant participation strategies to further encourage tenant involvement. Actions include reviewing and expanding the existing tenant participation structure.	Launched an extended tenant participation structure in January 2012.
Launch a customer service charter, setting out the standards that Bridge Housing will provide to ensure it delivers an excellent housing service.	Consultation with staff and tenants commenced and is an action item in the Business Plan 2012–13.
Review the team's policies and procedures, demonstrating Bridge Housing's continual improvement.	Appointed a new Policy and Special Projects Manager role and completed a full review of housing and assets policies. Recommendations from this are in the Business Plan 2012–13.
Redesign the 2011 Tenant Satisfaction Survey to maximise feedback and lead the sector in consulting with its customers.	Held a consultation workshop with tenants and redesigned the survey.
Develop housing and community indicators to ensure the team is working as efficiently and effectively as possible.	Put systems in place to collect a range of housing and community indicators, which will gauge the efficiency and workload of the teams.
Build a community development program.	Action item for Business Plan 2012–13. The focus this year has been the expansion of the tenant engagement structure. The Business Plan 2012-13 has set this as a key priority with approval to recruit a new role of community building manager.

Housing Services

Quality service delivery

In 2011–12, the Housing and Community Team has demonstrated its ongoing commitment to delivering high-quality housing services, and providing sustainable tenancies for people with a wide range of housing and support needs.

Bridge Housing wants to be recognised for delivering exceptional customer service and for improving and extending the range and quality of its services. This is reflected in the activities of the Housing and Community Team this year.

The team has conducted a significant review of its tenancy management policies and procedures, launched a support provider satisfaction survey in partnership with the NSW Federation of Housing Associations (NSWFHA), expanded its tenant participation base and continued to deliver innovative programs that meet housing needs. It also saw the growth of its Pathways Team which is responsible for accepting new applications for housing and allocating properties. It has completed these activities while still delivering its core housing management service and placing a greater focus on performance management.

Restructuring the Housing Services and Pathways Teams

Following the portfolio restructure in 2010–11, which established geographically based East and West teams, Bridge Housing completed a further review of the teams' operational functions in 2011–12. This year's review examined how service delivery could be better resourced. The review resulted in a change in the way that the Housing and Community Team manages access to housing. The Housing Pathways team is now responsible for allocating homes, as well as assessing applications and providing general housing and homelessness advice. This is a key change, as it means that the team is now responsible for a complete work cycle – from providing initial advice to allocating someone a home.

The broader responsibility will ensure greater consistency and create a more transparent allocation process. The team expects to see greater efficiencies as it moves into 2012–13, as there are now additional resources to cover this function.

Developing financial inclusion responsibilities

The Housing and Community Team's rent review management process is critical because of the additional rental income it generates. In 2011–12, the rent reviews resulted in a gross increase in income of approximately $500,000 and a net increase of approximately $230,000.[1]

In 2011–12, the team created a permanent Income Coordinator role to manage this process, which has proved highly successful. The role oversees the rent review process, identifies efficiencies and improves the systems already in place. The efficiencies gained mean that this role not only looks after biannual rent reviews, but is also taking a lead on financial inclusion, beginning to draw together a strategy for further financial inclusion measures.

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1 Bridge Housing uses gross and net figures as it does not keep all of the rent increases generated by the rent reviews. Increased rents for Bridge Housing residents in private rental properties result in a fall in the rental subsidy received by Bridge Housing from Housing NSW. The rate of subsidy loss is proportionate to the rent increase.

Introducing the Pathways Team

What is Housing Pathways?

In April 2010, Housing NSW, the Aboriginal Housing Office and 27 community housing providers across the state launched a new housing application system known as Housing Pathways. The objective of the new system was to make applying for housing assistance easier, simpler and fairer. Applicants across the state would fill out a single form to apply for properties managed by Housing NSW or participating community housing providers, and there would be 'no wrong door' in terms of advice. An applicant could approach any participating provider and be given the advice he or she needed, instead of being referred elsewhere.

Bridge Housing established the Pathways Team to fulfil this role and it is responsible for providing a housing advice service for anyone who is in housing need. The team receives and assesses applications to the Housing Pathways register, allocates our vacant properties, facilitates access to emergency temporary accommodation and provide advice on accessing the private rental sector.

In 2011–12, the Pathways Team received approximately 370 applications for housing assistance, completed 260 one-to-one interviews and referred 45 applicants for temporary accommodation.

This is what their role means to members of the Pathways Team.

Kylie Riddell (Pathways Administrator):
'We may be a small team, but we recognise that we make a difference in people's lives through the service we provide here at Bridge Housing.'

How do you feel about working within the team?

Katie Livingstone (Housing Manager):
'I really like working in such a small, close-knit team, as we all really help each other out. While we have all had experience in the housing sector prior to working at Bridge Housing, I find that our different skills really complement one another.'

Left to right: Magda Castledine-Ruiz, Scott Allan, Enrique Laluan, Katie Livingstone, Kylie Riddell

What is the best part of your job?

Scott Allan (Housing Manager):

'Being on the front line providing assistance to those in need of housing is a very rewarding part of my role. It gives me the opportunity to engage with clients from all walks of life and help improve their quality of life.'

What is the most challenging part of your job?

Magda Castledine-Ruiz (Housing Manager):

'The most challenging part of my role is making decisions on people's applications for priority housing, knowing they have such a significant impact on people's lives. It is such a huge responsibility and is something I take very seriously.'

Where do you see the Pathways Team 12 months from now?

Enrique Laluan (Team Leader):

'Our role will grow as the demand for housing grows, but I believe that we have strategies in place to cope with this. I feel that clients are far more at ease at Bridge Housing due to the positive environment we have at the office. This is also due to the excellent service we provide and the relationships we have built with local services and support agencies in the community.'

Delivering excellent housing services

In the Employee Opinion Survey 2011, staff identified the need for more clear, updated and accessible policies and procedures across tenancy management services.

A Policy and Special Projects Manager was employed to undertake a comprehensive review of policies and procedures. This resulted in a report recommending which policies needed to be updated and which new policies should be introduced to cover identified gaps.

By the end of 2011–12, the focus was very much on how the team can improve the services it offers. The Housing Team focused on how it can deliver better tenancy management, carrying this concept into the Business Plan 2012–13.

The team also has systems in place to collect a range of housing and community performance indicators, to monitor the work completed in 2012–13.

Customer satisfaction

The Bridge Housing 2011 Tenant Survey, which measured satisfaction with our services, provided further evidence of how satisfied tenants are with the services that the organisation provides. Thirty-two per cent of tenants responded, compared with 27 per cent in 2010, with 86 per cent saying they were happy or satisfied with the overall service that Bridge Housing delivers.

This is a slight decrease in the rating from last year (88 per cent) but is still a satisfying result, especially compared to the 71 per cent satisfaction rate for public housing tenants and 82 per cent for community housing tenants.

The higher response rate is a result of the feedback given in the tenants' workshop and the redesigned survey. These enabled Bridge Housing to produce a survey that was more accessible to tenants, and improve questions to provide a benchmark for future years.

Reducing homelessness through innovation

Bridge Housing operates in a region with the highest rate of homelessness in both NSW and Australia. It runs a number of programs as part of its housing services that provide long-term, secure and stable accommodation to the most vulnerable people in society. At the end of 2011–12, 243 Bridge Housing tenants were housed with some form of support from one of the 41 support providers that the organisation partners with, many of whom would otherwise be at risk of homelessness.

Bridge Housing continues to work in partnership to develop innovative programs such as Platform 70. The program was launched in 2011 to accommodate 70 rough sleepers from Sydney's Woolloomooloo area in long-term housing, using private rental tenancies. Community organisation Neami provides the support service with Bridge Housing through its 'Way2Home Assertive Outreach' service. This not only provides housing, but allocates funding to other community housing providers to deliver housing outside normal areas of operation.

The project has been a tremendous success, housing 32 rough sleepers in secure supported accommodation in the first year. Platform 70 won the Australasian Institute of Housing NSW/ACT 2012 'Leading Innovation Award'.

Support partners

Bridge Housing works with over 40 partner agencies, providing valuable support to high-needs tenants.

Support partner satisfaction

In June 2012, Bridge Housing engaged the NSW Federation of Housing Associations (the Federation) to undertake a satisfaction survey with Bridge Housing's partner agencies. Forty partner agencies were invited to take part and 24 agencies (60 per cent) responded.

Results of the survey were very positive; 90 per cent of respondents feeling that their partnership with Bridge Housing met their expectations, and 88 per cent were satisfied with their current partnering arrangements.

The survey; identified where we could improve aspects of our service delivery and ongoing communication.

A work plan has been developed for 2012–13 to deliver the recommendations from the Federation's report.

Bridge Housing Limited

Platform 70 – David's Story

David has 10 years experience of homelessness, spending much of his time sleeping rough in Woolloomooloo.

During that period, David hit rock bottom. He faced extreme acts of violence, including one occasion when he was hit over the head. Then David met Sharon and Vicci.

Sharon and Vicci are part of the Neami Way2Home Assertive Outreach service. Unlike traditional homeless services, representatives from Neami Way2Home go out on to the streets to encourage engagement from service users, rather than waiting to be approached. They build relationships and trust over time, never forcing a relationship, just slowly chipping away.

Neami Way2Home staff accompany clients on their journey from living on the street to living in a home. They provide wrap-around, client-centred support to help clients sustain their tenancies. This support can be intensive to begin with, and can involve anything from cooking lessons to daily visits. Neami also liaises with other services to provide whatever support the client needs, including assistance securing work or entering further education.

'Being homeless for 10 years, you do forget things about home and what responsibilities you have,' said David. *"They [Neami] give you advice, support… they know how to help you.'*

David's journey out of homelessness was not an easy one, but working closely with Neami and the Platform 70 team at Bridge Housing, David is now going from strength to strength. He is completing adult education and computer skills courses, and is looking at studying social work or counselling in the future.

'I'm taking notice of my health lately … I'm trying to quit smoking and start a fitness routine,' he said.

David is very proud of his new home, and is particularly happy to be living in private rental. *'Being in private housing is a relief – joy,'* he said. *'It sort of makes you want to 'polish your collar' a little bit harder.'*

To see **Platform 70: My Journey Home**, a short film about the program, visit **www.bridgehousing.org.au**.

Community engagement

Effective community engagement allows an organisation to draw on different perspectives, helping improve the quality of its decisions and the services it provides. Bridge Housing is committed to achieving effective community engagement, recognising the importance of involving our tenants, residents and wider communities in what we do.

From developing and implementing policies and programs, to giving feedback on the services we provide, Bridge Housing actively encourages its stakeholders to have a say and to get involved.

Promoting meaningful engagement

The Tenant Advisory Group (TAG) was established by Bridge Housing in 2009 and plays a key role in providing feedback on how to improve and shape its services.

This year we have seen the type of subjects discussed by the TAG move to topics which have an impact across the whole organisation and not just information sessions for the immediate group.

For example, in 2011–12, the main TAG group met 5 times to discuss a range of topics, including:

> development of the 2011 Tenant Survey

> review of our tenant engagement structure

> implementation of customer service standards

> how we can create an identity or brand for the group

> plans to improve the way we calculate rent and introducing more financial assistance

> service update from our Assets Team

This year also saw this engagement reach our formal governance structure as the TAG Chairman now presents a formal report to the Bridge Housing Board, on the activities of the TAG and issues in the sector and at Bridge, twice a year.

Expanding the Tenant Advisory Group structure

We also launched a revised TAG structure, which will see the number of TAG meetings held each year increase and aims to encourage participation at a local level.

The Central meetings are still held every two months but focus on the wider issues that affect tenants across the whole organisation. To complement this, we also introduced East and West TAG meetings (in Bondi and Parramatta) to allow a focus on more local issues. We attend these meetings as partners, but are run by the tenants themselves.

TAG	
West TAG	**East TAG**

These new local meetings are a great success. Their value is also recognised by other key stakeholders, as the launch of each meeting was attended by state members of parliament and, for the East TAG, the Mayor of Waverley.

Tenant representatives at state wide forums

The meetings' success is also recognition of the involvement and commitment of all our TAG members, particularly the Chairman, Pamela Pryor, and Vice-Chairman Clive Matthews. Pamela is the Bridge Housing representative on the state-wide NSW Community Housing Tenant Representative Network and Clive is a nominated alternate member. This forum enables representatives from other community housing providers to meet and discuss ways to encourage tenant participation.

Pamela is also a member of the NSW Registrar of Community Housing's Advisory Forum. The group comprises community housing tenants and government representatives, who advise the Registrar on strategic direction and the regulatory approach to tenant involvement.

Tenants Advisory Group – branding

The TAG branding highlights the group's desire for tenants to get involved and 'have a say'.

As part of a drive to promote the group and generate more interest in its activities – both from potential members and from other external organisations – the TAG developed a new logo and brand that could be used in future publications and on TAG's stationery.

This has created a more professional and established image for the TAG, appearing on mailouts to TAG events, on our TAG section of the tenants newsletter and on all new publicity material – including the production of business cards for the TAG office holders.

Getting involved

Bridge Housing is committed to ensuring residents' voices are heard, and actively supports and encourages residents to influence decisions about their homes and neighbourhoods.

However, we understand that not everyone has the time or confidence to attend formal meetings, so we provide a range of involvement options for our tenants. That's why we have developed a 'menu of options' allowing tenants to get involved in a way that suits them, such as:

> central TAG meetings

> local TAG meetings in the east and west of our portfolio

> quarterly tenant workshops

> annual tenant survey

> annual tenant barbeque.

Clive Matthews, TAG Vice Chairman and Pamela Pryor, TAG Chairman

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Getting Involved, Having A Say!

The Bridge Housing Tenants Advisory Group (TAG) was established in 2009. In this Spotlight its Chairman, Pamela Pryor, and Vice Chairman, Clive Matthews, talk about what TAG means to them.

Why did you get involved with TAG?

Clive: The main reason I became involved, other than that no-one wanted to volunteer(!), was that I saw a need for someone to represent those that were afraid to speak up for themselves. There are still some tenants who feel that if they complain they will be ostracised in some way. I want to help counter this by speaking up for them and by showing them that Bridge wants their feedback – both good and bad.

Pam: Initially, I thought it may be a way of solving a problem that I had, but then I realised that I was not the only one with problems. I was brought up in a family that was involved in their community through schools and other organisations, and I continued with involvement in things that my children participated in. It's what I do.

I am very grateful that I have been privileged to be housed in community housing, which has enabled my daughter and I to have secure, safe and affordable housing with the knowledge that we will always have a roof over our heads. Being involved with TAG is a way of showing this appreciation.

What does tenant participation mean to you?

Clive: Two of the Bridge core values are *build relationships* and to be *people-focused*. This is what tenant participation means to me.

Pam: I enjoy the social aspect of the TAG and have been fortunate to have been able to go to a lot of forums, seminars and training …..from which I have gained knowledge that I am able to pass on to other tenants and maybe help to solve their issues.

I think it means different things to different people. I am a 'sticky beak' and the best way to find out what is going on is to be involved. You get information first hand and there is a sense of satisfaction when there is a positive outcome from a problem or a project.

What are the challenges for tenant participation?

Clive: For Bridge it's to build the trust. To prove that Bridge really do care and that it's not just about the assets, but the tenants as well.

Bridge also needs to show that everyone across the organisation is signed up to the concept of tenant participation. I believe Bridge has come a long way and am confident that there is a strong base of support for the value it brings.

How we can appeal to all Bridge tenants is a further challenge. Not all tenants want to attend a meeting or read the newsletter or fill in surveys. They just want to be safe in their homes pay their rent, and be left alone. I think the more they get to know Bridge and the staff that work there, the more they will want to get involved.

Pam: It is hard at times to get people to become involved with the TAG, as the tenants of Bridge are so varied in their backgrounds – it is difficult to know what will be of interest to the majority. We have to try to cover a variety of subjects and unfortunately we cannot always do this for everyone at every event.

Some tenants who have English as a second language may feel that they are not able to express themselves well enough, others may feel that they are too old, not in good health, or others may just be apathetic. We know what the challenges are, it's up to us to work with Bridge to see how we can address them.

All of this work has resulted in a number of key identifiable outcomes:

> The Business Plan objective of implementing a Customer Service Charter is in response to feedback from the 2010 Tenant Survey and issues raised in the TAG meetings about service standards during 2011–12. We have already held a separate workshop on this and it is an action for completion in 2012–13

> Our 2011 Tenant Survey was reviewed by the TAG to look at how we could increase response rates and ensure that the survey format and questions were in a user-friendly format. This resulted in a new cover letter and a full review of the survey itself – which resulted in a response rate up by 5 per cent on the previous year

> We created a TAG logo which is used on all TAG stationary, events and promotional material to raise the profile of the group and encourage wider involvement

> We held a workshop focusing on the implementation of our information management system. Whilst this is a project with a significant internal impact on the organisation, it enabled tenants to offer feedback on improvements they would like to see such as clearer rent statements and receipting repairs. These issues which are being implemented by the IMS Project Team.

Community development

In 2011–12, Bridge Housing has focused not only on developing community engagement activities, but also on its commitment to community development.

We recognise the progress we are making in engaging and consulting with our tenants, but also want to build on programs such as the Bridging the Digital Divide program, to create initiatives and opportunities that will lead to new jobs, environmental improvements, and training and educational opportunities. As part of this aim, the Board has set a priority for 2012–13 of building on our commitment to create sustainable communities and support successful neighbourhoods in which people want to live.

Bridging the Digital Divide

In 2010–11, we reported on our award-winning Bridging the Digital Divide (BDD) program. The program worked in partnership with social enterprise organisation, WorkVentures, to provide computer packages and training to households on low to moderate-incomes. We continued the program in 2011–13, and completing the spend of the original budget has resulted in Bridge Housing issuing a total of 86 computer packages to its tenants.

Neighbourhood audits

We had aspired to deliver a series of block meetings across the portfolio in 2011–12, giving tenants the opportunity to highlight issues that affect them and their neighbourhoods. This objective changed as we switched our focus to attracting feedback from the newly expanded TAG structure and local East and West meetings instead. However, launching the block meetings is a priority for 2012–13, and will form a third tier for our residents' feedback.

TAG → West TAG, East TAG → Neighbourhood audits

The Housing and Community Team objectives for 2012–13:

> Create a new role to the Housing and Community Team to develop and lead on community development work

> Complete a Community Building Strategy and deliver year one objectives

> Expand our tenant engagement activities and increase TAG members

> Complete community profiles from 2011 Census data

> Implement recommendations from our housing policy and procedures review

> Develop and launch a customer service charter

> Deliver our 2012 Tenant Survey through an independent organisation

Securing Properties in the Private Rental Market

Bridge Housing operates one of the largest leasehold programs of all community housing providers in Australia. We lease approximately 619 properties in the private rental market, constituting 38 per cent of our total portfolio in 2012.

We lease properties from 289 real estate agents and landlords, with the majority sourced through real estate agents. The program is administered and funded by the NSW Government through the Community Housing Division of Housing NSW.

The division contracts community housing providers to secure private rental properties through three subsidy streams:

> a management subsidy of $1,500 per property per annum

> a rental subsidy, which meets the difference between a tenant's assessed rent and a market rent, up to a ceiling set by the median rent for the local government area (as determined by the quarterly Housing NSW Rent and Sales Report)

> a maintenance subsidy of $295 per property per annum.

In 2011–12, the NSW Government provided $61 million to 27 community housing providers to lease 5,569 private rental properties in NSW. Bridge Housing received $9.7 million to fund its leasehold program.

Program costs are capped, as each community housing provider is provided with a rental subsidy quota. Bridge Housing's quota is approximately 619 properties, which means we cannot lease more than 619 properties in our operating region.

Operating for the past 27 years, the leasehold program is Bridge Housing's 'unsung hero'. It forms a substantial part of inner Sydney's community housing property portfolio, meeting the needs of low-income households in the region. Historically, it was easier to secure rental properties in inner Sydney than to build in an area with the lowest level of housing affordability and highest construction costs in Australia. From the 1990s to the mid-2000s, the leasehold program formed approximately 40 to 45 per cent of our property portfolio. From around 2005 to 2012, it provided 38 per cent of our portfolio, a smaller but still substantial part of our affordable housing supply.

The success of the leasehold program is built on the following elements:

> Bridge Housing becomes the head tenant, enters into a NSW Residential Tenancy lease and subleases to eligible low-income tenants from the Housing Pathway housing register (waiting list). Bridge Housing takes responsibility for all tenancy arrangements with the tenants.

> Bridge Housing pays market rent, up to the median rent, which is guaranteed through the term of the lease

> Bridge Housing offers additional security to landlords by paying the bond, the current month's rent and then a month's rent in advance immediately upon entering into a lease. Rent is then paid monthly in advance

> Finally, Bridge Housing returns the property to the owner in the condition in which it was let. In the very rare event of tenant damage, Bridge Housing guarantees the necessary repairs.

'I have worked with Bridge Housing, leasing them homes from the private rental sector, since 1996. It's an arrangement which works really well for all involved – they have a property which meets the needs of their tenants and I have an owner who is guaranteed rent. It's a way in which I can help, but a way which fits with the business'.

Michael Sharkey
Property Manager
Garry White First National

Many property owners see the advantage in this arrangement. While landlords will only offer a formal one-year lease, Bridge Housing has had continuous tenancies in the majority of properties for more than two years. This suggests that landlords have confidence in Bridge's housing ability to manage the tenancy.

Security
Number of properties by years of lease length, 2011–12
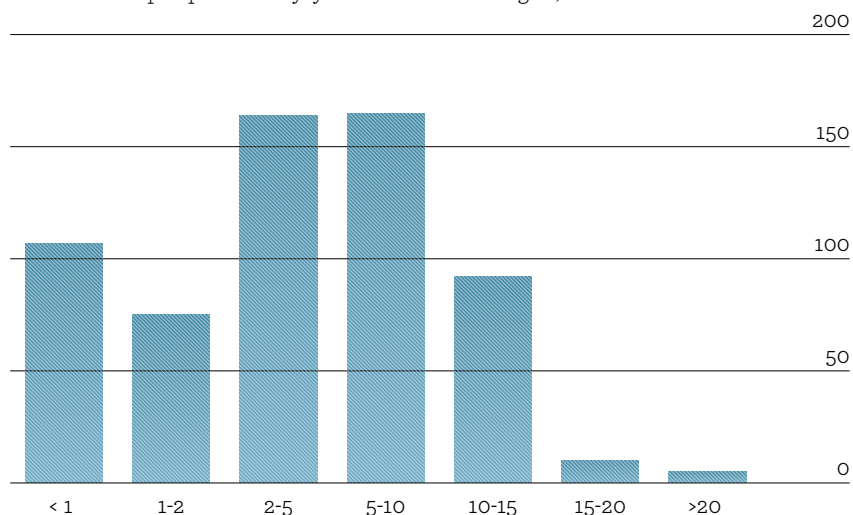
A key advantage of the leasehold program is its flexibility. Three of Bridge Housing's Housing First initiatives targeted at rough sleepers – My Place, the Homelessness Initiative Program and Platform 70 – use properties secured in the private rental market. This means that homeless people with complex needs can get into secure, supported accommodation much faster than through a capital building program. It also enables our support partner agencies to work with the resident in a more secure environment. This, of course, does not replace the need for building more permanent affordable housing, and the role of the leasehold program will always be in addition to a robust, affordable housing supply program.

Assets

Introduction

The Asset section of the report includes the following:

> presents the highlights for the Asset Team for 2011-12

> reports on how the team has delivered on its critical success factors

> provides an overview of key activities undertaken during the year

> outlines our objectives for 2012–13.

Highlights for 2011–12 include:

> delivering the asset maintenance program

> managing significant portfolio growth

> delivering the Crisis Accommodation Planned Maintenance Upgrade Program (CAP)

> developing a group house on behalf of the NSW Government's Department of Ageing, Disability and Home Care

> Expansion of the 24-hour emergency maintenance service to all Bridge Housing tenancies, including leasehold properties.

Our critical success factors

The Asset Team is responsible for meeting the Strategic Plan's and Business Plan's critical success factors: Strategic portfolio growth, Quality service delivery and Managing our housing assets.

Measure	How did we do?
Strategic portfolio growth	**Key:** � completed ▶ in progress ▶ not completed
Complete strategic portfolio review	Issued a tender in 2011–12, with the portfolio review commencing in early 2012–13
Secure a site with 150 dwellings through Housing NSW	Successfully tendered for Seven Hills, which is one of the six major public housing redevelopment sites. This will deliver 160 affordable dwellings by 2015
Management of affordable housing	Subdued activity driven by changes to the Affordable Rental Housing SEPP and the review of the NSW Planning system. We are currently negotiating for the management of six units from a development in Strathfield.
Deliver 27 dwellings at Camperdown	Project completion delayed, will be delivered in the first quarter of 2012–13
Quality service delivery	
Complete contract to upgrade Crisis Accommodation Program properties	Undertook $1.7 million of Crisis Accommodation Program upgrade works on 14 properties, many with heritage listing
Managing our housing assets	
Revise Asset Management Strategy	Commenced work on the review during 2011–12, which will be completed in 2012–13
Implement Asset Maintenance Plan 2011–12	The Asset Maintenance Plan 2011–12 was fully implemented
Re-tender for cyclical and responsive maintenance	Began the tender process in 2011–12, which will be completed in early 2012–13

Managing portfolio growth

During 2011–12, Bridge Housing took management of a further 30 completed NBESP properties in the Parramatta local government area. It also took management of the new development of 19 properties at Chester Hill and the first tranche of the 120 new-build properties in Canterbury and Bankstown.

The NBESP and Chester Hill properties are a mix of one- and two-storey dwellings, with one or two bedrooms.

Considerable time and effort was spent in the final six months of 2011–12 on finalising detailed inspections and ensuring a high-quality building at a new five-storey, 27-unit development in Camperdown, which will be completed in early 2012–13.

During 2011–12, Bridge Housing was also involved in ongoing negotiations regarding a redevelopment site in Cowper Street, Glebe, which will deliver 153 dwellings in a five- to 10-storey building. The project was initially due for completion in 2013, but has been delayed for 12 months due to a review by the Department of Finance and Services around vesting arrangements. The proposed building has also been approved to receive NRAS incentives in the Round 4 allocation, which will provide further financial assistance for the project.

Finally, Bridge Housing was involved in a project for the development of 160 dwellings at an existing location in Seven Hills. We have received 160 NRAS incentives for the proposed project.

We developed a group house on behalf of the Department of Ageing, Disability and Home Care, which provided a grant of $1.3 million (See Spotlight six for more information.)

Delivering the Maintenance Program

Planned maintenance

Planned maintenance is works that are scheduled and form part of the 10-year Planned Maintenance Program, such as replacement kitchens and bathrooms.

Planned maintenance expenditure is driven by Bridge Housing's 10-year Planned Maintenance Plan. The plan schedules maintenance expenditure, which varies from year to year depending on the point in the lifecycle the dwellings are at.

In 2011–12, planned maintenance expenditure was $1.5 million (compared to $2.4 million in 2011–12), resulting from work on 164 properties. The budgeted spend for the year was $1.9 million, $400,000 more than the actual spend. The underspend occurred after common areas at the South Coogee and Balmain estates were not transferred by the Department of Finance and Services to Bridge Housing to allow us to undertake planned work. These works will be rescheduled for later years, pending the transfer process of common areas.

Responsive maintenance

Responsive maintenance is the day-to-day reactive maintenance to the properties, such as leaking taps and electrical faults.

During 2011–12, Bridge Housing spent $621,000 on 4,662 responsive maintenance work orders (compared to $568,000 in 2010–11). The responsive maintenance spend involves attending to elements of the property that require immediate work as they have ceased working or require urgent repair. During the year, a further $179,000 was spent on cyclical maintenance involving cleaning and grounds maintenance of common area properties (compared to $157,000 in 2010–11).

'The contractors were very polite and punctual, and made an extra effort to start earlier in the morning to accommodate my work commitments. Bridge Housing's asset staff allowed me to have input into the design of my bathroom, which has helped ensure the end result is exactly what I was hoping for.'

Rebecca, Waverley

24-hour maintenance delivery

Bridge Housing offers a 24-hour, year-round contact point for maintenance services. This provides certainty to tenants that they can contact Bridge Housing even when our office is closed. Bridge Housing contracts Well Done International to answer and respond to out-of-hours maintenance requests. In 2011–12, Well Done International took 623 calls from tenants and made a further 866 calls to contractors. The company answered 80 per cent of their calls in less than 20 seconds and 93 per cent in less than 30 seconds. Bridge Housing appointed Well Done International in 2010 and was one of the first housing providers in NSW to establish a 24-hour service every day of the year. The key benefit for tenants is being able to speak to a real person regardless of the time of day. This ensures they are provided with adequate support and are never left to deal with any property emergencies on their own.

Maintenance
Planned and responsive maintenance ($millions), 2008–12
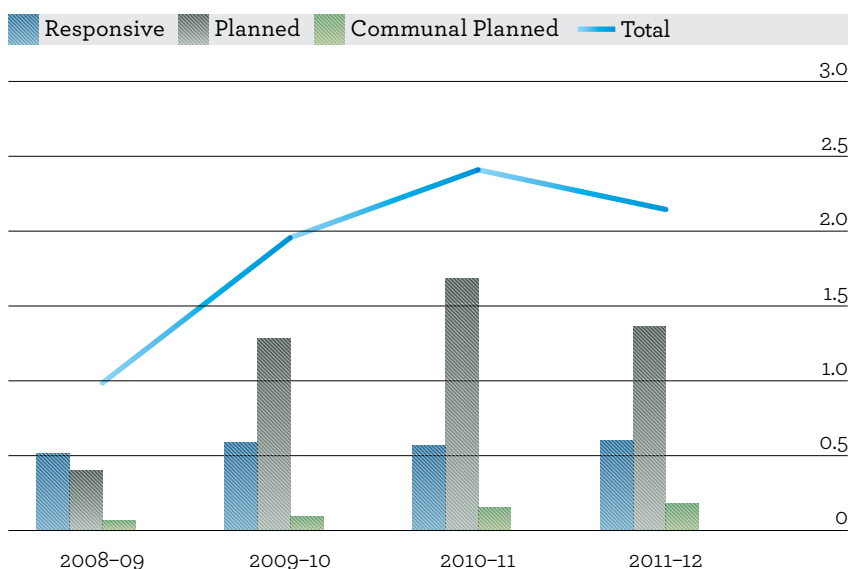
'The contractors were great – very friendly and they didn't leave much mess. Everything was completed in two weeks. I was given a choice over whether or not to keep the bath or replace it with a shower cubicle and input in to the new bathroom layout. I'm really impressed with the service I received from Bridge Housing.'

John, Summer Hill

Delivering Crisis Accommodation Planned Maintenance Upgrade Program (CAP)

Bridge Housing was awarded a contract by Housing NSW in June 2011[1] to undertake planned maintenance on behalf of Housing NSW on 14 crisis accommodation properties in Sydney's inner-ring suburbs. The properties are managed by crisis accommodation providers and are not part of the Bridge Housing property portfolio. The projects ranged in complexity and included heritage controls, submitting development applications and undertaking works around tenants who still occupied the properties (many in highly vulnerable groups whose needs required consideration as the work was undertaken).

The program upgrade works were worth approximately $1.7 million, a significant dollar value considering the total is approximately the value of the works we undertake on our own properties in a year. The program doubled the volume of planned maintenance and upgrade work that Bridge Housing undertook in 2011–12.

Feedback from Housing NSW and the crisis accommodation providers indicated the work was completed in a professional and timely manner, with a strong focus on quality. Given the age of the properties, the work required was often more significant than initially expected. Managing these variations, along with stakeholders' expectations in terms of time, quality and budget, was a large challenge that

we met successfully. This was the first time we have undertaken such a large program of works on properties that we do not own. This demonstrates the Asset Team's ability to deliver value for money to the NSW Government.

'(Bridge Housing staff)… were always courteous and treated everyone with respect and dignity. The team of tradespeople were always willing to work around our staff and challenging clients. I would not hesitate in recommending Bridge Housing's team to carry out any further maintenance work on properties of The Gender Centre Inc.'

Phinn Borg, Manager, The Gender Centre Inc.

The Asset Team's 2012–13 objectives include:

> take advantage of the vesting of properties that occurred in 2010–11 to meet affordable housing targets

> finalising our portfolio review to identify ways to enhance the value of capital properties we currently manage on behalf of the Department of Finance and Services

> finalising the asset management strategy update that began in 2011–12 on how we will procure, maintain and dispose of our properties

> implementing a new KPI and performance monitoring regime in line with the new information management system implementation

> finalising the work for a ground and cleaning cyclical maintenance tender.

1 This is now the responsibility of the Department of Finance and Services, following the formal transfer of control of the housing property assets from Housing NSW to the Department of Finance and Services.

The multi-unit dwellings at Camperdown due for completion in 2012–13

Left to right:
Matt Donnelly (Ability Options Chief Executive),
Hugh Phemister (Bridge Housing General Manager, Assets)
John Nicolades (Bridge Housing CEO)

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Increasing Disability Access

In 2010, Bridge Housing secured a $1.3 million grant from the NSW Department of Ageing, Disability and Home Care to procure a house in Sydney's Inner West to house four children with high-care medical needs. The children would need wheelchair access and require 24-hour support from disability support organisation Ability Options (**www.abilityoptions.org.au**).

The challenge

Sydney's Inner West is characterised by older dwellings on small, narrow blocks with limited access. The Inner West is also one of Sydney's high-cost real estate markets, making it difficult to secure an appropriate property. At the time, Inner West house prices were also increasing at a faster rate than the rest of metropolitan Sydney.

Any proposed house would most likely require a development application (DA) from the council to permit a group home in a predominantly residential street, which can be controversial with neighbours. The DA would also require significant alteration and additions to the property to make it suitable for the proposed occupants, while adhering to a tight budget.

The design

A suitable house was found after an exhaustive search. The house was an inter-war, freestanding house typical of the area. The house was in good structural condition, but required significant alterations and additions to meet the medical and care needs of the children.

The design involved:

> removing many of the internal walls to allow adequate circulation spaces

> widening doors

> creating a new bathroom to fit a shower bed and provide the appropriate circulation spaces required under Australian standards – a significant challenge in an older house

> enabling wheelchair access (the house had steps to all entry doors)

> a new kitchen

> maintaining four separate bedrooms and creating a place for staff facilities and an office

> creating a new laundry and staff restroom facilities.

The design requirements had to balance the practical needs ensuring the house felt like a home. Many of the children will reside in the house at least until they are young adults so it was critical the atmosphere wasn't too clinical. To ensure the house maintained a residential feel, the old windows and existing features were re-used, a break-out space was created in the gardens, and the outside covered area was designed to function as an outside room. We also ensured any design elements were sympathetic to the character of the house and the neighbourhood.

The ADHC house during (inset) and after construction

Another challenge was enabling wheelchair access that was compliant with the relevant Australian standards and the *Disability Discrimination Act 1992*. To create wheelchair access the driveway level was raised slightly and used as a gradual ramp, which allowed us to build a smaller ramp off the rear entry. This reduced the need for a large, long ramp taking up valuable backyard space, which significantly enhanced the outdoor spaces.

The approval process

Often the planning approval process for a group home in a residential street can be highly emotive, as there are historically negative perceptions of group homes. To ensure community support, a letter was sent to surrounding neighbours before the DA was lodged, informing them of our plans and how the house would operate, and inviting them to raise any concerns.

By engaging with the neighbours early, we were able to obtain planning permission from Ashfield Council without a single objection being lodged.

Ability Options

Ability Options will provide 24-hour support to the occupants of the property. Ability Options supports people with a disability, developing individual pathways to deliver tailored and innovative solutions to ensure that each person is integrated into all facets of life, whether that's a job, housing, education or participating in the community. Ability Options strives to give people control over their lives and opportunities to make a meaningful contribution to society. The organisation provides support through a range of services to close to 3,500 people and has over 700 staff.

The outcome

Bridge Housing completed the house in June 2012 and Ability Options moved in during July 2012. The project was challenging and exciting, and provided an opportunity to create a house for children with complex needs. The house has retained much of its original character, while still meeting the unique specifications required to care for the children. The house allows the children to live in a residential setting they can call home for many years to come.

Matt Donnelly, Ability Options Chief Executive said:

'Bridge Housing has worked hard to deliver an outstanding home for the children and young people we support. The house has clever design elements that help support the needs of the children whilst ensuring the house feels like a contemporary home. Any time a renovation is undertaken on an existing house there are always constraints and challenges. With this house Bridge Housing have risen to the challenge. We look forward to working with Bridge Housing on future projects.'

Bridge Housing Limited

Finance and Corporate Services

Introduction

The Finance and Corporate Services report includes:

> highlights of 2011–12

> review of 2011–12 performance against business plan objectives

> overview of our financial position, including our report card 2008-12 and financial performance 2008-12

> a summary of other key support areas, including risk management, internal audit program, information management system (IMS), human resources and work health and safety

> an outline of our 2012–12 objectives.

Highlights from 2011–12 include:

> began implementation of new IMS

> implemented a new Remuneration and Benefits System

> implemented the External Audit Program

> met most financial and operational KPIs.

Our critical success factors

Finance and Corporate Services has primary responsibility for delivering the Strategic Plan's and Business Plan's critical success factors: 'Business sustainability' and 'Develop our people'.

Measure	How did we do?
Business sustainability — Key: ▮ completed ▮ in progress ▮ not completed	
Deliver an operating surplus of $1.2 million	Achieved an operational surplus of $1.1 million, in line with the budget and strengthening Bridge Housing's balance sheet. Key financial ratios and metrics were within benchmark, except for vacancies
Select and implement a new IMS	Completed the tender and began the IMS implementation
Introduce an online payroll and self-serve leave system	Implemented an online payroll processing and leave management system
Secure competitive finance to deliver the first-year NBESP affordable housing targets	Received credit approvals from lenders; however, this is now delayed due to the NSW Government postponing the vesting of assets
Complete Year 1 of the three-year Internal Audit Program 2011–13	Completed year one of the three-year Internal Audit Program
Increase equity position through Housing NSW vesting a further 70 NBESP properties	Objective not met, as the Property Transfer Program is on hold pending a review by the NSW Government
Secure financing to deliver NBESP leverage targets	Credit-approved discussion papers have been received from lenders and a comprehensive financial model has been developed
Develop our people	
Commence Bridge Housing HR Improvement Strategy	Commenced HR Improvement Strategy
Conduct Staff Satisfaction Survey	Completed Employee Opinion Survey
Conduct Remuneration and Benefits Policy review	Completed review and increased remuneration and benefits to be a sector leader
Implement Performance and Development System	Trialled Performance and Development System, with implementation scheduled for 2012–13

Financial Position

Bridge Housing recorded a surplus of $2.4 million in 2011–12, compared to $1.6 million in 2010–11.

Revenue increased by $4.3 million. The main drivers were the increased rental income collected from six-month rent reviews and the one-off non-operating government grant of $1.3 million, which was due to the completion of the ADHC property.

Annual expenses increased due to higher staff costs, which totalled $3 million, compared to $2 million in 2010–11. This was due to the increase in staff numbers, and to increasing salaries to the top-third market rate percentile as part of the HR Improvement Strategy. There was also an increase in depreciation charges due to the 2011 vesting of 163 NBESP properties.

Economic Dependency Note

Bridge Housing is reliant on government subsidies, grants and resources and income generated from our tenant's rent. We do not rely on donations to fund our operations. Our major sources of income are identified in the graph below.

Revenue
Revenue composition (millions), 2008–12

Rental income   Govt grants - operating   Other
Bank interest   Govt grants - non operating
Total revenue
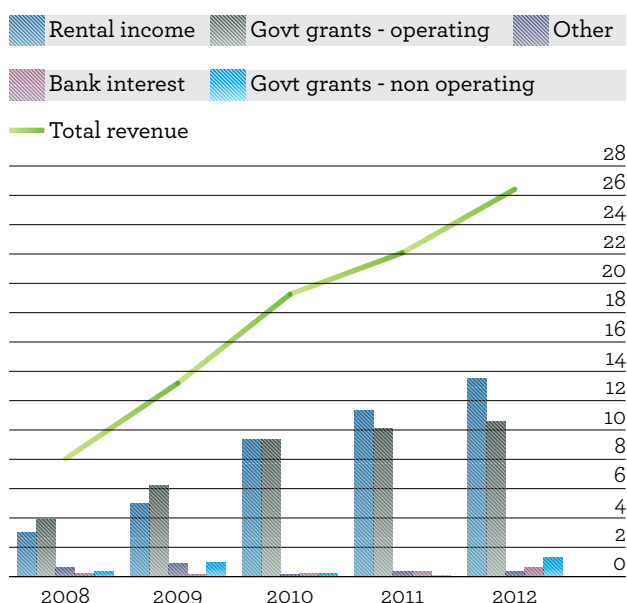
Expenditure
Expenditure composition (millions), 2008–12

Rents paid   Maintenance   Insurance & other expenses
Depreciation   Management expenses   Rates and utilities
Total expenditure
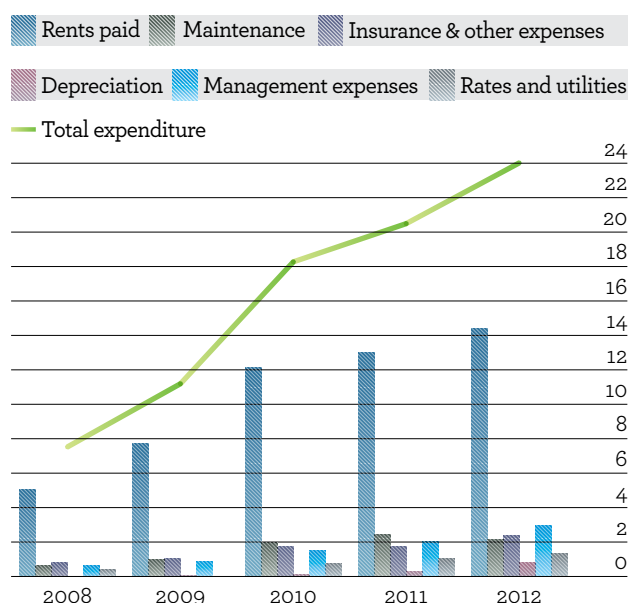
Bridge Housing's balance sheet net assets grew to $55.9 million during the year, compared to $53.5 million in 2010–11. The main reasons for this change include:

> cash decreased by $800,000 from $11.4 million in 2010–11 to $10.6 million

> debtors increased by $600,000 from $2.6 million in 2010–11 to $3.2 million, due to outstanding fourth-quarter rental subsidiaries

> property, plant and equipment increased by $700,000 from $45.4 million in 2010–11 to $46.1 million, due to investment in the IMS and the property portfolio upgrade

> liabilities decreased by $2 million, from $6 million in 2010–11 to $4 million, due to the delivery of Platform 70, and the crisis accommodation upgrade program, for which we received funding at the commencement of both programs.

A five-year comparative analysis of our financial performance, including our 2011–12 results, is available on page 66.

This is an extract from our audited Financial Report 2012, which is available at **www.bridgehousing.org.au** or by contacting the Bridge Housing office on 02 9699 6055 or reception@bridgehousing.org.au.

Our Report Card 2008–12

Our Report Card on page 64 provides a five-year trend of Bridge Housing's key financial and operational ratios and KPIs to 30 June 2012. The trend analysis shows that we performed well against our financial and non-financial KPIs. The only significant variation is in staff costs as a proportion of income, due to our increased staff complement and salary increases as described above.

Surplus
Operating surplus (millions), 2008–12
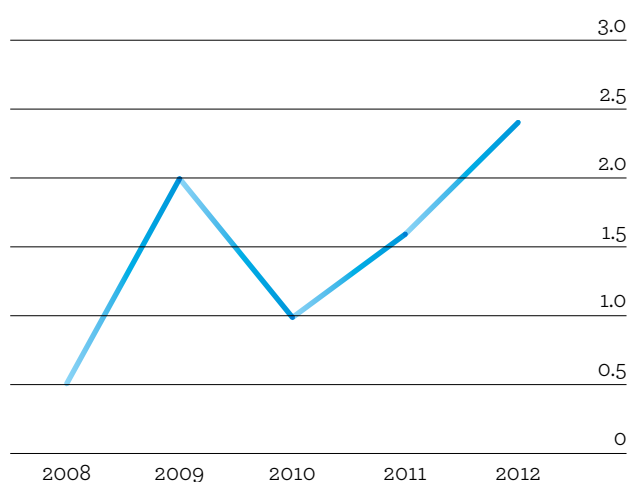
Equity
Total equity (millions), 2008–12
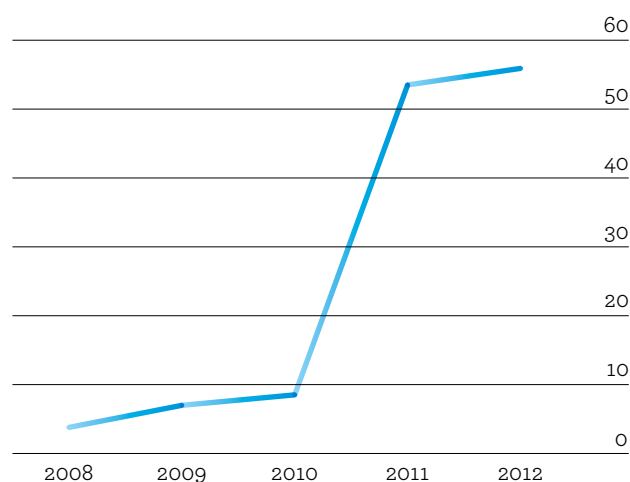
Risk Management Plan

We began the implementation of a new Risk Management and Compliance System (Complispace) to ensure compliance with AS/NZS ISO 31000:2009 and expect to have this completed by mid 2012–13.

Internal Audit Program

By developing an Internal Audit Program, Bridge Housing can ensure an independent and transparent review of the strengths and weaknesses of its internal operating systems. The review will check that systems are robust, maintain integrity, and are compliant with policy and procedures. The Bridge Housing Board appointed RSM Bird Cameron to develop and run a three-year Internal Audit Program, which commenced in 2011–12.

In accordance with the approved Internal Audit Program, RSM Bird Cameron reviewed fraud risk controls and financial policies.

The review assessed and reported upon the following aspects:

> organisational structure and responsibilities

> financial policies and procedures

> fraud risk management and controls

> education and awareness programs

> actions arising out of previous audit reports.

No matters were rated as 'High' or 'Very High' risk. There were three findings rated as 'Medium' risk. RSM Bird Cameron and Bridge Housing management have agreed on a course of action for each of these observations/findings, and will review the remediation of the risk as part of the next scheduled internal audit, due in December 2012. This review will also focus on the delivery of our asset services.

Information management system

In August 2011, Bridge Housing commenced the procurement of an IMS to replace our existing tenant management system. Following a comprehensive tender process, Bridge Housing and SDM Housing Software signed a contract in March 2012. SDM Housing Software is a UK-based company established in 1975, and has been a dedicated housing software provider since 1987. It has provided housing IMS systems to more than 200 housing associations. SDM Housing Software is currently implementing systems at three other housing providers in Australia. The IMS will integrate tenancy, asset and financial management providing;

> an improved business management and reporting system that supports growth

> greater performance transparency

> delivery of operational efficiencies

> improved controls and data validation.

We expect the new system will be implemented during December 2012.

Human Resources

Our ability to deliver quality services is reliant on the skills, capacity and passion of our staff. Bridge Housing placed considerable focus on developing people and culture policies in 2011–12, to ensure we have systems and processes in place to recruit, retain and develop our staff. We have implemented clearer and more consistent HR policies, new organisational values to shape culture and behaviour, competency-based position descriptions and a new salary, remuneration and benefits system, placing Bridge Housing as a leader in the community sector.

The 'Our People' section on page 68 provides further detail on Human Resources activities.

Work health and safety

Bridge Housing has a strong commitment to providing a safe workplace for its employees. During 2011–12 we developed a Work Health and Safety Implementation Plan to ensure we met the requirements of the new work health and safety legislation, which came into effect in NSW on 1 January 2012. A more detailed description can be found in our people section on page 69 of this report.

The Finance and Corporate Services Team's 2012–13 objectives include:

> achieving an operating net surplus (earnings after interest plus add-back depreciation) of $1 million to meet short- and long-term goals and objectives outlined in the Business Plan 2012–13

> completing the implementation of SDM Housing Software IMS in December 2012

> investigating competitive finance to deliver the NBESP leveraged affordable housing requirements

> completing the Bridge Housing HR Improvement Strategy, including a Performance Management and Development System, Learning and Development Program and Induction Program

> completing year two of the three-year internal audit program, which will focus on assets and include procurement and contracts, property management, tenancy management and general information technology controls

> increasing our equity position through the Department of Finance and Services vesting a further 79 NBESP properties, with an additional estimated $20 million increase in equity (bringing total equity to $75.9 million)

> building organisational capacity by implementing an integrated governance, risk and compliance (GRC) online system (Complispace), including a Risk Management Plan 2012–13 that complies with AS/NZS ISO 31000:2009.

Our Report Card 2008–12

	BM[1]	2012	2011	2010	2009	2008
Tenant satisfaction						
Overall satisfaction with the organisation (%)	81	86	88	N/A	96	86
Service development						
Total housing properties		1,552	1,474	1,280	1,144	663
Finance management						
Staff cost as % of total revenue (%)		11	9	8	7	7
Property costs as % of total revenue (%)		75	79	84	85	83
Administration cost as % of total revenue (%)		5	5	4	3	3
Profitability ratio – EBITDA/operating revenue (%)		5	7	5	15	4
Liquidity ratio – current assets/current liabilities		3	3	3	9	8
Cash flow ratio – operating cash inflows/operating cash outflows		1.1	1.2	1.1	1.2	1.0
Interest cover ratio – EBITDA/interest expense		138	54	30	126	1
Return on assets – EBITDA/assets (%)		4	3	8	24	12
Cash at end of year ($m)		10.6	11.4	7.7	4.6	3.1
Net profit ($m)		2.4	1.6	1	2	0.5
Reserve for future planned maintenance ($m)		2.2	2.2	2.2	2.2	1
Retained profit ($m)		52[2]	49[2]	4	3	0.5
Housing management						
Arrears (%)	4.0	1.6	1.8	1.4	1.3	0.7
Market rent loss via void (%)		1.2	1.2	0.7	0.6	0.7
Market rent loss via vacancy (%)		1.2	1.4	0.7	1.3	1
Void days	28	28	35	24	17	24
Vacant days	14	17	15	11	17	10
Number of tenants exiting the service because of possession order enforcement		5	6	8	10	3
Human resources						
Ratio of staff to lettable properties		1:46	1:49	1:57	1:70	1:66
Number of full-time equivalent staff		39	30	22	16	10

1 As the Community Housing Sector is still developing, the development of a full range of industry benchmarks is ongoing.
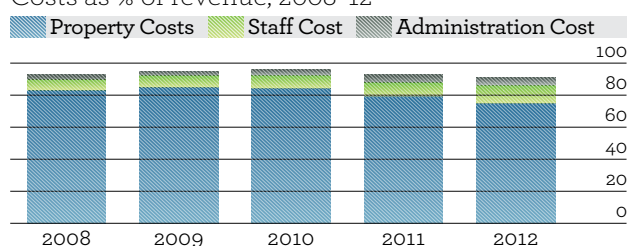2 Includes NBESP fair value of $43.4 million ongoing.

Key financial viability measures

The following graphs highlight the key measures that demonstrate the financial health and sustainability of our business.

Cost structure
Costs as % of revenue, 2008–12

Property Costs   Staff Cost   Administration Cost

Our staff costs as a percentage of revenue has increased due to the increase in staff numbers, and to increasing salaries to the top-third market rate percentile as part of the Bridge Housing Human Resource Improvement Strategy.

Cash balance
End of year cash balance ($ millions), 2008–12
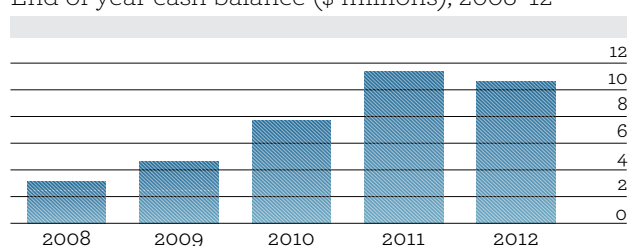
Our year ending cash balance as at 30 June 2012 was $10.6 million. Despite the $800,000 decrease on the previous year Bridge Housing still has a very strong cash position. The decrease is mainly due to acquit a bank loan for eight 2 bedroom units providing affordable housing.

Profitability ratio
EBITDA/Operating revenue, 2008–12
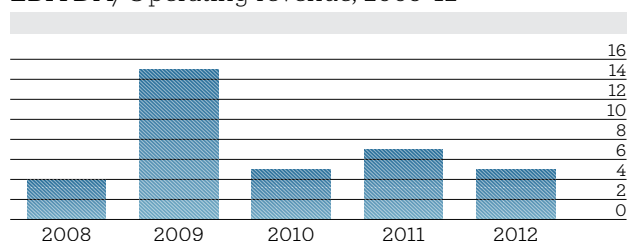
This ratio measures Earnings before Interest Tax Depreciation and Amortisation (EBITDA) as a percentage of operating revenue.

Liquidity ratio
Current assets/current liabilities, 2008–12
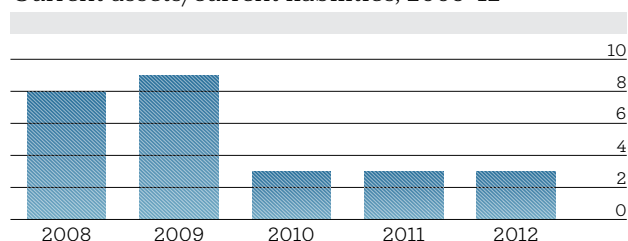
The working capital (liquidity) ratio measures Bridge Housing's ability to repay its short-term debt using short-term assets.

Arrears
Rent arrears as % of revenue, 2008–12
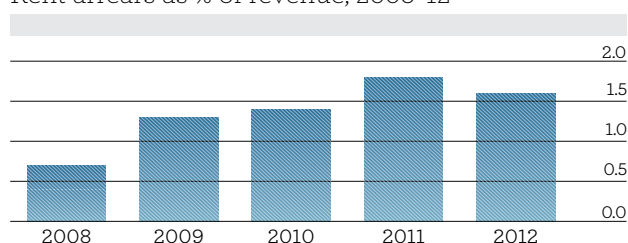
This ratio measures our rental arrears as a percentage of operating revenue. The benchmark is 4 per cent.

Voids and vacants
Average days void and vacant, 2008–12

Void Days   Vacant Days
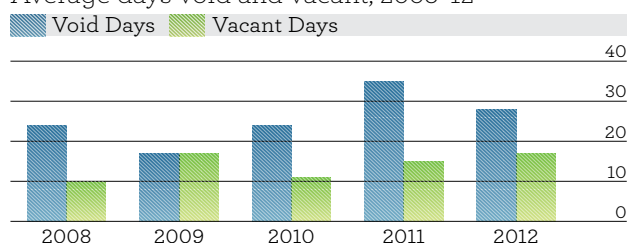
Average void days measure the number of days that our properties are unavailable for letting as they require maintenance work to be undertaken. The benchmark is 28 days.

Average vacancy days are the average number of days a property is vacant once it is available for letting. The benchmark is 14 days.

Financial performance 2008–12

Five-year financial results at a glance		2012	2011	2010	2009	2008
How much we...	**Where does all the money come from?**	$	$	$	$	$
...charged tenants for living in the properties	Rents	13,519,812	11,313,833	9,364,960	4,976,248	3,015,899
...received from government	Non-operating grants as Sepp 10, capital grants	1,321,257	54,555	190,866	973,413	341,235
...received from government	Operating grants received	10,575,153	10,072,866	9,331,129	6,230,898	3,868,198
...received from investment of surplus funds	Interest	649,452	328,293	240,071	130,214	199,958
...received from other activities	Fees for service, water usage, tenant reimbursement	352,487	315,062	132,626	876,897	608,533
...received from government	Other contribution – properties vested	–	43,400,000	–	–	–
Total Revenue (excluding Other Contribution)		**26,418,162**	**22,084,609**	**19,259,652**	**13,187,670**	**8,033,823**
	Where does all the money go?					
...spent renting properties	Rents paid	-14,401,092	-13,011,627	-12,162,616	-7,731,288	-5,041,079
...spent on property rates and utilities	Rates and utilities	-1,306,753	-1,017,297	-769,608	-562,610	-384,693
...spent on maintaining the properties	Maintenance	-2,144,408	-2,409,567	-1,955,814	-985,221	-640,175
...spent on other property and overheads	Insurance and other office expenses	-2,391,732	-1,750,829	-1,715,960	-1,030,399	-824,317
...allocated on other property expenses	Depreciation	-787,394	-279,203	-135,881	-34,227	-20,288
...spent providing tenant services	Management expenses	-2,983,252	-2,023,830	-1,532,390	-848,944	-616,730
Total Expenditure		**-24,014,631**	**-20,492,353**	**-18,272,269**	**-11,192,689**	**-7,527,282**
...kept to help with future activity	**Surplus for the year**	**2,403,531**	**1,592,256**	**987,383**	**1,994,981**	**506,541**
...retained of previous years' surpluses	Retained profits brought forward	53,503,639	51,911,384	7,524,001	4,994,617	3,278,128
...transferred to PMP Reserve	Transfer to planned maintenance reserve	-2,232,856	-2,232,856	-2,232,856	-2,232,856	-1,060,394
...transferred to Reserve for property development	Transfer to property development reserve	-2,119,678	-2,098,422	-2,060,867	-1,870,002	-2,232,859
...retained to help with future activity	Retained profits carried forward	51,554,636	49,172,362	4,217,661	2,886,740	491,416

Five-year financial results at a glance		2012	2011	2010	2009	2008
How much we...	Where does all the money come from?	$	$	$	$	$
	Balance sheet					
...were owed by our tenants and others	Debtors	3,226,468	2,662,687	2,136,779	1,803,010	976,009
...had in the bank	Cash assets	10,609,766	11,436,818	7,746,993	4,619,417	3,111,754
...had paid for property, furniture and equipment	Property, plant and equipment	46,105,774	45,393,630	2,175,745	1,896,695	234,603
...owed to members and others	Liabilities	-4,034,839	-5,989,494	-3,548,133	-1,329,523	-537,700
	Net assets	**55,907,169**	**53,503,641**	**8,511,384**	**6,989,599**	**3,784,666**
...have retained to provide for future planned maintenance program	Reserve	2,232,856	2,232,856	2,232,856	2,232,856	1,060,394
...have retained to provide for future property development	Other reserve	2,119,678	2,098,422	2,060,867	1,870,002	2,232,859
...have retained for future activities	Retained profits	51,554,636	49,172,362	4,217,661	2,886,740	491,416
	Total equity	**55,907,170**	**53,503,640**	**8,511,384**	**6,989,598**	**3,784,669**

This is an extract from our audited Financial Report 2012, which is available at **www.bridgehousing.org.au** or by contacting the Bridge Housing office on 02 9699 6055 or reception@bridgehousing.org.au.

Our People

The passion and engagement of our employees is Bridge Housing's most important resource. It ensures we can deliver on our vision and mission. Through a combination of their diverse experience, skills and capabilities across all of our business areas, our employees ensure we provide high-quality services to our applicants and residents, and contribute to our success.

This section provides an overview of our staff profile and, discusses work health and safety, training, staff turn over and diversity. It looks at the implementation of our HR Improvement Plan, discusses the importance of our Employee Opinion Survey and highlights three key outcomes on values and culture, remuneration and benefits, and learning and development.

Staff profile

The Bridge Housing team comprises a dedicated complement of 40 staff, including full-time, part-time, fixed-term and temporary members. All staff operate from our Head Office in Redfern, across three service areas:

> Housing and Community

> Assets

> Finance and Corporate

Services

The three service areas are directed and managed through the Executive Team, which consists of the Chief Executive Officer; General Manager, Housing and Community; General Manager, Assets and General Manager, Finance and Corporate Services. Our organisational chart, on page 32 shows the scope of functions under each service area.

In 2011–12 our staff complement grew from 30 to 40, the most significant growth was in our Housing and Community, and Assets Teams. The graphs on page 71 provide more information on our employees by department, age, gender, education, and some preliminary information on diversity.

Staff turnover

In 2011–12, staff turnover was at 33 per cent. This is higher than the community housing sector average of 24 per cent and reflects the cultural and process change in Bridge Housing during the year. We also undertake comprehensive exit interviews and our review of the results indicated that the main areas of dissatisfaction with Bridge Housing were salaries and careers opportunities.

We expect to see our staff turnover at industry average by the end of 2012–13, following the implementation of the HR Improvement Plan. We believe that this will improve employee engagement, and lead to higher levels of satisfaction with our remuneration and benefits and learning and development. Improvements in our recruitment and selection will lead to the appointment of staff more aligned to our values.

Diversity

Bridge Housing is committed to employment equity and diversity principles.

We embrace a culturally diverse workforce that reflects the breadth of diversity in our applicants and tenants. Our staff complement is reflective of the diversity of the residents and the community in which we operate. Our employees speak Arabic, Cantonese, French, Greek, Italian, Mandarin, Portuguese, Spanish and Tagalog.

Women make up 72.5 per cent of our employees, which is consistent with the gender balance in the community services sector. Women represent 25 per cent of the Executive Team and 60 per cent of middle management (team leaders and managers).

Bridge Housing currently employs one person who identifies as an Aboriginal and Torres Strait Islander, and is committed to seeking applications for employment from the Indigenous community.

As an expanding organisation, we will undertake cultural diversity training for staff during 2012–13. Our recruitment agreements specify that community languages are a desirable skill, and we will look to develop further links with Aboriginal employment agencies.

Bridge Housing will introduce a more focused diversity policy in 2012–13, which will ensure that our staff and management continue to reflect the broader community.

Work health and safety

Bridge Housing has a strong commitment to providing a safe workplace for its employees. We developed a Work Health and Safety Implementation Plan during 2011–12 to ensure we met the requirements of the new *Work Health and Safety Act 2011*, which came into effect in NSW on 1 January 2012.

We have an established Work Health and Safety Committee, with an equal number of employee and management representatives who meet quarterly to discuss work , health and safety issues, injuries and risks in the workplace. The committee members undertake six-monthly onsite inspections, which have confirmed there were not any worksite safety issues during 2011–12.

Management continues to provide comprehensive reports to the Board on work health and safety incidents through the bi-monthly compliance report.

During 2011–12, there was one minor incident reported, with no days lost recorded.

One area of underperformance is that the planned training in the new Work, Health and Safety Act of the Executive Team and their immediate direct reports did not take place in 2011–12. This will be a priority for 2012–13 and be part of core requirements for their management competency training.

The implementation of the online work health and safety compliance system was not completed in 2011–12 and is scheduled for 'go-live' in 2012–13 following the implementation of our new IMS.

Training

An annual budget of $1,000 is allocated per employee for training, with an additional budget for seminars, conferences, subscriptions and memberships. During the year, all staff attended compulsory in- house training on: values and culture, equal opportunity, bullying and harassment and fraud awareness.

The following additional training courses and programs were also undertaken:

Governance and corporate
> Company Directors Course – Australian Institute of Company Directors

> Record Management Systems

Tenancy, housing and allocations management
> Applications and Allocations

> Certificate IV in Social Housing

> Responding to Difficult and Challenging Behaviours

> Welfare rights – appealing social security debts

> Welfare rights – social security for people working with aboriginal clients

> Squalor and Hoarding Training

> Manage and Maintain Tenancy Agreements and Services

> Evidence Base to End Homelessness

> NSWFHA Middle Managers Network

Assets
> Technical inspections

> a range of workshops and courses run by the NSWFHA

Human Resources
> Equal Opportunity, Bullying and Harassment Training

> Managing Absenteeism

> Stepping Up – A Roadmap for New Supervisors
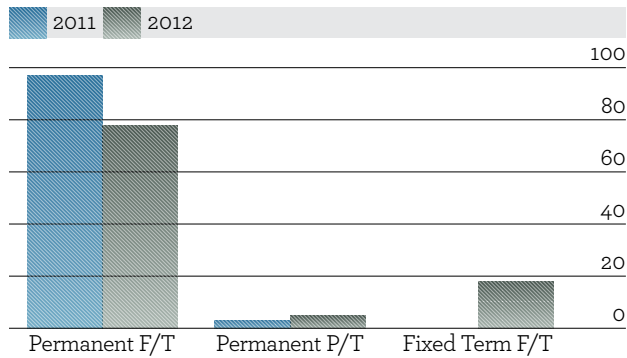
> Effective HR Management

Work health and safety
> Work Health and Safety Committee consultation

> Fire warden training

Other
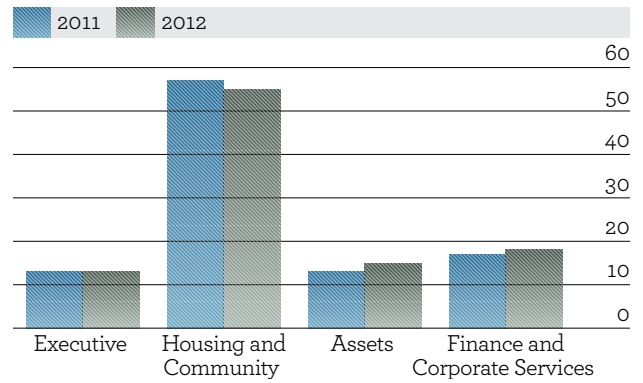> Certified Practising Accountants Congress.

Employment status
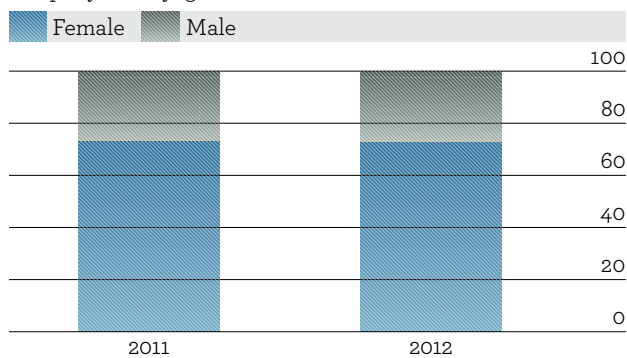Employee contractual status %, 2011–12

Departments
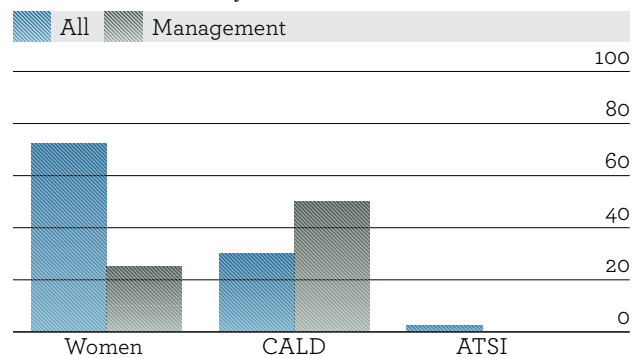Employees by department %, 2011–12

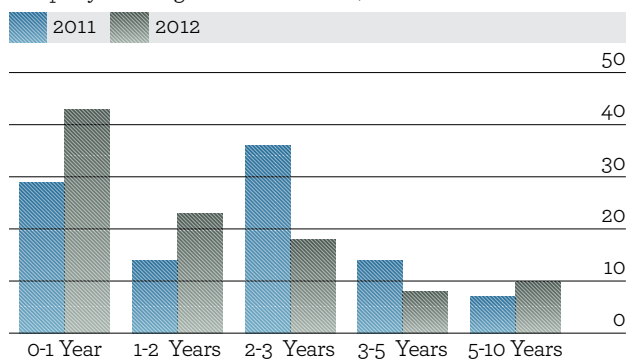## Employee gender
Employees by gender %, 2011–12

Diversity
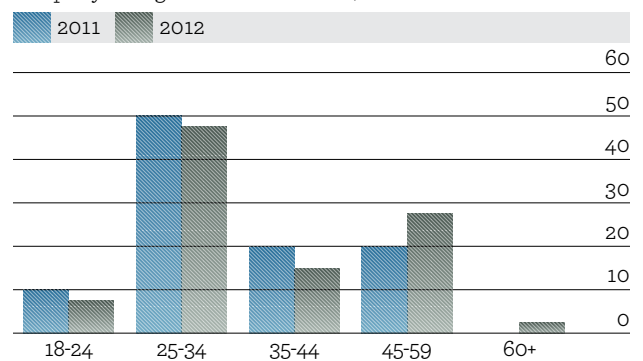Workforce diversity %, 2012

Tenure
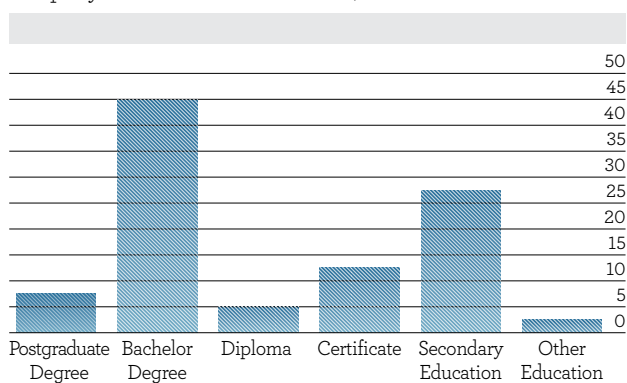Employee length of service %, 2011–12

Employee age
Employee age distribution %, 2011–12

Education
Employee education levels %, 2012

Human Resource Improvement Plan

A key goal in the Business Plan 2011–12, under Critical Success Factor 5: Develop Our People, was to improve our people and culture policies, and to introduce systems and improve our remuneration and benefits to attract, retain and develop staff. The executive considered that these foundations should be established when Bridge Housing was at a size – neither too small nor too large – which enabled the embedding of core values, culture and required behaviours, which would be the DNA of the organisation as it grew. We believe that this will create a virtuous loop which will attract and retain experienced, skilled and motivated staff to drive Bridge Housing's growth and improve service delivery.

To help guide this development process, our Strategic Plan 2009–12 and Business Plan 2011–12 identified the need to develop a comprehensive Human Resource Improvement Plan. This included:

> auditing our current human resources policies and identifying areas for improvement

> undertaking our first EOS, to identify areas of organisational strengths and weaknesses, and establish a base line for future staff engagement and satisfaction.

Employee Opinion Survey

Bridge Housing contracted Voice Project in September 2011 to undertake its first EOS. Voice Project is a research company at Macquarie University, specialising in employee opinion and engagement surveys. The company has conducted over 420 projects for more than 180 clients, and was able to benchmark Bridge Housing's performance against the health and community services sector and not-for-profit sectors.

This survey would establish a baseline for future EOSs, to measure the impact of our Human Resource Improvement Plan, compare our performance with the broader community and the health care sector (there are no current benchmarks for community housing providers) and provide a measure of our employee engagement.

The Employee Opinion Survey 2011 received a 99 per cent response rate. We achieved an employee engagement level of 64 per cent compared to the health and community sector average of 72 per cent. Engagement levels are a critical indicator as they measure employee's commitment to the organisation, job satisfaction and intention to stay.

Bridge Housing's lower than sector average engagement level was not unexpected due to the number of changes Bridge Housing has recently undergone, however we believe the Human Resource Improvement Plan will further increase staff engagement during 2012–13 as there now is a solid base upon which to improve engagement. Bridge Housing now has a solid base upon which to improve its engagement levels. Drilling down, we scored above 80 per cent and equal to or above industry benchmarks in mission, direction, and trust in leadership and management skills – all key business drivers.

However, we scored below the comparable industry benchmarks on remuneration and functional and process areas. These results are not surprising given Bridge Housing's size and rapid growth, community sector salaries and the ongoing improvements required in our technological systems.

The survey results were presented by the CEO to an all-staff meeting in October 2011, followed by discussions with respective teams on their results. This engagement was important as it assisted in prioritising responses, which had been identified in our Business Plan 2011–12, to our employee's key concerns. Management's response was then developed through our Human Resource Improvement Plan.

Bridge Housing will measure its progress with the next EOS in September 2012.

Audit of existing policies

The audit involved a comprehensive review of existing policies, including; recruitment and selection, contracts of employment, position descriptions, performance management training, staff development, and remuneration and benefits. It found that while most policies were adequate, others were undeveloped and needed updating to meet the requirements of a contemporary employer and expanding community housing provider.

Implementing the Human Resource Improvement Plan

The purpose of the Human Resource Improvement Plan was to refresh our people policies and address any gaps to make Bridge Housing an attractive place to work. The plan commenced with a systematic review of our values, to frame the culture and behaviours we want to develop. New values were developed after extensive engagement and consultation with staff and management and approved by the Board. Our values are expressed in this report on page 3.

The table below identifies the scope of the Human Resource Improvement Plan and the progress made in 2011–12:

Measure	How did we do?
Compliance and Safety:	**Key:** ◢ completed ◢ in progress ◢ not completed
Code of conduct	Revised Codes of Conduct
Employment contracts	Revised employment contracts
HR policies	Improved human resources policy suite, which is now accessible on Bridge Housing intranet
Work health and safety	Improved work health and safety data capture and reporting to the Board
Capability and performance	
Position descriptions	Ensured all position descriptions are competency-based
Performance and development planning	Trialled Performance and Development System, scheduled for implementation in 2012–13
Learning and development	Partially implemented through introduction of Study Assistance policy; further work will be undertaken in 2012–13, linked to the Performance and Development System
Recruitment and Engagement	
Remuneration and benefits	Completed the Remuneration and Benefits Policy
Recruitment and selection	Completed the Recruitment and Selection Policy
Induction program	Deferred to 2012–13

Three highlights of the Human Resources Improvement Plan worth further focus:

> developing and embedding our values and culture

> improving our remuneration and benefits policy

> introducing our learning and development policy.

Developing and embedding our values and culture

We used the review of 'Our Values' to begin framing expected behaviours at Bridge Housing. We introduced a new Code of Conduct, refreshed our anti-discrimination, bullying and harassment policies and developed a Statement of Business Ethics. More than 20 policies were reviewed, revised and launched, and are now readily available on the Bridge Housing intranet.

Remuneration and benefits policy

Like many community sector organisations, Bridge Housing was aware that community sector workers were not particularly well remunerated. In April 2012, we introduced a new Remuneration and Benefits Policy in accordance with the Social, Community, Home Care and Disability Services Industry Award granted through the Equal Pay decision by Fair Work Australia (**www.fwa.gov.au**)on 1 February 2012. Fair Work Australia's decision was to transition the introduction of the new salary scales over an eight-year period, by 2020. Bridge Housing introduced the full increase effective from 1 April 2012.

Bridge Housing also introduced a suite of financial and non-financial benefits. This includes six weeks paid parental leave, one day birthday leave, and long service leave payable after five years, study leave, study assistance, flexi-time, an interest-free loan to purchase public transport tickets, and a Health and Wellbeing Program. This is in addition to our existing Employee Assistance Program.

Further information on working at Bridge Housing is available at **www.bridgehousing.org.au**.

Learning and development

A strong focus for 2012–13 will be the implementation of our performance development system, and further improvements in our learning and development program and induction program to ensure that all staff are quickly and effectively orientated to Bridge Housing.

In 2011–12 we established the foundations of the learning and development framework through programs and policies such as study assistance and study leave, further details of which are available in spotlight seven.

Learning and Development

Bridge Housing introduced a new Learning and Development Policy, which helped to address employee concerns around career opportunities. In 2011–12, the first part of the policy implemented clearer policies on training and introduced a new policy on study leave and study assistance.

We also provided opportunities for career development, including opportunity for higher duties, secondments, being part of project teams and executive mentoring.

Bridge Housing currently has:

> the majority of staff taking advantage of flexi-time

> four staff using flexible working arrangements (part-time and leave without pay)

> one employee engaged in a mentoring program with a senior manager

> one employee approved for study assistance (completing a masters degree)

> two staff on higher duties or fulfilling secondments of project roles.

In 2012–13, we will implement the Performance and Development System, which will provide tailored learning and development for each employee as part of their annual performance review.

Rowena Chen and Hugh Phemister

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Lucy Bouza

Lucy Bouza joined Bridge Housing in 2009, with experience from the UK housing sector. As Asset Maintenance Coordinator, Lucy is responsible for the cyclical and responsive maintenance service and ensures an efficient, quality-based and timely service to our residents.

In 2011–12, Lucy applied for study assistance to commence a Masters of Project Management (Assets and Facilities) through distance learning at the University of South Australia. As part of her study support, Lucy is entitled to time off to undertake exams and for study preparation.

The degree directly relates to her role and will provide significant benefits to Bridge Housing. The Masters degree will ensure that Bridge Housing is aware of the latest and best practice research in the delivery of asset services.

Lucy said: *'I am thrilled that Bridge is supporting my studies. The MA is something I have wanted to do for a long time; without my manager's support and the learning and development policy, it would have been extremely difficult to ever achieve. I know that the knowledge and skills I will gain will add to the overall performance of the asset team, allowing us to provide a better home and maintenance service to our residents. Thank you Bridge!'*

Michele McPhee

Michele McPhee joined Bridge Housing in December 2010. She started with Bridge Housing on a temporary basis, to cover a Housing Manager role for just six months, but was then successful in securing a permanent role in June 2011. This was her first job in the community housing sector, having previously worked in other customer service positions. However, this hasn't stopped her from going on to acquire the skills and knowledge necessary to gain a secondment as a Team Leader – managing a team of four Housing Managers and working as a member of the Housing and Community Management Team.

Rowena Chen

Michele applied for the opportunity to take on this management role because she wanted to develop her skills – both in terms of tenancy management and staff management

Michele said, *'The whole experience has been extremely valuable. It has met a number of personal development goals I had – such as managing staff, making decisions and performance management – while at the same time understanding the importance of applying and following policy and appreciating how staff and clients can respond so differently to the same situations. It's been a great experience.'*

Bridge Housing encourages and provides support to staff who seek professional qualifications to further their career in a relevant field. Rowena works in the Finance and Corporate Services team and is completing a course to become a qualified Chartered Accountant. A prerequisite for this course is to be mentored by a qualified Chartered Accountant in the workplace. Hugh Phemister, General Manager, Assets, is a qualified Chartered Accountant and acts as Rowena's mentor. Hugh provides professional guidance and advice to help Rowena pursue the Chartered Accountant qualification. Hugh says 'mentoring staff is a pleasure and privilege

and is a practical way for Bridge Housing to demonstrate commitment to staff and their development.'

Rowena said, *'I'm thankful for all the support I have received from Bridge Housing for studying and career development. Hugh obliged to be my mentor without hesitation, and provides me mentorship with his professional knowledge and valuable practical experience. The finance team also give me great opportunities to develop my practical skills. The study leave policy has made it a lot easier for me to take time off and prepare for my exams.'*

Bridge Housing in the Community

As well as achievements in the office, we are also proud to report our Bridge Housing team is made of up of many active and socially aware individuals, who contribute to many community initiatives when away from their desks.

City2Surf

In August 2011 and for the second year running, 15 Bridge Housing staff – under the banner of the Bridge Housing Harriers – entered City 2 Surf. This annual 14-kilometre fun run from Hyde Park to Bondi Beach, Sydney, to raise funds for fellow not-for-profit organisations. Bridge Housing raised a total of $1,631 for the Australian Red Cross Young Parents Program, and Weave (**www.weave.org.au**), a program in Redfern that provides a range of services to socially excluded young people, women, children and families in the Sydney metropolitan area.

CEO Sleepout

On 21 June 2012, Bridge Housing CEO John Nicolades joined more than 1,000 business leaders across Australia and slept out to raise awareness of homelessness. The event, organised by the St Vincent de Paul Society, was held in Eveleigh's Carriageworks and was attended by 224 private and not-for-profits CEOs from NSW.

John raised almost $13,000 of the $1.8 million total raised in Sydney. The event raised more than $5.2 million nationally in 2012.

Cancer Council Morning Tea

Housing Manager, Anya Favot, has arranged Bridge Housing's participation in the national Cancer Council Morning Tea fundraiser every year since 2008. In 2011–12, the team raised $865 to help fund the work undertaken by the Cancer Council.

City of Sydney Street Count

The City of Sydney conducts bi-annual street counts of rough sleepers in the City of Sydney as part of its Homelessness Strategy. The objective is to collect up-to-date information about the numbers of people sleeping rough in the LGA, as a means to measure the effectiveness of the City's homelessness services and other locally based initiatives.

Given the work Bridge Housing does in resolving chronic homelessness, Bridge Housing staff responded and volunteered their time in the early hours of the morning to help the City of Sydney collect the data it needs. Hayley Austin (General Manager Housing and Community), Erin Fearn (Platform 70 Project Coordinator), Elly Hicks (Platform 70 Housing Manager) and Christina Hough (Pathways Housing Manager) all took part in the street count and said how moved they were by the experience. They are all also committed to being involved in the next street count in 2012–13.

Governance

Governance structure

Bridge Housing is regulated by the Australian Securities and Investments Commission (ASIC), subject to the *Corporations Act 2001* and is managed by a seven-member, skills-based Board, although its Constitution enables a maximum of nine members.

Bridge Housing's Constitution requires that it appoints Directors who have skills in finance, accounting and risk management, law, asset management, community housing management, human resource management, community organisation management, social housing provision and property development.

Bridge Housing is a Public Benevolent Institution with deductible gift recipient status.

At 30 June 2012, Bridge Housing Limited had 266 members.

Bridge Housing Limited Governance Principles and Constitution are available from **www.bridgehousing.org.au** *or by contacting the Bridge Housing office on (02) 9699 6055.*

Governance Principles

Bridge Housing's Corporate Governance Principles are based on the ASX Corporate Governance Council's Principles of Good Corporate Governance, which ensure directors address their corporate, legal, financial and audit responsibilities and exercise reasonable care, skills and diligence in carrying out their duties. Bridge Housing is not a listed company and has no obligation to adopt these principles. However, as a leading not-for-profit community housing provider, it is committed to good corporate governance and voluntarily follows the Principles.

Bridge Housing commissioned an independent review by the Walton Group of its governance processes and structures in 2010-11. The review identified strengths and areas of improvement in Bridge Housing's Governance. How Bridge Housing addressed its key recommendations in 2011-12 will be detailed under each of its Governance Principles.

1: Lay solid foundations for management and oversight

Bridge Housing Directors are aware of their responsibilities under federal and state legislation and ensure Bridge Housing abides by its Constitution and obligations as a trading entity, an employer, a contractor and a responsible and ethical corporate citizen.

Role of the Board

The Board's primary responsibilities include:

> establishing long-term goals and approving strategic plans to achieve those goals

> ensuring the appropriate separation of powers and balance of responsibilities between the Board and management

> selection and retention of the Chief Executive Officer, setting the conditions of service and monitoring performance

> review and approval of annual budgets, monitoring of management and financial performance and ensuring that the organisation has the skills, resources and support it needs

> identifying significant business risks and ensuring effective strategies are in place to manage these risks

> ensuring that there are adequate systems of internal control, together with appropriate monitoring of compliance activities

> review and approval of major strategies, financial objectives and plans, including capital expenditures, acquisitions, developments and divestments.

The Board meets every second month and has established three standing subcommittees – the Finance, Risk and Audit Committee, the Asset and Procurement Committee, and the Human Resources and Nominations Committee – to help it with consideration and decision-making over operational matters. A time-limited Information Communications and Technology Committee (ICT) is established to provide focus governance for Bridge Housing's first major IMS upgrade. The ICT Committee will disband once the IMS system goes live in December 2012.

How do we do this?

The Walton Group identified Strategic Planning and delivery as one of Bridge Housing's key strengths. In our Compliance Assesment Report 2012, the Registrar said;

'There is significant evidence that Bridge Housing Limited has a strong strategic planning process. This approach appears to be a real strength and could be highlighted as positive practice in the community housing sector.'

We have built on this through improving our planning and engagement in 2011–12 to produce our next Strategic Plan 2012–15, which will drive the growth of Bridge Housing over the next three years. The key elements of this Strategic Plan can be found on page 26 of this report and a full version is available on the Bridge Housing website at **www.bridgehousing.org.au**.

The Walton Report also highlighted areas for improvement within the areas of Director's induction and development, succession planning, determining risk appetite and improving internal board procedures.

Bridge Housing's key response is the Bridge Housing Board Charter, which incorporates the recommendations of the report. The Board Charter was approved in December 2011, and augments the Bridge Housing Corporate Governance Principles by setting out the role, responsibilities, structure and processes of the Board of Bridge Housing Limited. It also details the support that will be provided to Directors. This includes an annual training budget of $2,000 per Director, and all new Directors are encouraged to undertake the Australian Institute of Company Directors Course within the first year of directorship. During the reporting period, the following directors and Chief Executive Officer undertook Governance training:

> Vicki Allen, Chairman:
> The Non-profit Chairman – Australian Institute of Company Directors.

> John Kell, Director:
> Company Directors Course – Australian Institute of Company Directors

> John Nicolades, Chief Executive Officer and Company Secretary:
> Company Directors Course – Australian Institute of Company Directors

2: Structure the Board to add value

The Bridge Housing Board is a skills-based board. Directors are chosen from candidates who have expertise and experience in one or more of the following areas: social housing management, finance, community welfare, property development and procurement, law, social policy development, accounting, asset management, information and technology, and human resources management.

The Board will seek and appoint Directors who meet these skill categories to provide the effective governance and direction to Bridge Housing and who, between them, can reliably carry out all the necessary functions of the board.

How do we do this?

In 2011–12, the Bridge Housing Board approved a Board Charter and a new Director induction program, both key recommendations of the Walton Review. The Bridge Housing Board Charter was introduced in November 2011, and now provides more comprehensive advice on terms and conditions of appointment, procedures for taking independent advice, and access to training programs to maintain Director effectiveness. The induction program provides more access to Bridge Housing's operations through more structured meetings with general managers, and site

visits, which enables Directors to gain a deeper understanding of Bridge Housing's business.

We undertake a skills assessment of the Board to identify skills gaps or where existing Board skills can be enhanced to support our Strategic Plan and Business Plan objectives. We also advertise to get the best qualified Director for the position.

Director Gary Spreckley (skill area: finance) indicated in November 2011 that he intended to resign from the Board in March 2012. A review of the Board identified that a director with property development and financing experience, would augment the Board's skills base, in light of Bridge Housing's property acquisition and development program. Broad advertising was undertaken through the Sydney Morning Herald, Women on Boards and the Australian Institute of Company Directors. Alan Revell was the successful candidate and was appointed to the Board in April 2012.

The skills, experience and expertise of Directors and executives are available on **www.bridgehousing.org.au** and in this Annual Report 2011–12 on page 86.

In July 2010, the ASX Corporate Governance Council (CGC) adopted diversity-related amendments to its Corporate Governance Principles and Recommendations. The revised recommendations include that listed companies adopt a diversity policy that sets measurable objectives for achieving gender diversity and report annually on their achievement against those objectives and on the proportion of women employed in the whole organisation, in senior management roles and on the board of directors. The Board has determined that diversity on the Board and in the organisation is critical to effective governance and good organisational practice as it brings other views. Bridge Housing will introduce its Diversity Policy and consequent amendments to its Corporate Governance Principles in 2012–13.

3: Promote ethical and responsible decision-making

The Board ensures that Bridge Housing conducts its business to the highest standards of honesty, integrity, respect and fairness when dealing with all its customers and employees. It adheres to the highest ethical principles and these are expressed in the following policies and documents:

> Fraud and Corruption Policy

> Whistle Blower Policy

> Gift Policy

> Code of Ethics for Directors and Staff

> Code of Conduct for Directors

> Managing Conflict of Interest Policy

> Register of Interests

> Tenants' Rights Statement

How do we do this?

In 2011–12 Bridge Housing adopted a new set of values which provide the framework for the culture and behaviours required of Bridge Housing Directors and staff. These values are found on page 3 of this Annual Report. We also reviewed our Conflict of Interest Policy, which applies to Directors and Employees, and introduced a Statement of Business Ethics, a policy targeted to our business partners and contractors. The Statement of Business Ethics sets out the standards of behaviour required by those who do business with Bridge Housing and the appropriate relationships which Directors and employees should have with those we do business with.

These policies sit within our existing policy suite, which ensures that Directors, executive and staff operate at the highest ethical standards.

4: Safeguard integrity in financial reporting

The Board will ensure that Bridge Housing's financial statements present a true and fair view of its financial condition and operational results in all material respects and in accordance with international accounting standards.

How do we do this?

We have established a Finance, Risk and Audit Committee with a formal charter. Its role includes:

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> maintaining an effective risk management framework, including compliance and internal controls

> ensuring the integrity of financial statements and external financial communication

> ensuring the effectiveness of the external and internal audit functions

> ensuring the adequacy of Bridge Housing's insurance coverage.

Management and the Board receive comprehensive financial reports, which track our financial performance against comparative key financial and operational KPIs. Our Report Card on page 64 of this report measures our performance on critical KPIs. This year we have augmented the Report Card with additional commentary to assist in explaining the importance of the key indicators to our stakeholders.

In 2011–12 we commenced year one of our three-year Internal Audit Program aimed at providing external independent (of management) review of Bridge Housing's systems, policies, processes and procedures. Its independence is protected by a direct reporting line to the Chair of the Finance, Risk and Audit Committee and to the Board.

RSM Bird Cameron reviewed our Fraud Risk Controls and Financial Policies. It noted:

'... [The] review has confirmed that management has taken substantial actions to address both fraud risks and

to ensure that appropriate policies and procedures are in place. Management has provided a level of attention to these matters that we frequently find lacking in larger organisations.'

A Treasury Policy was approved by the Board on 26 June 2012, which will guide Bridge Housing's investment and financing policies and identify the Board's risk appetite as we undertake borrowing to deliver our affordable housing properties. Determining the Board's risk appetite was one of the key recommendations of the Walton Group review.

In 2012–13 we will tender our external financial audit; the Board believes that auditor rotation is important in order to maintain audit firm objectivity and independence.

The Board is following the principles in the Corporate Law Economic Reform Program *(Audit Reform and Corporate Disclosure) Act 2004*, also known as *CLERP 9*.

5: Make timely and balanced disclosure

The Board will ensure that information is made available in a timely manner to Bridge Housing's stakeholders, clients, support agencies, regulatory and funding bodies, members and staff and is factual and clearly and objectively expressed.

How do we do this?

Bridge Housing is not subject to the ASX Disclosure Rules but adopts its principles. We are committed

to building a culture of strong governance and transparency, acknowledged by external recognition through the 2011 PwC Transparency Awards and 2012 Australasian Awards.

Bridge Housing was the first community housing provider in Australia to enter and secure these important transparency awards.

We are subject to disclosure provisions in the Regulatory Code in Schedule 1 of the Housing Regulation 2009 – Performance Area 5: Standards of Probity Performance requirement 5.3: Reputation of community housing sector. Community housing providers are required to notify the Registrar of Community Housing in a timely manner of any incident relating to its operations that damages, or may damage the reputation of the community housing sector. Bridge Housing's Notifiable Incidents Policy guides our practice in this area. There were no notifiable incidents in 2011–12.

Our Media Policy delegates media comments to the CEO or Chairman.

6: Respect the rights of Bridge Housing members

The Board will ensure that Bridge Housing has policies, systems and procedures that promote the interests and rights of members and facilitates the effective exercise of those rights.

How do we do this?

Bridge Housing does not have shareholders but does have members.

We hold our annual general meeting (AGM) in November and our Annual Report is made available to our members and other stakeholders through our website or by contacting the Bridge Housing office.

As discussed at Principle 5, securing transparency and reporting awards shows our commitment to providing information to our members and other stakeholders with enough details and information to enable Bridge Housing to be held to account. The Chairman and the CEO provide a report to members at the AGM and Directors are available to answer any questions.

Our external auditor attends our AGM and is available to answer members' questions about the finances of the organisation.

7: Recognise and manage risk

The Board will ensure that Bridge Housing has comprehensive risk management policies, sound risk management systems and procedures that ensure it has good internal controls.

How do we do this?

Bridge Housing has a comprehensive Risk Management Plan, which identifies internal and external risks. It identifies and manages risks that may hinder or stop Bridge Housing from delivering Strategic Plan and Business Plan objectives.

Bridge Housing is transitioning its existing Risk Management Plan (AS 4360:2004) so that it complies

with an enterprise risk management framework AS/NZS ISO 31000:2009. This is the new standard for managing risk, which builds upon and supersedes our existing Risk Management Plan 2011–12 and will be implemented during 2012–13.

To enable the Board to have an effective overview of risks facing Bridge Housing, the top 20 risks are identified for reporting to the Board every quarter.

The introduction of Bridge Housing's Treasury Policy in 2011–12 also provides a comprehensive framework to manage our financial risks and determines the Board's risk appetite. For example, in light of the borrowings required to deliver our property development program, the policy helps determine what is the appropriate cash reserve to ensure we can manage any increase in the costs of construction and have adequate funds (working capital) to reinvest into Bridge Housing.

The Board approved an Internal Audit Policy in 2010–11 and a three-year Internal Audit Program for 2011–14. As noted under Principle 4: Safeguarding integrity in financial reporting, our internal auditor RSM Bird Cameron completed its first internal audit in 2011–12.

8: Remunerate fairly and responsibly

The Board will ensure that Bridge Housing has remuneration and employment policies and practices in place that help retain and attract qualified and motivated staff, including its Chief Executive Officer.

How do we do this?

Bridge Housing Directors serve on a voluntary basis and do not receive payment for director services. Directors are reimbursed for expenses related to board activities including travel, meals and accommodation. The Bridge Housing Board Charter also allocates a training budget of $2,000 per annum for each Director and pays for Board Members to undertake the Company Directors Course, facilitated by the Australian Institute of Company Directors.

The remuneration packages for executive salaries are set by undertaking regular remuneration reviews to compare salaries with comparable positions in the community service and government sector.

In 2012, the Bridge Housing Board approved an improved remuneration and benefits package for award-based staff, placing Bridge Housing employees well above the Social, Community, Home Care and Disability Services Industry Award.

Subcommittees

To assist in the effective governance of Bridge Housing Limited, the Board has established three standing subcommittees and one ad hoc committee.

Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee is responsible for overseeing the effective management of financial risks, reliable management and financial reporting compliance with laws and regulations, and the maintenance of an effective and efficient audit.

Asset and Procurement Committee

The Asset and Procurement Committee is responsible for overseeing the effective development of Bridge Housing's asset management and procurement strategies and asset maintenance plans, and provides high-level advice to management on asset strategies.

Human Resources and Nominations Committee

The Human Resources and Nominations Committee was first convened to help recruit the general management team in 2010. The committee was adopted as a standing committee in February 2012 and meets on a quarterly basis.

Information Technology Committee

The Information Technology Committee was first convened in 2010–11 to assist in the tender process for the integrated IMS. The committee was called on twice during the reporting period to assess and approve the tender received for the IT upgrade.

Meetings of Directors 2011–12

	Board Meeting		Finance, Risk and Audit Committee		Asset and Procurement Committee		Human Resources and Nominations Committee		Information and Communication Technology Committee	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Vicki Allen	7	7	-	-	-	-	4	4	-	-
John Kell	7	6	-	-	-	-	-	-	2	2
Shirley Liew	7	6	6	6	-	-	-	-	-	-
Gary Milligan	7	5	-	-	2	1	-	-	-	-
Dick Persson AM	7	5	-	-	-	-	4	3	2	2
Alan Revell	2	2	1	1	-	-	-	-	-	-
Gary Spreckley	5	3	3	2	-	-	-	-	-	-
Helen Wood	7	5	-	-	2	2	-	-	-	-

A: Number of meetings eligible to attend   **B:** Number of meetings attended   - Not a member of the relevant committee

Compliance

Registration

Community housing providers operating in NSW who receive financial assistance from Housing NSW must register with the Registrar of Community Housing. Bridge Housing first achieved Class 1 Registration under the *Housing Act 2001 (NSW)* in February 2010, and has since maintained this status. During the reporting period, one compliance assessment was carried out, with notification of assessment received in June 2012. The next scheduled assessment is due in October 2012.

Assessment is made against the following eight performance areas:

1. Fairness and resident satisfaction

2. Sustainable tenancies and communities

3. Asset management

4. Sound governance

5. Standards of probity

6. Efficient and competitive delivery of community housing

7. Protection of government investment

8. Development projects.

Ongoing compliance with the performance requirements is ensured through the Bridge Housing Limited Compliance Register, which is submitted to the bi-monthly Board meeting for continual monitoring.

Further information on the regulatory regime can be found on page 15 of this Annual Report and the Registrar's website: **www.rch.nsw.gov.au**.

Legislation

We are also governed by legislation covering business and employer obligations, including:

Corporations Act 2001

Fair Work Act 2009

Housing Act 2001 (NSW)

Housing Regulations 2009 (NSW)

Keep Them Safe Children Legislation (Wood Inquiry Recommendations) Act 2009

Anti-Discrimination Act 1977 (NSW)

Disability Services Act 1993 (NSW)

Workplace Surveillance Act 2005 (NSW)

Work, Health and Safety Act 2012

Privacy and Personal Information Protection Act 1998

Board Members

Vicki Allen

BBus MBA DFP GAICD

Chairman

Director since 2007

Chairman since 2009

Skill area: Human Resources

Member: Human Resources and Nominations Committee

Vicki is an experienced senior executive and consultant in the financial services and property sectors. Her executive career comprises significant roles with The Trust Company, MLC and Lend Lease Corporation. Ms Allen is an independent non-executive director of MTAA Superannuation Fund. Vicki holds an MBA from the University of Melbourne as well as a Bachelor of Business from the University of Technology, Sydney.

John Kell

BA LLB MEnvStud GAICD

Director of Bridge Housing since 2009; of Eastern Suburbs Rental Housing Association Limited (ESRHA) from 2002 to 2009

Skill area: Law

John is a partner at Hunt & Hunt, specialising in corporate and commercial law. In that capacity, he acts for a broad range of private and public sector clients. John has been involved in community organisations for many years. Prior to the Bridge Housing Board, he was a director and later Chairman of ESRHA. He was instrumental in the merger between ESRHA and Bridge Housing.

Shirley Liew

BBus MBA Grad Dip Appl Finance, FCPA, FTIA, MIIA, GAICD

Director since 2009

Chair of Finance, Risk and Audit Committee

Skill area: Finance and risk management

Chair: Finance, Risk and Audit Committee

Shirley is a non-executive director. She has more than 22 years experience in finance, assurance, risk and business advisory, and held practice lead partner roles in major Chartered Accountancy firms with clients ranging from multi-nationals and publicly listed companies to small-to-medium enterprises, emerging companies and not-for-profits.

Shirley is also a director of Hunter United Employees Credit Union, and UnitingCare Ageing Sydney Regional Board.

Gary Milligan

BSc BEng (Electrical) (Hons 1), Grad Cert Human Resource Development, MIVMA

Director since 2007

Re-elected 2010

Skill area: Asset management

Chair: Asset and Procurement Committee

Gary has more than 35 years experience in the procurement and asset management of government buildings, including schools, hospitals, courts, correctional centres, police stations and housing. He has contributed to all aspects of procurement and asset management processes. In 2007, he completed the Australian Institute of Company Directors Company Directors Course.

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Dick Persson, AM

BA FAIM FAPI

Director since 2009

Skill area: Housing policy, planning and local government, capital works procurement, management and government administration, mediation

Member: Human Resources and Nominations Committee

Dick is Chairman of the Sydney Harbour Foreshore Authority and the Special Adviser on Local Government to the NSW Independent Pricing and Regulatory Tribunal (IPART). He is an experienced senior public servant, having held Director-General positions in Queensland and NSW (1989 and 2003), including Qld Department of Housing, Local Government and Planning, Qld Department of Health, and the NSW Department of Public Works and Services.

Alan Revell

MBA (Syd), FCPA, FCIS, FAICD, FAIM, FAPI, SMP (Harv)

Director since 2012

Skill area: Property development and finance

Member: Finance, Risk and Audit Committee

Alan has more than 40 years senior management and Board experience in the corporate and property industries. He has been General Manager of Shopping Centres at Westfield; Managing Director and director of various Lend Lease subsidiaries; a director of the General Property Trust (GPT); and founder, Managing Director and Chairman of the management companies of a publicly listed real estate investment trust. Alan is now Principal and Chairman of a property and corporate advisory consultancy.

Gary Spreckley

BCom (Legal) BAcc Post Grad Dip Taxation

Full accreditation in Australian taxation and corporations law

Director 2009–2012

Skill area: Finance and accounting

Member: Finance, Risk and Audit Committee

Gary Spreckley is a qualified Chartered Accountant with more than 20 years in finance at a senior level. Gary resigned from the Bridge Housing Limited Board in March 2012 to take up an interstate opportunity at Chief Financial Officer–level. Gary was instrumental in the merger of Bridge Housing and ESRHA.

Helen Wood

BSc (Hons) Psychology, MRICS MAHI

Director since 2002

Re-elected in 2005, 2010

Skill area: Social housing

Member: Asset and Procurement Committee

Helen is a chartered surveyor with 25 years experience as a property professional, specialising in social, affordable and aged housing in the UK and NSW. She was CEO of a charitable housing association in Central London. Helen has considerable experience in partnerships between the not-for-profit sector and the private sector. She is currently Manager of Development and Innovation for UnitingCare Ageing NSW/ACT.

Facts and Figures

Properties

Bridge Housing's property portfolio increased from 1,473 to 1,552 properties through the property transfer program at South Coogee and Balmain, NBESP properties, Platform 70 and the first 19 properties from the Canterbury and Bankstown tender. This increases the percentage of capital properties in the portfolio. Capital properties are leased from the Department of Housing on recurrent five year leases and. Also included in Capital properties are the 163 vested NBESP properties. Fee-for-service properties are managed on behalf of other organisations for a fee. Social Housing Subsidy Program properties are targeted to households earning moderate-incomes.

Our properties are predominantly located in Inner Sydney, Inner West and the Eastern suburbs. Since 2010 we have increased our presence in Central Western Sydney (Parramatta Council) and the Canterbury and Bankstown area following the transfer of Nation Building Economic Stimulus Package (NBESP) properties and securing the tender to manage properties in the Canterbury and Bankstown region.

Our properties are predominantly one and two bedroom units in two, three and four-storey buildings and a smaller number of two and three bedroom houses. We seek out properties that will best match the type and size of our tenant and applicant households.
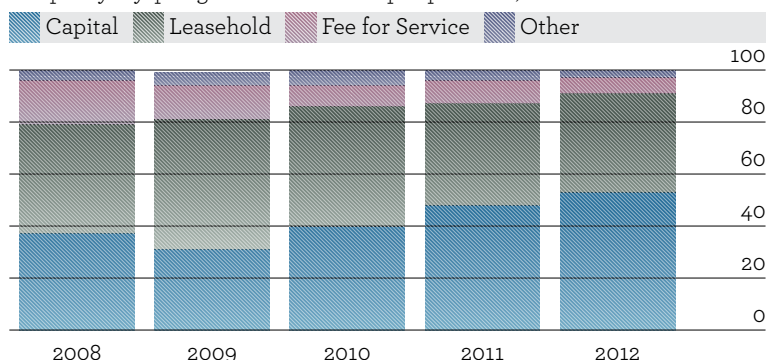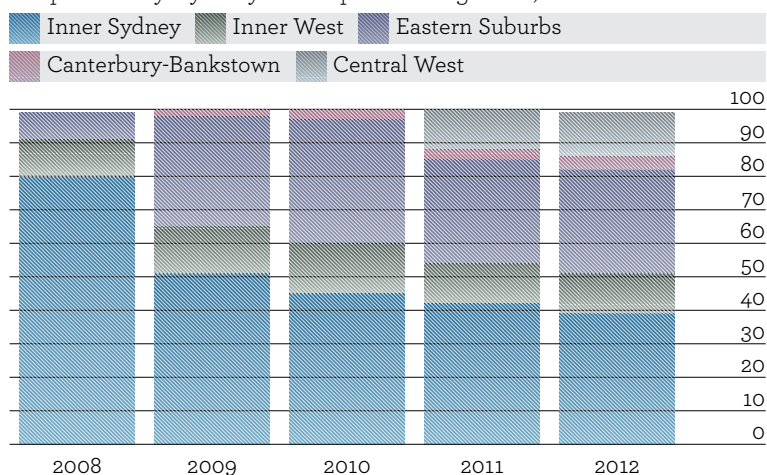
Properties
Property numbers by program, 2008–12
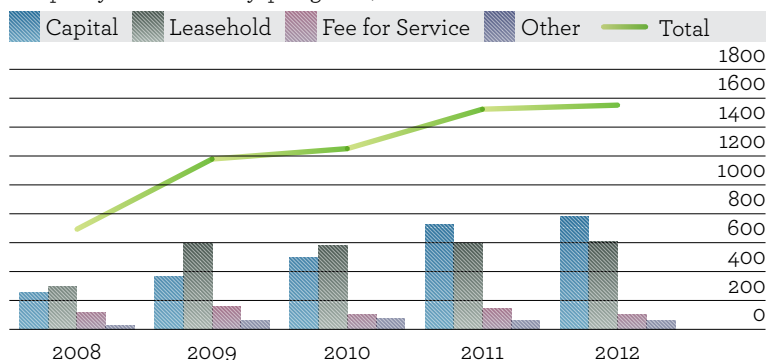
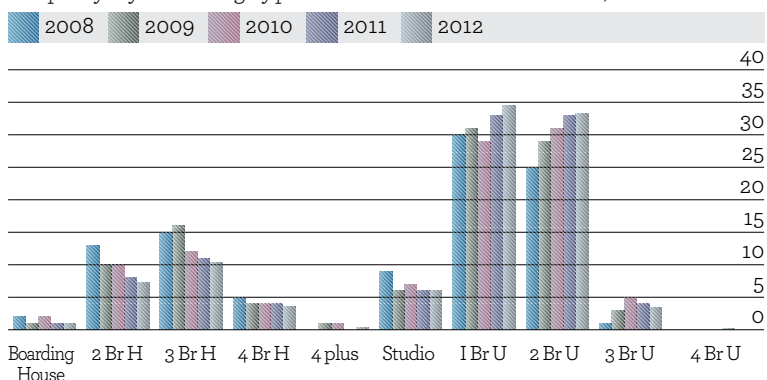**Properties**
Property by program as % of all properties , 2008–12

Property location
Properties by Sydney metropolitan region %, 2008–12

Property type
Property by dwelling type and number of bedrooms, 2008–12

Tenants

The majority of our tenants are single person households. The second largest tenant group is sole parent households. Couples with and without children make up less than 15 per cent of the tenancies we manage.

Tenant households are predominately headed by women across all age groupings.
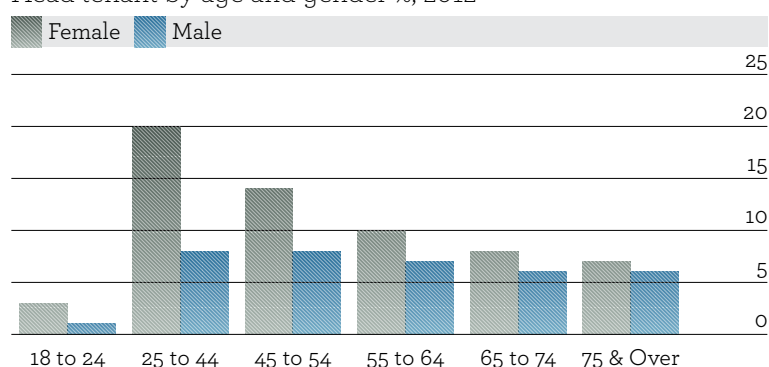
Household composition
Composition of household type %, 2008–12

Legend: Single, Sole parent, Couple, Couple w children, Other
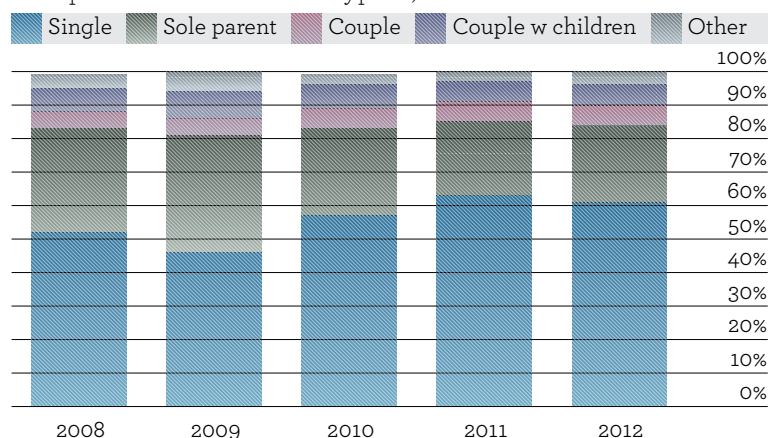
Gender and Age
Head tenant by age and gender %, 2012

Legend: Female, Male

New tenancies

Bridge Housing provides long term secure accommodation for low and moderate-income households in a region with low rental and purchase affordability. Thirty per cent of our tenants have been with Bridge Housing for more than 5 years and 60 per cent for more than 2 years. The increase in tenancies less than 1 year is due to the number of new properties in our portfolio from the Property Transfer Program and NBESP from 2009–10.

We accommodated 217 new tenants in 2011–12, and transferred 105 existing tenants in our property portfolio. New tenants accommodated was lower than 2010–11 as our portfolio growth was lower. Internal transfers help us meet the changing housing needs of our tenants and makes accommodation available for applicants on our waiting list.
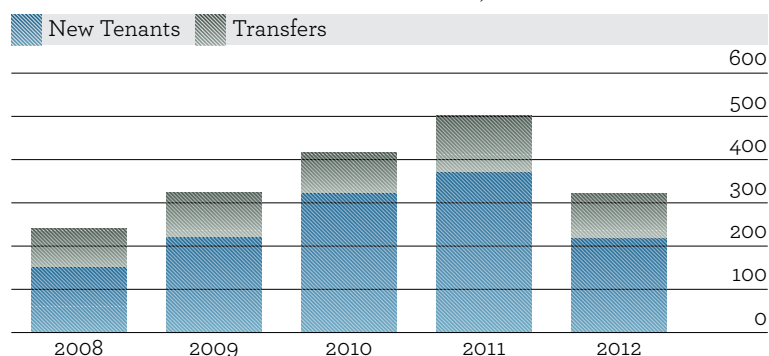
Tenancy
Tenancy length by number of years %, 2008–12

Legend: <1Y, 1 to 2, 2 to 5, 5 to10, 10 to 15, 15 +
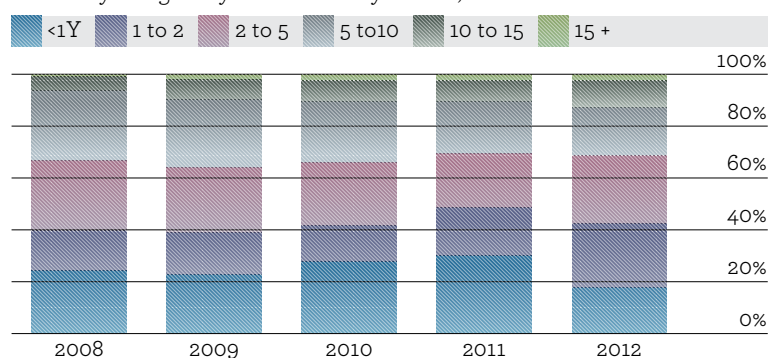
New tenancies
Number of new tenancies and transfers, 2008–12

Legend: New Tenants, Transfers

Income

Bridge Housing tenants are predominately Centrelink beneficiaries (69%). The main payment types are Aged Pension (21%), Disability Support Pension (27%), Newstart (10%), and Parenting Payment (11%). Nineteen per cent of all Bridge Housing tenants are employed and receive wages as their main source of income. Most are in our affordable housing programs – SHSP, debt equity and fee-for-sevice.

Language and cultural identification

There is considerable diversity in cultural and linguistic backgrounds among Bridge Housing tenants and applicants. Bridge Housing tenants speak over 47 languages. After English, the major languages represented are Arabic, Asian and European languages which together make up almost 20 per cent of all language groups who receive Bridge Housing support. Three per cent are from an Aboriginal or Torres Strait Islander (ATSI) background.
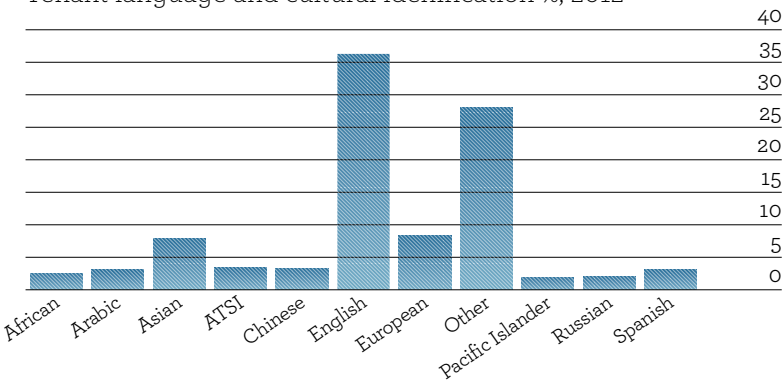
Income
Tenant income source %, 2012
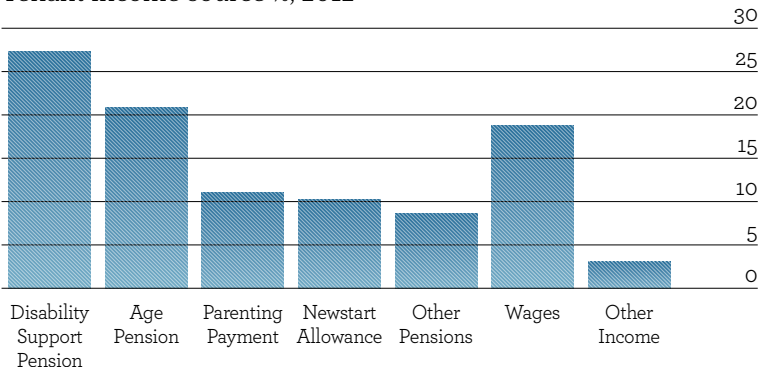
Language and culture
Tenant language and cultural idenification %, 2012

Acknowledgements

Bridge Housing Limited would like to acknowledge a number of individuals and organisations who have assisted our work in 2011–12:

> Deloitte Australia for enabling Tim Fleming to provide his time

> Donors to the CEO Sleepout and City2Surf fundraiser

> Emilio Ferrer, Sphere Property Corporation, for assistance with a Housing NSW redevelopment site tender

> Hutchinson Builders and Nettleton Tribe for the work on our North Eveleigh tender

> Jennine Blundell for facilitating our Strategic and Business Planning Process

> Pamela Pryor and Clive Matthews (Chair and Vice-Chair of Bridge Housing's Tenant Advisory Group)

> The '90 Homes for 90 Lives' Committee for its support of Platform 70

> Rebecca Till for her outstanding work in managing the production of Bridge Housing Limited's Annual Report 2012

> The Community Housing Division of Housing NSW, Department of Family and Community Services for contracting housing services to Bridge Housing

> The Community Housing Providers who have supported our Platform 70 initiative by taking on properties as part of this program: Hume Community Housing, Metro Community Housing, North Coast Housing and St George Community Housing

> Tim Fleming, Chief Information Officer, Deloitte Australia for continued assistance with our IMS procurement

> Tony Gilmour for his work on the North Eveleigh Expression of Interest

> UBS for enabling the use of its facilities for our Strategic Planning Day

> Work Ventures for our partnership to deliver 'Bridging the Digital Divide'

Glossary

Affordable housing
Housing that is affordable for households on low to moderate-incomes, when housing costs are low enough to enable the household to meet other basic long-term living costs. For example, housing costs should be less than 30 per cent of household income for occupants in the bottom 40 per cent of household incomes.

Commonwealth Rent Assistance (CRA)
A non-taxable Commonwealth Government supplementary payment added on to the benefit or family payment of people who rent in the private rental market above applicable rent thresholds.

Community housing
Housing that is managed and sometimes owned by a not-for-profit community organisation.

Crisis accommodation
Short-term accommodation for people who are experiencing or are at risk of homelessness, including refuges and shelters.

Homelessness
A person is homeless if he or she does not have access to adequate housing that is safe and secure. People who are homeless fall into three broad groups; that is, those who are:

> sleeping rough (living on the streets)

> living in temporary accommodation, such as crisis accommodation or with friends or relatives

> staying in boarding houses or caravan parks with no secure lease and no private facilities.

Housing Pathways (www. housingpathways.nsw.gov.au)
Housing Pathways is a single statewide waiting list. It combines the waiting lists of Housing NSW and participating community housing providers and replaces the separate lists previously maintained. All new applications are logged on the NSW Housing Register.

Housing stress
The condition of households (in the bottom 40 per cent of income distribution) paying more than 30 per cent of their gross income on mortgage or rental repayments.

Lower-income household
A household with income in the bottom 40 per cent of all household income distribution.

Medium-density housing
A term used to describe residential developments that are at higher densities than standard low-density (or 'broadhectare') suburban subdivisions, but not so high that they might be regarded as high-density housing. It is generally defined as more than one dwelling on an ordinary house block, or any form of attached housing such as townhouses or apartments.

Multi-unit development
Development that involves building three or more residential buildings on a single lot.

National Rental Affordability Scheme (NRAS)
National Rental Affordability Scheme (**www.fahcsia.gov.au**) is a Commonwealth Government scheme that commenced on 1 July 2008, providing annual incentives to institutional investors and other eligible bodies for 10 years to create 50,000 new affordable rental properties rented to low-income and moderate-income families at 20 per cent below market rents.

Nation Building Economic Stimulus Package (NBESP)
Australian Government's $42 billion investment in stimulating the economy during the global financial crisis in 2008-2009. NSW received $2 billion to deliver around 6,000 social housing homes in by June 2012. The NSW Government invested an additional $1 billion to deliver an additional 3,000 homes, and $130 million for the periods 2008–09 and 2009–10 to reduce the backlog of maintenance and upgrade 31,000 social housing homes. The majority of the 6,000 dwellings were scheduled to have title vested to community housing providers through Tender. Bridge Housing secured 240 dwellings, predominantly in Parramatta and Bankstown.

National Housing Supply Council
The Council (**www.nhsc.org.au**) was established by the Australian Government in May 2008 to monitor housing demand, supply and affordability in Australia, and to highlight current and potential gaps between housing supply and demand from household.

Property Transfer Program
A Housing NSW program to transfer the management of all or part of public housing estates to community housing providers. This involved the transfer of 3,000 properties over 2009–2010 to selected community housing providers under the 2008–09 Community Housing Allocation Policy. Bridge Housing was allocated 196 properties on the South Coogee and Balmain Estate.

Abbreviations

Quintile
A proportion of a set of data that has been ranked and divided into five groups, each of which contains an equal number of data items. When people (or any other units) are ranked from the lowest to the highest on the basis of some characteristic such as their household income, they can then be divided into equal-sized groups. When the population is divided into five equal-sized groups, the groups are called quintiles.

Rough sleepers
See Homelessness

Social housing
Rental housing that is provided and/ or managed by government or non-government organisations, including public and community housing.

Sydney Metropolitan Area
This incorporates the following local government areas: Ashfield, City of Auburn, Bankstown City, Blacktown City, Blue Mountains City, Botany Bay City, Burwood, Camden, Campbelltown City, Canada Bay, Canterbury City, Fairfield City, Hawkesbury City, Holroyd City, Hornsby, Hunter's Hill, Hurstville City, City of Kogarah, Ku-ring-gai, Lane Cove, Leichhardt, Liverpool City, Manly, Marrickville, Mosman, North Sydney, Parramatta City, Penrith City, Pittwater, Randwick City, Rockdale City, Ryde City, Strathfield, Sutherland Shire, City of Sydney, The Hills Shire, Warringah, Waverley, Willoughby City, Wollondilly and Woollahra.

Vacancy Rate
This indicates sufficient turnover of rental properties to accommodate demand from renters. It is generally acknowledged to be 3 per cent of rental properties.

ADHC	The Department of Ageing, Disability and Home Care
AGM	Annual General Meeting
AICD	Australian Institute of Company Directors
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
BDD	Bridging the Digital Divide
CAP	Crisis Accommodation Program
CEO	Chief Executive Officer
CHD	Community Housing Division
CHLP	Community Housing Leasehold Program
CLERP 9	Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004
DA	Development application
EBITDA	Earnings before interest, tax, debt and amortisation
EOS	Employee Opinion Survey
ESHRA	Eastern Suburbs Rental Housing Association
GPT	General Property Trust
GRC	Governance, risk and compliance
HNSW	Housing New South Wales
HPA	Home Purchase Assistance
ICT	Information and communication technology
IPART	The NSW Independent Pricing and Regulatory Tribunal
JTAP	Joint Tenancy Accommodation Program
KPI	Key performance indicator
LGA	Local government area
NAHA	The National Affordable Housing Agreement
NBESP	Nation Building Economic Stimulus Package
NPH	National Partnerships on Homelessness
NRAS	National Rental Affordability Scheme
NSWFHA	New South Wales Federation of Housing Associations
SEPP	State Environmental Planning Policy
TAG	Tenant Advisory Group

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bridge housing

LINKING PEOPLE TO A BETTER FUTURE

Street Address:
Level 9, Tower 1,
1 Lawson Square,
Redfern, NSW 2016

Postal Address:
PO Box 1835,
Strawberry Hills, NSW 2012

www.bridgehousing.org.au