



**bridge**   
**housing** linking people  
to a better future

**Annual Report 2014**





Bridge Housing Team

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# About this Report

The Bridge Housing Limited Annual Report provides key stakeholders with a summary of our operational and financial performance during 2013-14. 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, we measured our outcomes for 2013-14 against the targets set in our Strategic Plan 2012-15 and detailed further in our Business Plan 2013-14.

## Our Audience

This report is primarily aimed at the following stakeholders:

- residents, applicants and recipients of our housing management services
- members of Bridge Housing Limited
- federal and state government partners who fund and regulate Bridge Housing Limited
- communities and local government areas in which we operate
- support partners that provide services to our most vulnerable tenants
- Bridge Housing staff members who deliver our services.

## Acknowledgements

Bridge Housing Limited acknowledges the Gadigal and Boromedegal clans of the Eora 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.

## Bridge Housing Limited

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**ABN:** 55 760 055 094 **ACN:** 135 570 955 **ISBN:** 978-0-987-4433-3-5

## Our Values

We are:	This means:
<b>Socially responsible</b>	We are a socially responsible organisation, committed to social inclusion and to improving the lives of the people and communities we support.
<b>People-focused</b>	We are a people-focused organisation. We keep our applicants' and residents' needs at the core of all activities and decisions; empathise with their concerns, 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.
<b>Committed and passionate</b>	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.
<b>Relationship-builders</b>	We build relationships based on trust and respect to create positive outcomes for the people and communities we serve.
<b>Professional, and act with integrity</b>	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 to identify the critical success factors we need to meet. These factors are implemented through our annual Business Plans.

The critical success factors set out in the Strategic Plan 2012–15 are:

- enable strategic portfolio growth to meet affordable housing needs in the community
- deliver quality homes and services to our residents
- ensure effective governance
- ensure business sustainability
- develop our people

- enhance and extend our relationships.

In this report, we measure our performance against our Business Plan objectives for 2013–14, which are aligned with our three-year Strategic Plan 2012–15. Both plans are available on our website.

## Our Services

We provide long-term accommodation for people on low to moderate incomes through our property portfolio. Bridge Housing:

- owns 243 properties
- manages 610 properties owned by the NSW Land and Housing Corporation (LAHC), the public housing authority

- leases 637 properties from the private rental market
- manages 102 properties on behalf of other organisations and individuals
- acquires and develops properties
- provides responsive and planned maintenance services on a property portfolio valued at \$350 million.<sup>1</sup>

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

<sup>1</sup> This is based on an average value of \$350,000 per property multiplied by the number of Bridge Housing properties, properties managed on behalf of the NSW Land and Housing Corporation and fee-for-service properties – a total of 996 properties. Leasehold properties are excluded.

# Highlights

## Achievements

### Strategic Portfolio Growth

In 2013-14, we increased our property portfolio from 1,628 to 1,649 dwellings by:

- securing a further 21 properties through Housing NSW's 2012-14 New Supply Program covering the Canterbury/Bankstown local government areas (LGAs), bringing the total new-build properties we manage to 60, with a further 63 to be delivered in 2014-15
- negotiating the management of three affordable housing properties secured through the State Environmental Planning Policy (SEPP) No. 70 - Affordable Housing.

Winning tenders for a pipeline of further property growth:

- UrbanGrowth NSW tender, to deliver 65 affordable housing properties in the Bunya Estate Doonside by late 2015
- Sydney Olympic Park Authority (SOPA) tender to manage 50 affordable housing properties on the Sydney Olympic Park site in Homebush, the first 19 of which will come on line by July 2015
- A Housing NSW tender to manage 18 units in a housing redevelopment site at Telopea

- Purchased a site in Ashfield to deliver nine self-contained units. A developer contribution of \$775,000 assisted with this project
- We secured a development contribution of \$814,000 for housing in the Waverley LGA, and are currently working on a joint venture with Waverley Council to purchase a property.

Bridge Housing also received a \$500,000 donation from former Greens MP Sylvia Hale, which will be used to develop further affordable housing.

### Delivering Quality Homes and Services to our Residents

In 2013-14 we launched Building Bridges, Bridge Housing's three-year Community Building and Engagement Strategy.

Through the extension of the Platform 70 program in 2013-14, we secured an additional 30 rental properties to provide safe and affordable accommodation for rough sleepers. The program started in 2011, and we are now able to provide secure and affordable homes for 105 rough sleepers.

We achieved an overall satisfaction rating of 84 per cent in our Tenant Survey 2013-14. Satisfaction with our maintenance services increased from 71 per cent to 77 per cent of tenants and residents over the previous year<sup>2</sup>.

Planned maintenance works of \$1.6 million on 216 dwellings ensured that 75 per cent of our properties are above the 70 per cent National Regulatory property condition standard Benchmark<sup>3</sup>.

### Effective Governance

We undertook an independent Board review conducted by The Walton Group which found that Bridge Housing has transitioned to a mature organisation capable of continuing the governance improvements noted in the 2011 Review.

### Business Sustainability

We delivered an operating surplus of \$1.4 million in 2013-14 compared to \$0.9 million in 2012-13 and increased our net assets by 57 per cent to \$91 million, primarily as a result of the vesting of the remaining properties from the National Building Economic Stimulus Plan (NBESP). Combined with our strong cash position this places Bridge Housing in a strong position for future growth.

<sup>2</sup> The NRSCH benchmark states that 75 per cent of tenants/residents should be satisfied with the condition of their property and more than 75 per cent of tenants/residents should be satisfied with the maintenance of their property. National Regulatory System for Community Housing - Evidence Guidelines Version 1: 2014, page 21. [www.nrsch.gov.au](http://www.nrsch.gov.au).

<sup>3</sup> The NRSCH requires that 70 per cent of all community housing assets (properties) managed by the provider meet the state housing authority's property condition standards, or other property condition standards adopted by the provider that exceed the state housing authority's standards against which the properties were inspected. National Regulatory System for Community Housing - Evidence Guidelines Version 1: 2014, page 18. [www.nrsch.gov.au](http://www.nrsch.gov.au).

### Developing our People

Staff engagement continued to improve, with a score of 82 per cent (74 per cent in 2012-13) in our most recent Staff Engagement Survey, compared with a sector average of 70 per cent.

We delivered our leadership development program to 20 of our leaders and key staff.

### Increase our Profile

Completed our Communication Strategy to improve our communications planning and delivery.

Increased coverage on ABC television, ABC radio and print media.

### Challenges

Bridge Housing faced a number of challenges during the year, as detailed below.

- The NSW Government's vesting decision delays will postpone the completion of 153 units in Cowper St, Glebe, from December 2013 to December 2016 and may result in the loss of 153 National Rental Affordability Scheme (NRAS) subsidies (see page 33).
- Satisfaction with our Complaints and Appeals process fell in 2013-14 from 51 per cent to 39 per cent (see page 49).
- Our arrears rate is 3.0 per cent of rental income, below the sector benchmark of 2.5 per cent.

### Awards 2013-14

Bridge Housing continued to secure national awards for its transparency and reporting, including:

- The 2013 PwC Transparency Awards: top 10 finalist for our Annual Report 2012-13
- The 2014 Australasian Reporting Awards: Gold Award for our Annual Report 2012-13; and one of the three finalists for Report of the Year.



**PwC**  
**Transparency**  
awards



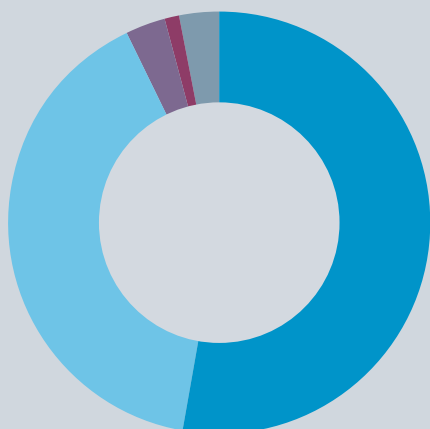
**Top 10 Finalist 2013**  
\$5m to < \$30m revenue category

### Financial Highlights

#### Our Sources of Revenue 2013-14

Expressed as a % of Total Income

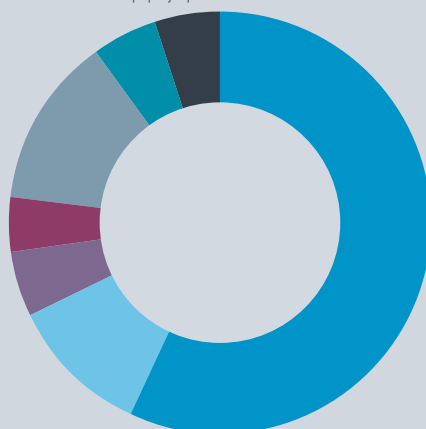
Rental Income Govt Grants - Operating  
Other Bank Interest Govt Grants - Non Operating



#### Our Expenses 2013-14

Expressed as a % of Total Expenditure

Rents paid Maintenance Administration expenses  
Depreciation Management expenses Rates and utilities  
Insurance & other property expenses



# Bridge Housing Profile

Bridge Housing Limited is a Tier 1 registered community housing provider with its central office 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. At 30 June 2014, Bridge Housing owned or managed 1,649 properties and operated across 17 LGAs as illustrated in the map.

Bridge Housing is registered under the NRSCH and regulated by the Registrar of Community Housing. It is also:

- a charity registered with the Australian Charities and Not-for-profits Commission (ACNC)
- a company limited by guarantee and regulated by the Australian Securities and Investments Commission
- governed by a skills-based Board of seven non-executive directors who are elected by the members of the company
- a member of the NSW Federation of Housing Associations, PowerHousing Australia and the Committee of Sydney, and part of a network of community housing providers operating throughout NSW.

Further information on our governance is available on page 40 and at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).







## Where We Started

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 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 and property development, and increase 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 that period, we placed a greater focus on 'organic' growth through property transfer programs, competitive tendering and development opportunities.

We did not 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.

## Growth Scenario

Our Strategic Plan 2012-15 established growth targets of between 2,000 and 3,000 properties, in line with our projected 'Medium Growth' or 'High Growth' scenarios.<sup>4</sup>

We had been steadily working towards these growth targets following successful tenders for properties in Canterbury/Bankstown; two public housing redevelopment opportunities, in Glebe (153 units) and Seven Hills (160 units); and the delivery of our Nation Building Leveraging Targets of 75 properties over 10 years. However, several factors mean it will now be difficult for us to achieve these growth targets. In 2012-13, the NSW Government advised that it is not proceeding with the Seven Hills redevelopment, for which we successfully tendered in 2010.

Delays in vesting the balance of NBESP properties to the community housing sector will postpone the completion of the units at Cowper St, Glebe, from December 2013 to December 2016. Our High Growth scenario was also dependent on successful tenders for the NSW Government Property Transfer Program. However, the NSW Government is yet to announce the program's start date.

Despite the challenging policy environment since 2011, in 2012-13 we grew our property portfolio from 1,560 to 1,628 properties and in 2013-14 by a more modest 21 properties to 1,649 properties, assisting 3,000 people with secure, affordable accommodation.

Significantly in 2013-14 we established a growth pipeline through to 2018 by:

- ▶ winning the UrbanGrowth NSW tender to deliver 65 affordable housing properties in the Bunya Estate in Doonside by late 2015
- ▶ winning the SOPA tender to manage 50 affordable housing properties on the SOPA site in Homebush, to come on line from July 2015
- ▶ winning the Housing NSW tender to manage 18 units in a housing redevelopment site in Telopea, within the Parramatta LGA, for delivery in July 2014
- ▶ purchasing a site in Ashfield to deliver a New Generation Boarding House, providing nine self-contained affordable housing units by late 2015
- ▶ securing a development contribution of \$840,000 for housing in the Waverley LGA, for which we are currently working on a joint venture with Waverley Council.

Within the period of our Strategic Plan 2015-18, we will have added a further 400 properties and grown our portfolio to 2,000 properties. However, we have the capacity to grow even faster if given clearer policy settings and directions from the NSW Government.

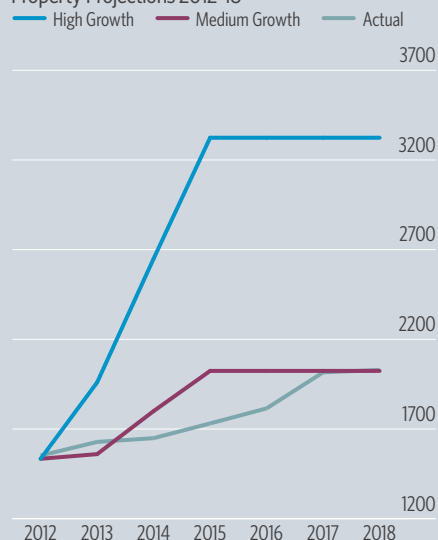
### People and Properties

Number of properties and people assisted, 2010-14



### Portfolio Growth

Property Projections 2012-18



<sup>4</sup> Bridge Housing developed two growth scenarios: 'Medium Growth', which assumed the delivery of existing projects in the pipeline (2,000 homes); and 'High Growth', which assumed the Medium Growth scenario plus the NSW Government recommending the Property Transfer Program in 2012-13 and continuing it during our Strategic Plan 2012-15. The High Growth scenario also assumed that we successfully tender for 400 properties per annum (3,000 homes).

## Properties by Program 2013-14

Program	Social housing	Affordable housing	Total	Supported housing*
Owned (vested)	243	12	255	63
Part equity	-	-	0	-
Social Housing Subsidy Program	-	27	27	-
<b>Community Housing Leasehold Program (CHLP)</b>				
Capital program	610	-	610	53
Private rental	632	-	632	131
Leased Housing NSW (scheduled for redevelopment)	21	-	21	7
<b>Fee-for-service</b>				
Local government	54	28	82	2
State government (JTAP/HPA)	1	-	1	-
Other community organisations	14	-	14	4
Private affordable	-	7	7	-
<b>Total</b>	<b>1575</b>	<b>74</b>	<b>1649</b>	<b>260</b>

\* Supported housing is subset of total social housing dwellings, making the total number of properties 1649.

## Program Descriptions

### Vested Properties

In this program, property titles are vested with the community housing provider, and the NSW Government holds a caveat on the title to protect its investment. This program was introduced in 2010 through the transfer of NBESP properties to give community housing providers the security to borrow from financial institutions to procure or develop affordable housing.

Bridge Housing successfully tendered for a package of 242 NBESP properties in the Parramatta and Holroyd LGAs in 2010. In 2010-11, the NSW Government vested 163 properties to Bridge Housing. In 2013-14, the balance of 79 properties were vested following the announcement in March 2013 by the NSW Minister for Finance and Services that Bridge Housing's vesting business case had been approved. The transfer of title occurred in August 2013.

### Capital Properties

Bridge Housing leases and manages capital properties from the LAHC, in the NSW Department of Family and Community Services, through the Community Housing Agreement. These include existing public housing properties such as the South Coogee estate, and newly constructed properties such as those in Canterbury/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. Housing NSW specifies rents through the Community Housing Rent Policy, set at 25 per cent of assessable income, plus 100 per cent of Commonwealth Rent Assistance. Community housing providers allocate properties to eligible tenants from the Housing Pathways housing register ([www.housingpathways.nsw.gov.au](http://www.housingpathways.nsw.gov.au)).

### Leasehold Properties

Community housing providers source leasehold properties from the private rental market, become the head tenant and sign a Residential Tenancies Agreement under the *Residential Tenancies Act 2010* (NSW) and Residential Tenancies Regulation 2010 (NSW).

The housing provider then sublets the property 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. This program provides subsidies for 5,756 approved leases across NSW held by 26 community housing providers. In 2012-13, the subsidy cost was \$58 million per annum.

Bridge Housing operates the largest leasehold program in Australia, leasing 632 private rental properties – just over 10 per cent of the NSW program. The NSW Government reviewed the program in 2013-14 because of the increasing rental subsidy cost driven by increases in private rental market rents. In 2014-15, funding arrangements will change from separate payments for management, maintenance and leasehold subsidy to a block payment, which the provider will manage.

### Fee-for-service Properties

Bridge Housing manages fee-for-service properties 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 we provide.





John Nicolades, Chief Executive Officer, and Vicki Allen, Chairman



# Chairman's Report

## Introduction

I'm delighted to be able to report on the excellent progress made by Bridge Housing in 2013-14 in an increasingly challenging operating environment for the NSW community housing sector. Bridge Housing has won a number of tenders and purchased a development site that will secure a pipeline of projects and enable our portfolio to grow by 400 properties to a total of 2,000 properties by 2018.

## Delivering our Strategy

These properties include 65 affordable housing properties in UrbanGrowth NSW's Bunya development, a nine-room New Generation Boarding House in Ashfield and up to 50 affordable housing units in a SOPA development. The Board was delighted with the success of the Platform 70 program, which now provides secure and affordable accommodation to 105 former rough sleepers, achieving 90 per cent sustainability. These property developments and housing services add to the supply of more social and affordable homes in a housing market that is becoming less affordable for renters and purchasers on low-to-moderate incomes.

In June the Board was delighted that Bridge Housing became one of the first community housing providers to achieve Tier 1 registration under the new NRSCH. It was also a pleasure to attend the launch of our three-year Community Building Strategy,

Building Bridges. Our year was capped off by Sylvia Hale's extremely generous donation of \$500,000, which reflected her commitment to the provision of affordable housing and her confidence in Bridge Housing.

Bridge Housing's success is underpinned by its disciplined approach to implementing its Strategic Plan and Business Plan, and this Annual Report demonstrates our achievements in building our portfolio, and also building and extending our capacity. This year saw our first steps into property development and identifying the appropriate structures to finance these developments. The Board is acutely aware of the need to manage development and financing risk appropriately.

The CEO's Report will provide more detail on how we are building our organisational capabilities to ensure we operate a sustainable business that delivers excellent services to our applicants and tenants.

## Challenges

In last year's Annual Report, I said that to develop a thriving and innovative community housing sector we require certainty about housing policies at both federal and state government levels. The analysis presented in 'Our operating environment' in this report indicates that both governments have fallen short. The decision in the May Federal Budget to cut the National Rental Affordability Scheme

is regrettable as 4,000 subsidies to deliver affordable housing will be lost in NSW. This is coupled with changes to welfare payments for younger and older people, which will affect community housing providers, as more than 90 per cent of Bridge Housing tenants are dependent on income support payments. Moreover, it appears that the Commonwealth may withdraw from its historic role of funding public housing and simply provide income support through Commonwealth Rent Assistance. This is paradoxical given the growing inability of low and moderate income households to afford housing.

The NSW Government has not released its long-promised Social Housing Strategy – which is critical to establishing a policy framework for providing social housing – and has not confirmed the role of community housing providers over the next five years. This policy must break with the current business-as-usual approach, which is resulting in a decline in social housing through an unsustainable public housing system. We need a clear pathway to enable the transfer of a minimum of 35 per cent of social housing to community housing providers through a reactivated property transfer program.

## Effective Governance

The quality and experience of the community housing sector's directors and boards is a key issue for both the sector and the NSW Government, particularly where substantial assets are transferred to community housing providers through management agreements or vesting.

We continually seek to improve the Bridge Housing governance culture. We have led the sector by basing our Governance Principles on the ASX Corporate Governance Principles and Recommendations. We regularly assess our performance and this year undertook our second governance review conducted by The Walton Group. Their final report noted Bridge Housing has a cohesive, high-performing Board, as well as some opportunities for improvement. We detail our Governance Principles in the 'Governance' section of this Report.

In 2012-13, we introduced a new Diversity Policy, which reflects our commitment to Board and workplace diversity. Our target is to ensure that the Board consists of at least 40 per cent of each gender, and we have maintained this balance over 2013-14, with female directors making up 40 per cent of our Board.

Transparency is an important element of our governance culture, not least for the accountability this offers to our stakeholders. Our transparency in external reporting has been validated through achieving our second Gold Award in the Australasian Reporting Awards, for our 2012-13 Annual Report. That report also gained Bridge Housing a spot as a top 10 finalist in the 2013 PwC Transparency Awards.

## Our Future

It is a key responsibility of our Board and senior management team to provide strategic oversight of our operating environment and consider how this affects the organisation. This Annual Report comprehensively details how Bridge Housing has performed in an uncertain external operating environment. This year we will embark on developing our next three-year Strategic Plan, for 2015-18. Bridge Housing has developed the capacity and capabilities to chart a course through choppy waters, and to grow and thrive.

With the completion of the above mentioned housing developments, Bridge Housing will be well on the path to transforming from a not-for-profit tenancy manager into an organisation with the capability for property development and raising corporate finance. But this is not the end of the story – Bridge Housing's purpose is to continue to deliver on our mission to build sustainable communities by providing affordable housing.

I acknowledge the important contribution made by Hugh Phemister, General Manager Assets, who left Bridge Housing in June 2014 to take up a senior position with the LAHC. I also wish to acknowledge the work of Pam Pryor and Clive Matthews, who have led our vibrant and engaged Tenant Advisory Group.

I would like to thank my fellow directors for their support, and acknowledge the considerable time and effort they have applied to their tasks over this year, undertaken on a voluntary basis.

It has been a pleasure to work closely with Bridge Housing's CEO, John Nicolades, and I thank John, his leadership team and all Bridge Housing staff members for their dedication in delivering this year's results.



**Vicki Allen**  
Chairman



# Chief Executive Officer's Report

## Introduction

Bridge Housing performed well during 2013-14, securing additional properties and a property development pipeline to meet the existing and future housing needs of low- and moderate-income households who are struggling in an increasingly unaffordable housing market.

## Strategic Portfolio Growth

Key property portfolio highlights included:

- ▶ UrbanGrowth NSW<sup>5</sup> tender to deliver 65 affordable housing dwellings in the Bunya Estate at Doonside, to be delivered in late 2015
- ▶ purchase of a site in Ashfield for a nine-room New Generation Boarding House<sup>6</sup> to be completed in 2014-15. These self-contained rooms each have separate bathroom, kitchen and laundry facilities and an average internal area of 28 square metres
- ▶ winning a SOPA tender to manage SOPA's affordable housing program which will grow to 50 units, the first 19 of which will be delivered in 2014-15
- ▶ winning the Housing NSW New Supply tender to manage 18 units in Telopea, in the Parramatta LGA, to be completed in July 2014 and tenanted in August 2014
- ▶ negotiating a management of three affordable housing properties with a private developer over ten years through the Affordable Housing SEPP

- ▶ coordinating the transfer of 21 new properties to Bridge Housing's management as a part of the Canterbury/Bankstown New Supply Program, through which we are now managing 60 properties. The balance of 63 properties will be delivered in 2014-15
- ▶ exceeding our Platform 70 program target and securing affordable homes for 105 rough sleepers, with a 90 per cent sustainability rate.

These are excellent results, particularly given the continuing absence of the long-awaited NSW Government Social Housing Policy, analysed in the 'Operating environment' section of this Annual Report. The consequence is that the Property Transfer Program, which is the growth driver for community housing providers – is dormant. This means Bridge Housing will not meet the overall growth target set in our Strategic Plan 2012-15.

In addition, the policy lag has led to frustrating delays on the part of the NSW Government in progressing a development in Cowper St, Glebe, for which Bridge Housing entered into a joint venture with the government via a tender in 2010. This much-needed redevelopment of a public housing site was to deliver 153 senior living units by December 2013, but delivery is now scheduled for December 2016. Because of these delays, Bridge Housing may lose the 153 NRAS subsidies allocated to it through this project<sup>7</sup> and our contribution will be reduced from \$10 million to \$4 million for the \$40million project.

## High-quality Services

During the year, we continued to focus on delivering high-quality services to our residents and applicants.

We were delighted to exceed our Platform 70 program target of housing 100 rough sleepers across three years by providing secure and affordable homes to 105 rough sleepers. We describe the program outcomes in 'Spotlight 2' on page 52. It shows how the close collaboration between Bridge Housing and our support partner, Neami National, delivered effective and sustainable outcomes for one of the most disadvantaged groups in our community.

I was delighted to launch Building Bridges in June 2014, our three-year community building strategy to be delivered through nine initiatives across the organisation. It takes a long-term approach to building sustainable communities to achieve our Mission, and capacity in the organisation to effectively deliver the strategy. The strategy is discussed in more detail on page 54.

Our annual Tenant Survey 2013-14 received a 44 per cent response rate – which is a record in its seven years of operation – and achieved an 84 per cent overall satisfaction rating, equal to the sector benchmark. The survey is an important tool in measuring how Bridge Housing tenants rate our service delivery and in driving service improvement. We were delighted to see tenant satisfaction with maintenance services increase to 77 per cent, from 71 per cent in 2012-13, although we were disappointed to

<sup>5</sup> UrbanGrowth NSW ([www.urbangrowthnsw.com.au](http://www.urbangrowthnsw.com.au)) is the NSW Government's urban land authority.

<sup>6</sup> Further information on New Generation Boarding Houses is available at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au).

<sup>7</sup> Bridge Housing has NRAS 4 subsidies that, under federal government requirements, must be allocated to projects that will be completed before June 2016.

see tenants' understanding of our Complaints and Appeals Procedure fall to 39 per cent, below the sector benchmark of 50 per cent. The results of the latest Tenant Survey are reported in more detail in the 'Housing and Community Report' section.

This year we embarked on a Customer Service Improvement Program, which involves examining our systems and processes – such as telephone systems – to improve our service delivery, and training our staff in customer service. The purpose is to develop a Customer Service Charter with key performance indicators for service delivery, to improve our accountability to tenants and applicants. We began this program by establishing a service quality baseline as a benchmark and offering customer service training to improve staff skills.

## Maintaining our Assets

Bridge Housing places great importance on maintaining our properties to provide high-quality homes to present and future tenants and reduce maintenance liability. Since 2008, we have developed a long-term maintenance plan for each property.

To ensure our maintenance plan is accurately costed, we undertake property scopes every three to four years. We completed our second round of scopes this year, covering 316 properties, which will drive our planned maintenance program for 2014–15. We undertook planned maintenance works on 216 properties at a cost of \$1.6 million, based on scopes done in 2012–13.

I am pleased to report that, through our rolling program of property scopes and planned maintenance, 75 per cent of our properties met or exceeded the state housing authority assets standards. This will increase to 88 per cent when we complete the 2014–15 program. The regulators' benchmark is 70 per cent. 'Spotlight 5' on page 66 provides an overview of our approach to scoping and planned maintenance.

This year we also completed 3,077 responsive maintenance jobs.

## Business Sustainability

We continued our solid financial performance this year, producing a

surplus of \$1.37 million, including a one-off donation of \$500,000. Our non-current assets increased by \$34.4 million, from \$47.3 million in 2012–13 to \$80.7 million in 2013–14. This increase is a result of an additional 79 properties vested to us in August 2013 (\$23.2 million) and the revaluation of our property portfolio (\$11.2 million).

Our administrative expenses rose as a result of recruiting staff with the skills and capacity to manage the risks of portfolio growth. These costs, as a percentage of revenue, will fall as our property portfolio expands.

Bridge Housing depends on the rent it collects to operate, which makes managing our arrears, voids and vacancy turnaround times critical. In 2013–14, our voids were 31 days, just above the industry's benchmark of 28 days. Vacancies were 16 days, just above the industry's benchmark of 14 days. Our arrears performance was a disappointing 3.0 per cent, above the industry's benchmark of 2.5 per cent and higher than the previous years' arrears.

Our five-year Report Card on page 76 and financial summaries provide further information on our operational and financial performance.

We focused on improving the capacity of our information and communication technology (ICT) platform, which was implemented in 2012–13. Two key improvements included the introduction of the Sydney Water Payment Module to automate the payment of 810 water accounts per quarter and the automatic recharging of 420 water bills per quarter and enabling tenants' income details to be digitally transferred directly from Centrelink into our system to replace manual input. The latter improves the quality of our data and information.

This year we also developed a new intranet (Bridgely), which incorporates general company information along with details of our policies and procedures, our online induction program, and governance and WHS programs. Providing this 'one source of truth' for key company information and policies will improve productivity and communication across Bridge Housing. We also implemented the first stage of

our staff induction program, which was designed to rectify a weakness identified in our 2012–13 Employee Opinion Survey (EOS).

During the year, we refreshed our Risk Management Program, developed our Risk Management Plan 2013–14 and made effective use of our online Enterprise Risk Management and Compliance System. This has enabled us to more proactively manage and report to the Board on identified risks, such as those inherent in broadening of activities from pure housing management to include property procurement. A key part of our risk management is our 20-year Financial Forecast Model, which we refreshed to improve its robustness and usefulness. The model is an important planning tool that enables us to test the impact of proposed and actual property acquisitions and developments, and financing scenarios. This is detailed in our Finance and Corporate Services Report on page 68.

We also undertook the third year of our Internal Audit Program 2011–14, which focused on responsive maintenance and accounts payable. The review found some weaknesses in our responsive maintenance program, which we are now rectifying. We also ran fraud awareness training for all staff members, completed a Fraud Risk Assessment to strengthen our controls and implemented an online whistle-blower reporting tool.

## Developing our People

Bridge Housing places considerable emphasis on developing a positive workplace culture, improving its systems and processes and providing learning and development opportunities for our staff. This year we:

- ▶ implemented our online induction process to aid new staff during the first three months of employment
- ▶ offered a Leadership Development Program for existing and emerging managers, the latter identified through our Performance and Development Plans
- ▶ enhanced our Total Rewards Program.

Since 2011, we have conducted an annual EOS to measure the impact of our human resources improvements and compare our performance with that of the community and healthcare sector<sup>8</sup>. As a result of the 2013-14 survey, we were able to compare our work with that of other community housing providers for the first time.

I was very proud that our EOS 2013-14 achieved an employee engagement level of 82 per cent, up from 72 per cent last year and 64 per cent in 2011. This engagement score was 12 per cent above the community housing sector average. The 'Our people' section provides a comprehensive report on our initiatives and the EOS.

Bridge Housing underwent staff changes during the year, with a turnover of 11 per cent. Hugh Phemister, General Manager, Assets, took up a senior position with the LAHC, managing its portfolio strategy. Hugh made a considerable contribution to implementing and improving Bridge Housing's asset management and property development, which are now integrated into our core business processes. Acting General Manager of Housing and Community, Rebecca Pinkstone, went on maternity leave in March 2014, and Meghan Hibbert was appointed as her replacement. Meghan brings considerable operational and management experience from Housing NSW.

## Increasing our Profile

Bridge Housing continued to build its profile in the broader community. In part, this is reflected in the media attention we have attracted for our programs. This includes coverage on ABC's television News in July 2013 when we celebrated the Platform 70 program milestone of providing our 70th tenant with safe, secure and affordable accommodation, and on ABC's radio 702 in June 2014 during the launch of Building Bridges, our Community Building Strategy.

The completion of our Communications Strategy this year provided us with insightful stakeholder feedback as well as a comprehensive strategy to further build our profile. The key message is that while we are a well-run, competent, not-for-profit organisation, we can improve our profile compared to other community housing organisations. The Communications Strategy will provide a road map for Bridge Housing and we should see the results of its implementation in 2014-15. One of our first tasks is to refresh our website and use the work we do to build our media presence.

This year I became the Chairman of the NSW Federation of Housing Associations, the community housing provider industry group. This will enable me to play a significant role in key community housing industry and policy forums.

During 2013-14, our General Managers were active participants in various subcommittees of the NSW Federation of Housing Associations, PowerHousing Australia and the Australasian Housing Institute.

## Looking to the Future

This year marked the second year of our Strategic Plan 2012-15. In terms of our property growth and through

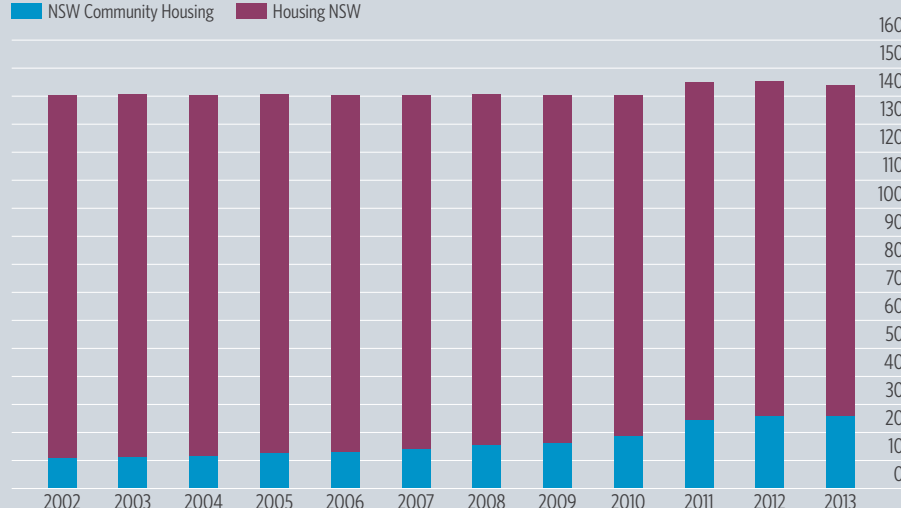
winning successive tenders we have secured a pipeline of affordable housing projects into 2018. It has been a great year despite the constraints imposed by the absence of clear NSW Government policy direction. I echo our Chairperson's sentiments that we need to be bold, break the business-as-usual mould and seek to have public housing properties transferred to the control of community housing providers. This will enable the delivery of more affordable housing to meet the growing housing crisis we face.

Our 2013-14 Annual Report shows that Bridge Housing is ready and able to absorb more properties. We have developed our capacity and capabilities and are prepared to grasp the opportunities delivered through more positive housing policy settings and work with government.

I am very proud to lead a skilled and dedicated team and work with a highly competent, supportive Board. The future of Bridge Housing is bright.

**John Nicolades**  
Chief Executive Officer

**Growth**  
NSW community housing growth, 000s 2002-13



8 All three EOSs have been conducted by Voice Projects.



# Spotlight 1: Affordability



Cantrell Street, Yagoona, Canterbury/Bankstown New Supply Program

This section describes the challenges faced by low-to-moderate-income households in accessing social and affordable housing across our operating region. It examines housing stress, housing affordability trends, demand for public housing and homelessness.

The National Housing Supply Council, in its Housing Supply and Affordability Issues 2012-13 Report states:

*“Tenure patterns have changed significantly, with fewer younger and middle-aged people owning their own home and, across all age groups, fewer owning outright. The rate of home ownership in Australia is being sustained at about 70% of households in private dwellings by the high rate of ownership of the present generation of older people. As time progresses, it now seems certain that the aggregate rate of home ownership will drop and the proportion renting will increase*

*significantly. Deteriorating affordability and the failure of housing supply to keep pace with underlying demand has also likely slowed the historical trend to smaller households. There is also some evidence of increased overcrowding, especially in more disadvantaged segments of the housing market. These trends are likely to continue unless there is an increase in the supply of low cost rental housing. While the majority of the population is able to access adequate housing, the 2011 Census shows the number of people experiencing homelessness or living in marginal housing increased between 2001 and 2011 from 95,314 to 105,237.*

*The largest increase was for people living in severely over-crowded dwellings. While myriad social issues underlie homelessness and the use of marginal housing, the lack of available suitable low-cost housing contributes to people living in these circumstances."*

## How we Measure Affordability

Bridge Housing uses the definition of 'affordability' provided by the Centre for Affordable Housing (a division of Housing NSW), which states:

*"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."*

A diverse and growing range of people cannot access affordable and appropriate housing in their local area. These include:

- ▶ people on a very low income, defined as less than 50 per cent of the NSW or Sydney median income, depending on where they live.<sup>9</sup> They include workers in a range of lower-paid occupations, particularly in areas such as retail or manufacturing, as well as people earning the minimum wage or who are on an aged or disability pension or other government benefit.
- ▶ people earning a low income – defined as more than 50 per cent but less than 80 per cent of the NSW or Sydney median income – including some childcare workers, secretaries and cleaners.
- ▶ people earning a moderate income – defined as between 80 per cent and 120 per cent of the NSW or Sydney median income – who may include teachers, police officers and nurses, particularly those in the early stages of their careers.

## Affordability Trends to 2012

Bridge Housing operates across Sydney's inner and middle-ring suburbs, covering 17 LGAs. This region features Australia's highest housing costs and very low levels of affordable rental and purchase properties. There has been no significant improvement in housing affordability – both rental and purchase – for low- to moderate-income households.

We can illustrate this by looking at housing stress and housing affordability figures. The former measures the number of people who are experiencing housing stress – that is, paying more than 30 per cent of their income in rent. Housing affordability figures measure the percentage of rental and purchase properties available for low- to moderate-income households.

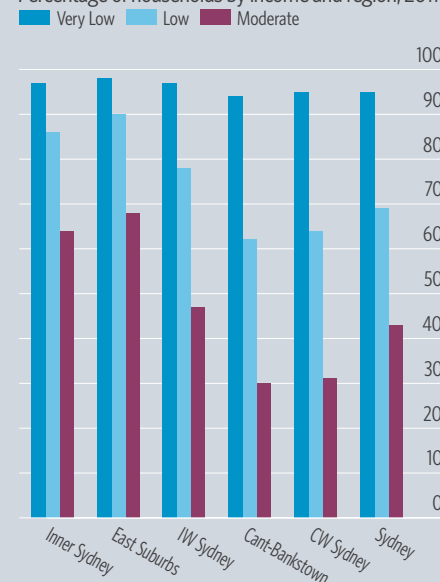
## Housing Stress

People in NSW earning very low to moderate incomes are increasingly unable to access affordable housing. During 2009-10, almost half (45.7 per cent) of low- to moderate-income private renters in NSW experienced housing stress, up from 39.9 per cent during 2007-08.<sup>10</sup> This was even more acute in the Sydney region, where in 2011 more than 69 per cent of low- to moderate-income private renters were experiencing rental stress, up from 41.4 per cent in 2007-08.<sup>11</sup>

Overall in the Sydney region, more than 281,000 low- to moderate-income households are experiencing rental or purchase stress. This includes 130,000 households with significant purchase stress and 150,000 renters experiencing housing stress. The two housing stress charts show how these figures are distributed across Bridge Housing's operating region from the City of Sydney (inner Sydney) to the City of Parramatta (central western Sydney) and how this compares across the Sydney region.

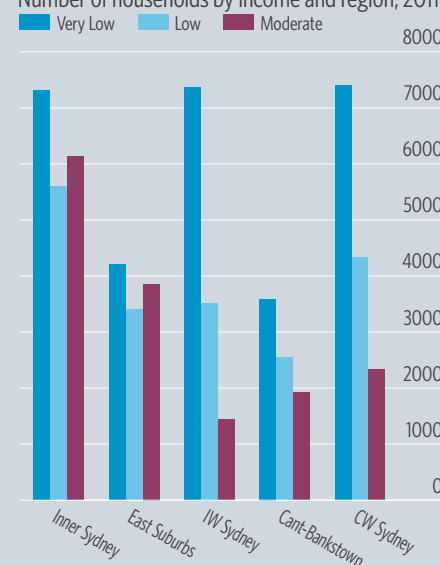
### Rental Stress

Percentage of households by income and region, 2011



### Rental Stress

Number of households by income and region, 2011



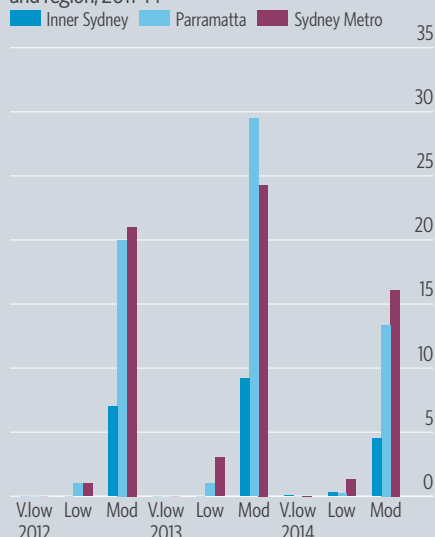
9 In 2014 the median income in Sydney is \$1,538 per week (\$80,000 per annum). For other parts of NSW it is \$1,315 (\$68,400 per annum). These figures are updated each year.

10 Centre for Affordable Housing, [www.housing.nsw.gov.au/Centre+for+Affordable+Housing](http://www.housing.nsw.gov.au/Centre+for+Affordable+Housing).

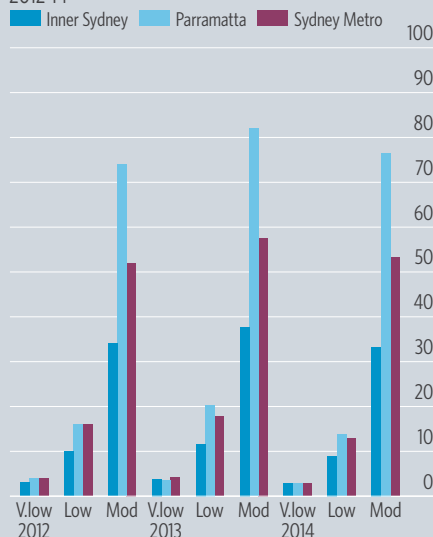
11 [www.housing.nsw.gov.au/Centre+for+Affordable+Housing](http://www.housing.nsw.gov.au/Centre+for+Affordable+Housing).

**Affordable Purchase**

Percentage of available properties by income and region, 2011-14

**Affordable Rental**

Available properties by income and region %, 2012-14

**Social Housing Applicants**

Number of applicants by NSW Region, 000's 2012-14

**Affordable Properties**

Affordability is illustrated in the 'Affordable rental' and 'Affordable purchase' charts shown above, which show the percentage of affordable properties for purchase or rent by low- to moderate- income households in inner Sydney and Parramatta and across Sydney's metropolitan area.

Between 2009 and 2013, the supply of affordable rental properties for low- to moderate-income households fell across the Sydney region, particularly within inner Sydney and to a lesser extent in the Parramatta LGA.

The potential for people to purchase a home also diminished significantly over the same period. Less than 10 per cent of dwellings in inner Sydney and just over 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.

The trends experienced in our region follow significant underlying trends in the national housing market.

**What we are doing**

Bridge Housing's resources and programs help to meet the need for affordable housing. In 2013-14, we won the tender to deliver 65 affordable housing dwellings on UrbanGrowth NSW's Bunya Estate in Doonside, which will be delivered in late 2015. We will also develop a New Generation Boarding House in Ashfield, delivering nine one-bedroom self-contained units.

Our existing programs include Waverley Council's Affordable Housing Program as well as management agreements with private developers under the SEPP No. 70 - Affordable Housing. In 2012-14, we will start to deliver on our leverage target of 75 affordable housing properties required through the NBESP<sup>12</sup> and other mechanisms for more affordable housing.

However, the community housing sector requires considerably more federal and state resources to meet the affordable housing challenge. This includes reinstating the NRAS and the state government developing a comprehensive affordable housing strategy.

**Social Housing Demand**

State social housing waiting lists are a strong indicator of the housing needs of low-income households. In NSW, the list is called the Housing Register. The number of households on the NSW Housing Register increased from 55,000 households in 2012 to 57,000 households in 2013. What is more alarming is that the Auditor-General estimated that the waiting list could grow by 60 per cent to more than 86,000 by 2016.<sup>13</sup>

The 'Social housing applicants' chart shown above shows the changes in housing demand by region.

Across Bridge Housing's operating region, there are 15,000 households waiting for social housing, with a wait time of five to 10 years.

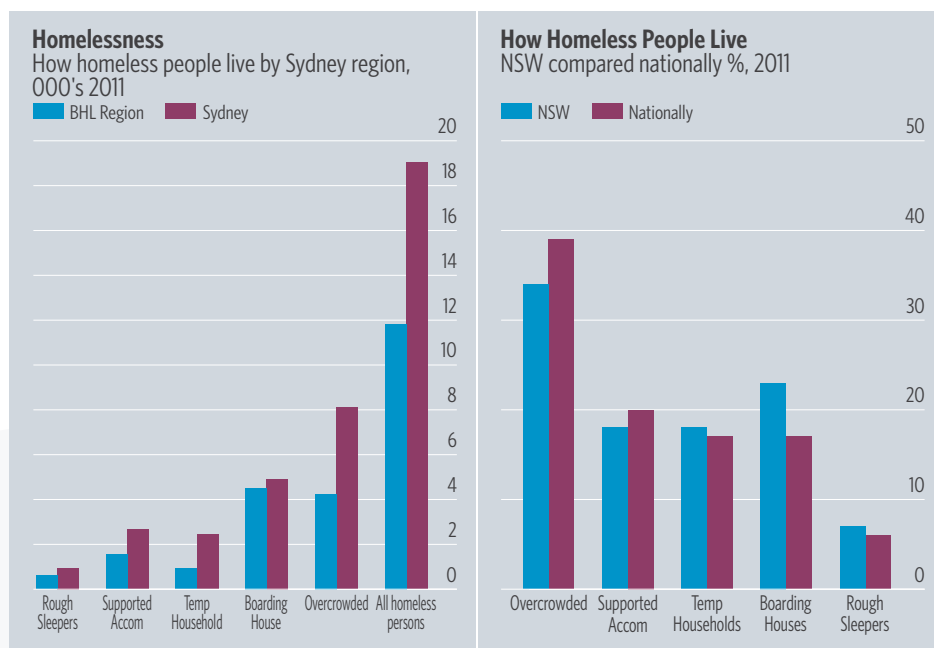
**What we are doing**

Bridge Housing meets the need for more social housing by allocating dwellings from Housing Pathways, the social housing waiting list, into our mainstream housing program. In 2013-14, we provided secure and affordable accommodation to 179 households. This was enabled by the 158 vacancies created by tenants vacating our capital, leasehold and fee-for-service programs and the 21 additional dwellings we added to our portfolio.

<sup>12</sup> A condition on vested properties secured through NBESP is that community housing providers have a contractual obligation to use the cash flows generated to borrow and secure additional properties. Each community housing provider has negotiated a leveraging target over 10 years with the NSW Government. Bridge Housing's leverage target is 75 affordable housing properties over 10 years.

<sup>13</sup> NSW Auditor-General, Making the Best Use of Public Housing, Audit Office of NSW, July 2013, page 14.





## Homelessness

The National Housing Supply Council stated in its Housing Supply and Affordability Issues 2012-13 report that the decreasing affordability of housing was a key cause of homelessness. The most recent homelessness figures, from the 2011 Census, show that the number of people who were homeless or living in marginal housing nationally increased by 10.4 per cent between 2001 and 2011. The number of people living in severely overcrowded accommodation accounted for the majority of this increase. The 2011 Census showed that there were 28,190 homeless people in NSW, an increase of 5,971 or 27 per cent on the revised 2006 Census figure. The 'How Homeless People Live' graph shown above shows where homeless people live across NSW and nationally, and indicates that severely overcrowded accommodation is a major factor in homelessness.

The 'Homelessness' graph shown above shows that homelessness is concentrated in the Sydney metropolitan area and predominantly within Bridge Housing's operating area. For example, more than 4,000 severely overcrowded households in the Sydney metropolitan area are within our operating region.

### What we are doing

Bridge Housing meets the needs of homeless people through our mainstream housing program and specialised homelessness programs, including My Place, the MISHA Project (Michael's Intensive Supported Housing Accord) and Platform 70. We also use our capital properties and those we lease from the private rental market to provide further housing.

# Our Performance

Critical success factors	Goal	Target (performance measure)
1. Grow our portfolio	1.1 Drive existing procurement and development opportunities to increase the supply of housing properties	Approve 11 properties for development in 2014-15
		Develop nine properties to meet our leveraging target
		Transfer 75 dwellings secured in the Canterbury/Bankstown New Supply Tender
	1.2 Secure new opportunities to grow property portfolio	Win one new tender from Property Transfer Program
		Win one new estate from HNSW Estate Tender
		Win one NRAS 5 Tender
	1.3 Actively seek business development opportunities to increase the number of properties	Assess National Disability Insurance Scheme (NDIS) opportunity
		Provide 20 additional dwellings through NRAS and the Affordable Housing SEPP
	1.4 Pursue strategic merger opportunities that build balance sheet and business capacity	Gain approval for identified merger from responsible government agency

In 2013-14, Bridge Housing completed the second year of our Strategic Plan 2012-15. We put our Strategic Plans into operation through our annual Business Plans. Our Business Plan 2013-14 is summarised in the table below, which shows our critical success factors, goals, performance targets and achievements. The table also shows what we aim to achieve through our Business Plan 2014-15.

For further detail on initiatives please refer to Housing and Community (H&C), Finance and Corporate Services (F&CS) and Assets (Asset) sections, or other sections as indicated in the performance table below.

We use a traffic light system – green for completed, amber for in progress and red for not achieved - to measure performance, which enables us to clearly and consistently monitor our performance and accountability to our stakeholders. Our Business Plans for previous years are available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).

Key: ■ completed ■ in progress ■ not completed

Status	What we achieved	Aims for 2014-15
<span style="color: green;">■</span>	Secured tender to deliver 65 dwellings in UrbanGrowth NSW's Bunya Estate, with 31 contributing towards our leveraging target <b>(See Assets Report)</b>	Deliver 65 dwellings in the Bunya Estate
<span style="color: orange;">■</span>	Acquired a site in Ashfield to deliver nine units through a New Generation Boarding House <b>(See Assets Report)</b>	Finish redeveloping the Ashfield site
<span style="color: green;">■</span>	21 properties completed and transferred to Bridge Housing Management <b>(See Assets Report)</b>	63 properties completed and transferred to Bridge Housing Management
<span style="color: green;">■</span>	Secured 18 properties in Telopea from Housing NSW New Supply Tender <b>(See Assets Report)</b>	Secure one tender in Property Transfer Program, announced by NSW Government
<span style="color: red;">■</span>	NSW Government did not proceed with Housing Estate Tender	Secure one estate from HNSW Estate Tender
<span style="color: red;">■</span>	Federal government cancelled NRAS 5 allocation in May 2014	Establish an NRAS 4 strategy to use unallocated incentives
<span style="color: orange;">■</span>	NDIS Housing Strategy not released; absence of policy framework for partnerships	Assess NDIS opportunity
<span style="color: green;">■</span>	Won Sydney Olympic Park Authority Affordable Housing Tender to manage 50 affordable housing units in 2014-15  Secured three dwellings under management through Developer agreements <b>(See Assets Report)</b>	Establish management of 19 affordable housing units at Sydney Olympic Park
<span style="color: red;">■</span>	No merger identified in period	Complete due diligence of any merger opportunities



Critical success factors	Goal	Target (performance measure)
2. Deliver quality homes and services to our residents	2.1 Improve the lives of our tenants and their communities	Approval of Community Building and Engagement Strategy
		Launch two new community building initiatives
		Identify Social Impact Evaluation Framework
	2.2 Achieve excellence in service delivery	Implement organisation-wide Service Culture and Excellence program
		Overall tenant satisfaction with housing services $\geq$ upper quartile of community sector
		Tenant satisfaction with maintenance services $\geq$ 75%
		Improve 2012-13 satisfaction with tenants' appeals and complaints processes
		Complete and deliver integrated Balmain/Coogee Estate Management Plan
		Integrate Tenant Survey feedback into service delivery plans
		Complete support provider review and support agreements with all support partners
	2.3 Increase and enhance our tenant engagement	Implement two new Tenant Advisory Group (TAG) initiatives
		Increase number of TAG members
		Conduct TAG training to improve future capacity

Key: ■ completed ■ in progress ■ not completed

Status	What we achieved	Aims for 2014-15
<span style="color: green;">■</span>	Launched three-year Building Bridges – Community Building and Engagement Strategy in June 2014 (See H&C Report)	Implement and evaluate first year of Building Bridges – Community Building and Engagement Strategy
<span style="color: green;">■</span>	Stickybeak Tours Partnership formed, funding obtained, and planning underway. Established a partnership with a tenant-led initiative, the Camperdown Garden Club, and the Community Greening Project (See H&C Report)	Deliver Stickybeak Tours Launch community garden protocols and program Implement Block Meeting Policy and Procedures
<span style="color: green;">■</span>	Commissioned Net Balance to develop Corporate Social Responsibility Strategy	Implement Corporate Social Responsibility reporting framework
<span style="color: green;">■</span>	Review undertaken to establish a performance benchmark. Implemented customer service training	Release Customer Service Charter
<span style="color: green;">■</span>	Achieved an 84% rate of tenant satisfaction with housing services in upper quartile of Tier 1 providers (See H&C Report)	Tenant satisfaction with housing services $\geq$ 80%
<span style="color: green;">■</span>	Achieved a 77% rate of tenant satisfaction with maintenance services (See Assets Report)	Tenant satisfaction with maintenance services $\geq$ 75%
<span style="color: red;">■</span>	Satisfaction with appeals and complaints fell to 39% (See H&C Report)	Develop new Appeals and Complaints policy and procedure, and supporting systems
<span style="color: red;">■</span>	Transferred maintenance liability for common areas on 1 October 2013; upgrade works to be included in 2014-15 Asset Maintenance Program	Complete upgrades as per 2014-15 Asset Maintenance Program
<span style="color: green;">■</span>	Integrated survey feedback in the Communications Review, Maintenance Survey and Customer Service Standards (See H&C Report)	Feedback from Tenant Survey 2014 integrated via revised Appeals and Complaints Procedures and Contracts Model Project
<span style="color: orange;">■</span>	Placed on hold pending the outcome of the Going Home Staying Home Tender in May 2014	Complete Support Provider review, and update support agreements
<span style="color: green;">■</span>	Implemented the Your Views Panel Implemented the Aboriginal and Torres Strait Islander Tenants Group (See H&C Report)	Launch two tenant initiatives
<span style="color: green;">■</span>	TAG membership increased to 5% of tenants (See H&C Report)	TAG Membership increased to 6% of tenants
<span style="color: green;">■</span>	TAG members attended NSW Federation of Housing Associations seminar on Community Building at the Shelter NSW Conference (See H&C Report)	TAG Leadership Training Develop EOI process for tenants to attend conferences and training

Critical success factors	Goal	Target (performance measure)
3. Effective governance	3.1 Ensure our corporate governance continues to meet ASX Governance Principles	Update Governance Principles and Policies
		Complete and implement succession plans
		Have directors undertake a company directors' course
	3.2 Develop a framework to deliver corporate social responsibility (CSR) reporting and make Bridge Housing a socially responsible organisation	Agree on CSR Framework and policy
	3.3 Ensure the corporate planning process is robust to achieve positive organisational outcomes	Achieve 80% of objectives
		Approve Business Plan 2014-15
		Quarterly Business Plan report to the Board
4. Business sustainability	4.1 Develop an integrated IT Strategy and implement system initiatives that drive efficiency and client service improvements	Develop 2013-14 IT Strategy
		Implement Complaints Handling module in IT system
		Implement Digital Records Management System (DRMS)
		Launch Bridge Housing intranet
	4.2 Embed and enhance our integrated housing management system to drive efficiency and business improvements	Implement Lease Owners module to enable effective management of leasehold portfolio
		Implement Asset Management module
		Implement Rent Calculation module
		Identify necessary enhancements to integrated tenancy, asset and financial management system (SDM)
		Achieve fully functional SMS messaging



Key: ■ completed ■ in progress ■ not completed

Status	What we achieved	Aims for 2014-15
<span style="color: green;">■</span>	Independent board review undertaken by The Walton Group. <b>(See Our Governance)</b>	Review and implement recommendations of the Board review
<span style="color: green;">■</span>	Work has begun and draft tenure and succession plan developed	Approve Board Succession Plan
<span style="color: green;">■</span>	One director undertook the company directors' course	Have two directors undertake further governance training
<span style="color: orange;">■</span>	Commissioned Net Balance to develop a CSR framework	Finalise CSR Framework
<span style="color: orange;">■</span>	83% of objectives have been either fully or partly achieved	Achieve 85% of Business Plan objectives
<span style="color: green;">■</span>	Approved at June 2014 Board Meeting	Approve Strategic Plan 2016-19 and Business Plan 2016-17
<span style="color: green;">■</span>	Quarterly BP reports to Board	Produce quarterly BP reports
<span style="color: green;">■</span>	IT Strategy developed <b>(See F&amp;CS Report)</b>	Develop a three year IT strategy as part of the Strategic Plan 2016-19
<span style="color: red;">■</span>	Implementation delayed	Implement new module, policies and procedures
<span style="color: orange;">■</span>	Implementation commenced, to be delivered in Business Plan 2014-15	Implement DRMS by 2015-16
<span style="color: green;">■</span>	Intranet launched in December 2013 <b>(See F&amp;CS Report)</b>	Review and upgrade intranet as required
<span style="color: green;">■</span>	Lease Owners module functional and system enhancements identified	Lease Owners module enhancements implemented
<span style="color: green;">■</span>	Developed reporting capabilities within current system	Identify enhancements
<span style="color: orange;">■</span>	Components of the module implemented	Fully functional Rent calculation module
<span style="color: green;">■</span>	All required enhancements identified and documented	Work with SDM to identify enhancement priorities
<span style="color: orange;">■</span>	Partial functionality achieved by using an off-the-shelf system	Review alternative messaging solutions

Critical success factors	Goal	Target (performance measure)
4. Business sustainability (continued)	4.3 Develop systems, procedures, processes and reporting capabilities to ensure financial sustainability	Complete business growth scenario planning
		Review budgeting, forecasting and reporting systems against best practice
		Implement Water Usage Policy for properties with shared water meters and charge all tenants equitably
		Review and adopt recommendations for Community Housing Leasehold Program (CHLP)
		Secure resources for financial modelling
		Review and update Asset Management Plan (AMP) 2012-2021
		Deliver Asset Maintenance Program 2013-14 to budget
	4.4 Embed and enhance risk management best practices	Approve and implement Business Continuity Plan (BCP)
		Achieve NSW Tier 1 registration under NRSCH
		Nil serious breaches of Work Health and Safety Act regulations
		Approve Risk Management Plan (RMP) 2013-14
		Nil significant issues from Internal Audit 2013-14

Key: ■ completed ■ in progress ■ not completed

Status	What we achieved	Aims for 2014-15
<span style="color: orange;">■</span>	In the absence of a NSW Government social housing policy framework, the future direction for the sector is unknown <b>(See Operating Environment)</b>	Complete business growth scenario
<span style="color: green;">■</span>	Budgeting system reviewed and upgraded <b>(See F&amp;CS Report)</b>	Review third party forecasting systems. Embed Estate master property development software
<span style="color: green;">■</span>	Implemented Water Usage policy for properties with shared water meters <b>(See F&amp;CS Report)</b>	Review our water charge rates for properties with shared water meters
<span style="color: orange;">■</span>	External consultant appointed to undertake review, draft report received and recommendations to be implemented in 2014-15	Implement action plan to improve the management of our Leasehold program
<span style="color: green;">■</span>	20-year Financial Forecast model reviewed and updated <b>(See F&amp;CS Report)</b>	Six month review of the model to be presented to Board
<span style="color: green;">■</span>	AMP 2012-21 reviewed and updated to 2013-22 <b>(See Assets Report)</b>	Revise and update AMP 2013-22
<span style="color: green;">■</span>	Asset Maintenance Program 2013-14 delivered 75% of properties at standard <b>(See Assets Report)</b>	Asset Maintenance Program 2014-15 should increase properties at standard to 88%
<span style="color: green;">■</span>	BCP implemented <b>(See F&amp;CS Report)</b>	Test and improve BCP
<span style="color: green;">■</span>	Tier 1 registration achieved under NRSCH in June 2014 <b>(See F&amp;CS Report)</b>	Meet Tier 1 compliance assessment under new NRSCH
<span style="color: green;">■</span>	Nil serious breaches of Work Health and Safety Act regulations <b>(See F&amp;CS Report)</b>	Nil serious breaches of Work Health and Safety Act regulations
<span style="color: green;">■</span>	Risk Management Plan approved <b>(See F&amp;CS Report)</b>	Approve Risk Management Plan (RMP) 2014-15
<span style="color: green;">■</span>	Internal Audit 2013-14 completed and no significant issues identified <b>(See F&amp;CS Report)</b>	Complete internal Audit 2014-15 and develop three year Internal Audit Plan 2016-19

Critical success factors	Goal	Target (performance measure)
5. Develop our people	5.1 Seek feedback and implement initiatives to continually improve staff engagement and retention	Achieve staff engagement $\geq$ the upper quartile of community sector
		Present recognition awards to staff
		Approve a long-term HR Strategy
		Approve a long-term accommodation strategy
		Introduce a staff induction program
		Develop staff training programs
	5.2 Develop skills and performance capability	Develop performance plans for all staff
		Implement Leadership Development Program (LDP)
	5.3 Ensure the organisation has the right workforce, capacity and skills for the future	Identify organisational capabilities for sustainable growth
		Implement a Workforce Development Plan
		Develop succession plans for key roles
6. Enhance our reputation and extend our relationships	6.1 Improve Bridge Housing's marketing and branding to increase public awareness of our work	Approve and implement Communications Strategy Plan
		Redevelop website to enhance accessibility
		Implement Social Media Strategy and policy
		Awards
		Conferences, seminars and presentations
		Sponsor one industry event
		Develop one industry policy or white paper
	6.2 Increase Bridge Housing's ability to influence state and federal government housing policy	Active involvement in NSW Federation of Housing Associations
		Write a number of policy responses to federal and state government initiatives



Key: ■ completed ■ in progress ■ not completed

Status	What we achieved	Aims for 2014-15
<span style="color: green;">■</span>	Staff engagement at 82%, 12% above the community housing sector average <b>(See Our People)</b>	Maintain staff engagement $\geq$ the upper quartile of community sector
<span style="color: orange;">■</span>	Implemented Thank You awards; a formal reward system will be developed in 2014-15	Implement Reward and Recognition program
<span style="color: orange;">■</span>	Deferred focus on delivering HR improvement plan actions	Approve HR Strategy as part of the three-year strategic plan
<span style="color: green;">■</span>	Developed a two-year accommodation strategy	Review accommodation strategy
<span style="color: green;">■</span>	Staff induction program implemented <b>(See F&amp;CS Report)</b>	Staff induction program reviewed by new starters
<span style="color: green;">■</span>	Training program developed, published and delivered. <b>(See Our People)</b>	Review and develop training program
<span style="color: green;">■</span>	Completed all staff performance plans as per timetable <b>(See Our People)</b>	Complete all staff performance plans
<span style="color: green;">■</span>	Leadership Development Program implemented for current leadership team and identified leaders <b>(See Spotlight 6 on Leadership Development)</b>	Apply learnings from LDP to general training program
<span style="color: red;">■</span>	Scenario planning deferred to 2014-15 as a result of the uncertain policy environment	Conduct scenario planning to be part of developing Strategic Plan 2016-19
<span style="color: red;">■</span>	Deferred, to be considered as a part of the HR Strategy development process	Workforce Development Plan to be developed within Strategic Plan 2016-19
<span style="color: red;">■</span>	Deferred to 2014-15 Business Plan	Develop succession plans for key roles
<span style="color: green;">■</span>	Communications Strategy Plan completed and commenced Increase in media profile <b>(See Bridge Housing in the Community)</b>	Completion of Communications Strategy Plan
<span style="color: orange;">■</span>	Website development strategy completed	Launch Bridge Housing website
<span style="color: red;">■</span>	Delivery delayed until 2014-15 with completion of website	Implement Social Media Strategy
<span style="color: green;">■</span>	Annual Report 2012-13 Awards secured <b>(See Our Governance)</b>	Achieve at least two awards or instances of recognition
<span style="color: green;">■</span>	Presentation at Australian Housing and Urban Research Institute Seminar	Increase number of presentations at Conferences
<span style="color: green;">■</span>	Sponsored Shelter NSW Conference on the private rental market	Sponsor one industry event
<span style="color: red;">■</span>	Industry policy paper not developed	Develop one industry policy or white paper
<span style="color: green;">■</span>	CEO elected Chairperson of NSW Federation of Housing Associations	Active involvement in NSW Federation of Housing Associations
<span style="color: green;">■</span>	Submitted to the NSW Parliamentary Inquiry into Social, Public and Affordable Housing <b>(See Bridge Housing in the Community)</b>	Write a number of policy responses to federal and state government initiatives

# Operating Environment 2013-14

This section of our Annual Report describes how our operating environment affected Bridge Housing and the community housing sector in 2013-14.<sup>14</sup> Bridge Housing, like other community housing providers, depends upon governments for the policy framework, funding, resource allocation, contracting and property supply. Therefore, Federal and NSW Government policy settings play a significant role in shaping the operating environment of community housing providers.

## Federal Government

### Departmental and Ministerial Changes

The election of the new federal government in September 2013 has significantly changed the direction of housing policy, with the imperative to reduce federal government expenditure, review existing federal and state responsibilities and reduce welfare expenditure.

Housing has lost its separate portfolio status and is now one function of the new Department of Social Services<sup>15</sup>, accountable to the Minister of Social Services, Kevin Andrews. The direction of the new federal government was signalled by the release of the National Commission of Audit report, the May 2014 Federal Budget and the McClure Report into welfare payments such as Newstart and the Disability Support Pension.

The immediate impact of the 2014 Federal Budget was to cancel all existing NRAS 5 allocations, resulting in the loss of 4,000 subsidies for affordable housing in NSW. The Treasurer also announced the tightening of eligibility criteria for young job seekers applying for Newstart Allowance and proposed

changes to the indexation of the age pension, effective from 2017. If welfare changes are introduced, it will have a significant impact on community housing providers. More than 90 per cent of our tenants and applicants are on income support and pay an income-based rent. Consequently, proposed changes to the indexation of Aged Pensions and the move to shift more people from Disability Pensions to the smaller Newstart Allowance, as recommended by the McClure Report, may reduce the rental income of providers.

The new government has also flagged a review of commonwealth-state relationships, and Minister Andrews has flagged a review of housing and homelessness policy and programs. This may prefigure a withdrawal of the Commonwealth Government from direct funding of, and policy interest in social housing limiting the role of the Commonwealth to provide Commonwealth Rent Assistance to eligible tenants. Under this scenario the provision and funding of social housing, including community housing and homelessness services, would be a state government responsibility.

<sup>14</sup> Our 2012 Annual Report provided a comprehensive history of the community housing sector in NSW since its establishment in 1985. The NSW Federation of Housing Associations, the NSW sector's industry group, also provide comprehensive information on community housing providers in NSW at [www.communityhousing.org.au](http://www.communityhousing.org.au).

<sup>15</sup> The new department encompasses services for families and children, housing support, seniors, communities and vulnerable people, disability and carers, women's safety, mental health, settlement and multicultural affairs, ageing and aged care, and review of Australia's welfare system. See [www.dss.gov.au](http://www.dss.gov.au).

<sup>16</sup> [www.dss.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/national-affordable-housing-agreement](http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/national-affordable-housing-agreement).

### National Affordable Housing Agreement

Initiatives under the National Affordable Housing Agreement (NAHA)<sup>16</sup> between the federal, state and territory governments started on 1 January 2009, to tackle the problem of housing affordability. The NAHA is supported by the National Partnership Agreements on social housing, homelessness and Indigenous Australians living in remote areas.

It is the vehicle through which the federal government provides funding to state governments. While there is no immediate threat to this agreement, federal involvement in housing is now under question through the Commonwealth's review of federalism. Minister Andrews has flagged an issues paper on housing and homelessness as part of the Commonwealth Review.

### National Rental Affordability Scheme

The previous federal government announced the NRAS Round 5 in May 2013 and made 12,000 incentives available nationally, including 4,000 in NSW. The program and all allocations were withdrawn following the May 2014 Federal Budget. While this did not affect Bridge Housing, as we did not apply for any NRAS 5 subsidies because we had 160 surplus NRAS 4 subsidies from the Seven Hills public housing redevelopment project, many earmarked affordable housing projects will now be cancelled. The changes did not effect previous

NRAS allocations, beyond the announcement of more controls to ensure that NRAS 4 allocations were used within the contracted period.

### National Regulatory System



The NRSCH ([www.nrsch.gov.au](http://www.nrsch.gov.au)) came into effect in January 2014 to replace the previous state-based community housing regulatory systems. All jurisdictions except for Victoria and Western Australia have joined the NRS, which has been adopted to ensure regulatory consistency across the Commonwealth and reduce the compliance burden for community housing providers wanting to operate across state jurisdictions. This also has the benefit of establishing national performance thresholds for community housing providers, which will assist in establishing clearer benchmarks and greater transparency to evaluate and compare provider performance. These will now be included in our Performance tables. Bridge Housing was one of the first community housing providers in Australia to be registered as a Tier 1 provider under the NRS in June 2014.

### Australian Charities and Not-for-profits Commission

The current federal government came to office with a policy to replace the independent national charities regulator, the Australian Charities

and Not-for-profits Commission (ACNC), which began operations in December 2012. The ACNC affects community housing providers, as most are registered charities and not-for-profit organisations. Despite the government's view that this adds another layer of red tape, the ACNC has gained good support within the not-for-profit sector. This is evidenced by the 155 submissions received by the Senate committee review into the ACNC. More than 80 per cent of these submissions opposed the proposed legislation to abolish the ACNC. Despite this, the majority report has recommended the *Australian Charities and Not-for-profits Act 2012* (Cth) (the ACNC Act) be repealed. It is unclear how the government will replace the ACNC. We risk a return to the flawed and ad hoc regulatory system under the Australian Tax Office (ATO).

There is also a degree of uncertainty about whether all or part of the business of community housing providers is covered by the *Charities Act 2013* (Cth), which came into effect on 1 January 2014. The Charities Act introduces a statutory definition of charity that sets out more clearly the common law meaning of charity and clarifies some areas of uncertainty.

## National Disability Insurance Scheme

The NDIS ([www.ndis.gov.au](http://www.ndis.gov.au)) is the most significant reform to disability services in the past 30 years. Support is tailored to individual needs. It takes an insurance approach for more stable long-term costs and better outcomes, and aims to maximise choice and control for people with disability over how services are delivered and to whom. Like other disadvantaged people, many people with disabilities have difficulty finding affordable, safe, secure, accessible housing that allows them to maximise economic and social participation. This is because of the cost of support for independent living and the limited supply of affordable housing for those on low incomes. The estimated unmet need for affordable housing is between 83,000 and 122,000 NDIS participants.

The NDIS commenced this year through test sites in a number of states and territories with the aim of being fully operational from 2018. A key policy paper on disability and housing was to be released in 2013-14 but has been delayed. When released, it will provide an important framework to guide community housing providers in the delivery of housing for people with disabilities. This includes guidance on supplying new housing, the inclusion of adaptable and accessible housing standards through deploying Livable Housing Australia<sup>17</sup> universal design standards, and modifying existing dwellings.

## NSW Government

### Overview

The NSW Government has struggled to clearly articulate a broad-based housing policy for low-to-moderate income households and, regrettably, 2013-14 marked the continuing absence of a state government policy framework for the community housing sector in the provision of social and affordable housing. This was reflected in the failure to release the Social Housing Policy, which has been promised since 2011. As a result, there is a policy vacuum in NSW affecting community housing providers.

### New Minister

Following a cabinet reshuffle in April 2014, the Hon. Gabrielle Upton became the new Minister for the Department of Family and Community Services, replacing the Hon. Prue Goward, who became Minister for Planning. The Department of Family and Community Services is a large, complex portfolio encompassing child protection, disability services, specialist homeless services<sup>18</sup> and social housing. The Minister is inheriting a process of reforming specialised homeless services, outsourcing disability services, major restructuring and downsizing the Department. Consequently, with a state election scheduled for March 2015, we should not expect any significant policy direction for community housing.

The promise of a more coordinated policy response by bringing the LAHC back into one entity<sup>19</sup> – the Department of Family and Community

Services – has not improved policy coordination. We hoped that this would reinstate the administrative arrangements that existed prior to 2011 and bring the strategic policy function and the management of public housing assets back into the Family and Community Services cluster. The NSW Auditor-General's report, *Making the Best Use of Public Housing*<sup>20</sup>, released in July 2013, provides a comprehensive assessment of the pressures on public housing delivery and how the absence of a strategic response has exacerbated these pressures. It states:

*"Neither HNSW/FACS nor LAHC have as yet articulated long-term strategies or plans to address the challenges for the provision of public housing to those most in need. In the absence of such a clear direction, HNSW's and LAHC's tenant and asset management activities have sometimes been inconsistent and short term."*<sup>21</sup>

The only significant change is that the LAHC has completed a portfolio review so it has a comprehensive understanding of the attributes of its assets, and a better understanding of which properties could be redeveloped. A key concern for community housing providers – that own or manage 20 per cent of the social housing portfolio – is that in the absence of an overarching housing policy to drive outcomes, the LAHC asset management approach may adversely affect the community housing sector should LAHC dispose of properties currently managed by community housing providers.

17 [www.livablehousingaustralia.org.au](http://www.livablehousingaustralia.org.au)

18 Specialist Homeless Services provide housing and support to client groups such as single women or women with children who are escaping domestic and family violence, and young people. Effort is focused on people in the community known to be most at risk of homelessness; for example, women experiencing domestic and family violence, rough sleepers, young people leaving care, people with mental health issues and people living in unsafe conditions.

19 NSW Land and Housing Corporation Annual Report 2012-13, [www.facs.nsw.gov.au](http://www.facs.nsw.gov.au).

20 NSW Auditor-General, *Making the Best Use of Public Housing*, Audit Office of NSW, July 2013.

21 NSW Auditor-General, 'Executive Summary', *Making the Best Use of Public Housing*, p.3 Audit Office of NSW, July 2013.



### Vesting and NRAS Funding

In our 2012-13 Annual Report we were delighted to note that the state government had approved Vesting of title on the balance of NBESP properties for nine of the 15 community housing providers that won NBESP tenders in 2010. Bridge Housing had title on an additional 79 properties transferred in August 2013. However the 18-month delay in vesting properties has pushed out the delivery of Cowper St, Glebe, accommodation for 153 seniors from December 2013 to December 2016. Moreover, the new federal government has indicated that if existing NRAS 4 funds are not expended by June 2016, they will be lost. If this occurs then Bridge Housing will have to reduce its dollar contribution to the NSW Government for the project from \$10 million to \$4 million; that is, from 25 per cent to 10 per cent of the \$40 million construction cost.

### Homeless Services Reform

The Department of Family and Community Services implemented the Going Home Staying Home strategy<sup>22</sup> with an announcement of successful tenderers in June 2014. This process was the most significant reform and rationalisation of the Specialist Homelessness Services (SHS) sector in 30 years, delivering crisis accommodation services to 52,000 people through 1,400 properties. The aim is to increase and strengthen coordination to better respond to people who are homeless or at risk of homelessness, and prevent people from becoming homeless. Bridge

Housing is not part of the SHS sector but partners with many SHS providers. The reforms will affect Bridge Housing in two ways: by changing our existing homeless support service partnerships (we currently partner with 40 support agencies); and by leading homeless services to shed their property management role to focus on client support, which may lead to properties being transferred to community housing providers. This will have a small impact on Bridge Housing with changes to two of our support partners.

### NSW Planning System

Sydney is a rapidly growing city. Current forecasts suggest that more than 1.6 million additional people will be living in Sydney by 2031, requiring around 664,000 more homes. At the same time, housing affordability for low-to-moderate-income households is declining. The planning system has a key role to play in promoting the supply of affordable housing

Our 2012-13 Annual Report detailed the proposed planning legislation which followed significant reviews of the NSW planning system since 1979 when the *Environmental Planning and Assessment Act 1979* (EPAA) was introduced. When the proposed legislation was presented to the NSW parliament in late 2013, the Legislative Council (Upper House) proposed a number of amendments including strengthening the affordable housing provisions. The government refused to accept these amendments and have not reintroduced the Bill in 2014. It is unclear what the government's

intention is on this matter. The main weakness of the proposed Bill, compared with the current Act, is the removal of provisions that allow for consent authorities to mandate developer contributions for affordable housing. In certain circumstances, such as where development has been enabled by a zoning change, it will become even more difficult to use planning provisions for affordable housing targeted at low- and moderate-income households.

The NSW Government, through the Department of Planning, and UrbanGrowth NSW, its urban transformation authority, is responsible for coordinating Urban Activation Precincts.<sup>23</sup> These aim to deliver more homes in places with access to infrastructure, transport, services and jobs. Eight precincts are identified, three are within Bridge Housing's operating region: Anzac Parade South, Randwick, and near Mascot Station. Another significant urban renewal project is the Central to Eveleigh Urban Renewal<sup>24</sup> which will provide urban regeneration opportunities for government-owned land within the rail corridor at the southern end of Sydney's CBD. These represent significant opportunities for government to deliver affordable housing in well located areas which fall within Sydney's Global Economic Arc, a region that will provide significant job growth.

22 [www.housing.nsw.gov.au](http://www.housing.nsw.gov.au), Going Home Staying Home, Homelessness NSW, [www.homelessnessnsw.org.au](http://www.homelessnessnsw.org.au).

23 [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au) Urban Activation Precincts

24 [www.urbangrowth.nsw.gov.au](http://www.urbangrowth.nsw.gov.au)

# How We Operate

## Our Board of Directors

Bridge Housing is governed by a skills-based Board of Directors who are responsible for establishing our strategy and risk management. Directors are elected to the Board by the Members of Bridge Housing Limited.

All Directors are independent non-executive directors. This means they are independent of management. Bridge Housing's Governance Principles are described in detail in 'Our Governance' on page 40.

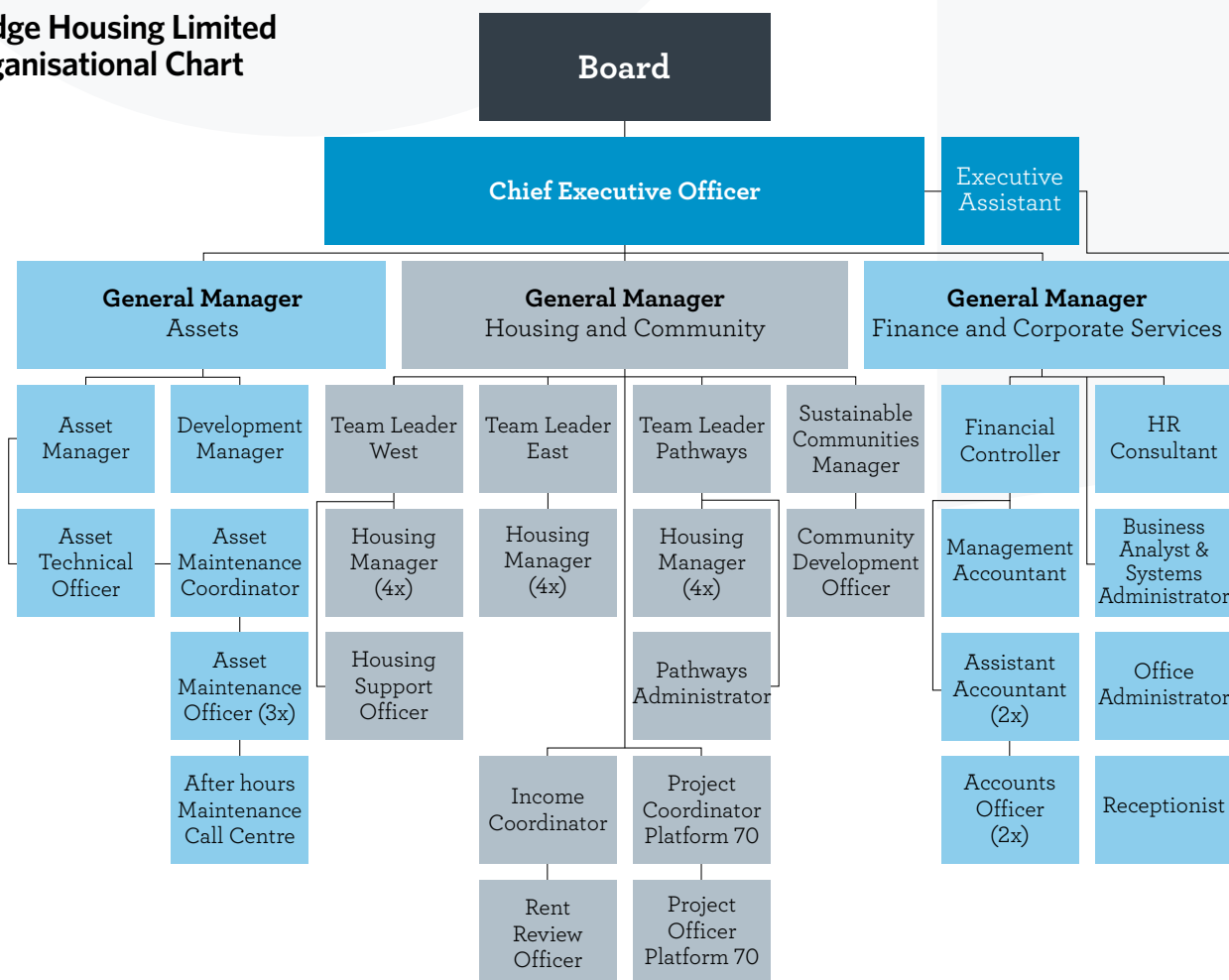
Meet our Directors in the 'Our Directors' section on page 36.

## Our Executive Management Team

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

- Housing and Community
- Finance and Corporate Services
- Assets.

## Bridge Housing Limited Organisational Chart



The Executive is responsible to the Bridge Housing Board of Directors through the Chief Executive Officer and charged with delivering Bridge Housing's Strategic Plan and Business Plan objectives. Each division has primary responsibility and ownership of particular critical success factors. However, the successful delivery

of our Strategic Plan and Business Plan requires divisions to work together. See how each division contributes to meeting our Business Plan 2013-14, from page 46.

Meet our Executive Management Team on page 38.



New development at Yagoona

# Our Directors

## Vicki Allen

BBus MBA DFP FAICD

Chairman  
Director since 2007  
Chair 2009

**Skill area:** Human resources

**Chair:** HR, Nominations  
and Marketing Committee

Vicki is an experienced non-executive director and consultant. Her long executive career, primarily in the property and financial services sectors, included senior roles with companies such as The Trust Company, MLC Limited and Lend Lease Corporation. Vicki is an independent non-executive director of MTAA Superannuation Fund, Deputy Chairman of Mirvac Funds Management Limited and a Member of the Advisory Board of the NSW Self Insurance Corporation. She holds an MBA from the University of Melbourne as well as a Bachelor of Business from the University of Technology, Sydney, and is a Fellow of the Australian Institute of Company Directors.

## John Kell

BA LLB MEnvStud GAICD

Director since 2009; of ESRHA  
from 2002 to 2009

**Skill area:** Law

**Member:** HR, Nominations  
and Marketing Committee

John is a partner at Hunt and 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 serving on the Bridge Housing Board, he was a director and later Chairperson of Eastern Suburbs Rental Housing Association Limited (ESRHA). He was instrumental in the merger between ESRHA and Bridge Housing in 2009.

## Shirley Liew

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

Director since 2009

**Skill area:** Financial and risk  
management

**Chair:** Finance Risk and  
Audit Committee

Shirley is currently a professional non-executive director with various board directorships, and chairs various risk, finance and audit committees. She is also a business owner of varied interests while leading Shirley Liew Probus Advisory Services, a strategic business building the consulting and financial management advisory firm she co-founded in 2011. 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.





## Gary Milligan

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

Director since 2007

**Skill area:** Asset Management

**Chair:** Asset and  
Procurement Committee

Gary has retired from a 40-year career as a professional engineer in the NSW Government where he contributed to the asset management of the state's buildings and infrastructure in diverse roles encompassing policy, planning, evaluation, design, procurement and construction management. He is a trained Company Director with experience on the Boards of several community organisations.

## Dick Persson

AM BA FAIM FAPI

Director since 2009

**Skill area:** Housing  
policy; planning and  
local government; capital  
works procurement;  
management and government  
administration

**Member:** HR, Nominations  
and Marketing Committee

Dick is Special Adviser on local government matters for the Independent Pricing and Regulatory Tribunal. Dick recently completed a three-year term as Chairman of the Sydney Harbour Foreshore Authority. He is an experienced senior public servant, having held Director General Positions in Queensland and NSW (1989 and 2003) including for the Queensland Department of Housing, Local Government and Planning; Queensland Department of Health; and the NSW Department of Public Works and Services. Dick was Director of the 1997-98 National Housing Policy Review for the Federal Government.

## Alan Revell

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

Director since 2012

**Skill area:** Property finance,  
project and corporate funding  
and management, property  
development, acquisitions and  
asset management.

**Member:** Finance Risk and  
Audit Committee, Assets and  
Procurement Committee

Alan has more than 40 years senior management and Board experience in the corporate and property industries. He has been General Manager of Westfield shopping centres; 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 Chairman of the NSW Crown Holiday Parks Trust and Principal and Chairman of a property and corporate advisory consultancy.

## Helen Wood

BSc (Hons) Psychology,  
MRICS MAHI

Director since 2002

**Skill area:** Social housing from  
the perspective of a provider;  
property development

**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 development and operations in the UK and NSW. She was formerly 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 and until early 2013 was Manager of Capital Investment at UnitingCare Ageing responsible for overseeing their \$1 billion property development program. She is currently Director of Independent Living at UnitingCare Ageing NSW.ACT.



# Our 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 1,649 properties. As CEO, he provides the strategic focus for the company's direction.

Prior to joining Bridge Housing, John held senior positions in NSW 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  
Grad. Dip CA  
Chartered Accountant

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 financial services expertise. He has worked for the Commonwealth Bank of Australia, PwC and Macquarie Bank, and Citta Property Group. Hugh also taught finance and accounting at the Australian National University.

Hugh has previously managed mixed-use developments with end values up to \$500 million.

Hugh brings a broad range of property and finance skills in large-scale, multi-use projects. During his time at Bridge Housing, Hugh has become a leading expert in affordable housing design, construction and financing.



## David Miller

### General Manager, Finance and Corporate Services

Bachelor of Business

Master of Business Administration

Certified Practising Accountant (CPA)

David was appointed General Manager, Finance and Corporate Services in October 2012. He is responsible for Bridge Housing's financial management, reporting and compliance, as well as developing and managing IT systems, best-practice HR management, and risk and compliance frameworks.

David is a Certified Practising Accountant and has worked in the property industry for the past 25 years, for large private and public companies including Jones Lang LaSalle, Investa Property Group and Clarendon Homes.

These roles have provided David with experience across commercial real estate, property development and residential construction. David has had financial responsibility for budgets of more than \$100 million and has extensive experience in developing and managing best practice corporate services.



## Rebecca Pinkstone

### General Manager, Housing and Communities

Bachelor of Arts

Master of Policy Studies

Rebecca is responsible for all of Bridge Housing's applicant, tenancy management and fee for service functions as well as our community and tenant engagement initiatives and supported housing programs.

Rebecca has held senior positions in Housing NSW and has a strong background in the delivery of affordable housing initiatives, having been active in NSW Government's Property Transfer Program and the Nation Building Economic Stimulus Program. She also led delivery of the \$397 million National Partnership Agreement for Remote Indigenous Housing.

She played leading roles in significant service delivery reforms. This includes the development of Housing Pathways and new programs for homeless people and women escaping domestic violence, and programs to encourage tenancy sustainability.



# Our Governance

## Governance Principles

Our Governance Principles are based on the eight ASX Corporate Governance Council Principles and Recommendations. Following a comprehensive review in 2012–13, the ASX Corporate Governance Council (the Council) issued a third edition of the Principles and Recommendations reflecting global developments in corporate governance. The revised Principles and Recommendations take effect for an entity's first full financial year commencing on or after 1 July 2014. Accordingly, Bridge Housing will measure its governance practices against the new recommendations from the financial year ending 30 June 2015.

The principles ensure our directors address their corporate, legal, and financial and audit responsibilities and exercise reasonable care, skills and diligence in carrying out their duties. Bridge Housing, as a not-for-profit charity, has no obligation to adopt these principles. However, as a leading not-for-profit community housing provider, we are committed to good corporate governance and voluntarily follow the principles. Bridge Housing's actions in conforming to the aims of the ASX Corporate Governance Council Principles and Recommendations are detailed below.

## 1. Lay Solid Foundations for Management and Oversight

Bridge Housing's 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.

### The Role of the Board

The Board's primary responsibilities are to:

- ▶ establish long-term goals and approve strategic plans to achieve those goals
- ▶ ensure the appropriate separation of powers and balance of responsibilities between the Board and management
- ▶ select and retain the Chief Executive Officer and set the conditions of service and monitoring performance
- ▶ review and approve annual budgets, monitor management and financial performance, and ensure that the organisation has the necessary skills, resources and support
- ▶ identify significant business risks and ensure effective strategies are in place to manage these risks
- ▶ ensure that there are adequate systems of internal control, together with appropriate monitoring of compliance activities
- ▶ review and approve major strategies, financial objectives and plans, including capital expenditures, acquisitions, developments and divestments
- ▶ remunerate fairly and responsibly.

## Board Meetings and Committees

The Board meet 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 consider and make decisions about operational matters. From time to time it may establish time-limited subcommittees.

### How we do this

Bridge Housing Limited Board of Directors engaged The Walton Group to undertake an independent review of the Board's performance in June 2014. The Walton Group reviewed Board Governance Structures and Processes and how these affected the Board's effectiveness in fulfilling its roles in Strategy and Performance, and Monitoring and Review. The report found that the performance of the Bridge Housing Board had improved across all areas since its first review in 2011 and the Board had developed into a highly effective unit with considerable strengths. It had dealt effectively with key issues identified in the 2011 review.

Areas for improvement identified in the 2014 review were:

- ▶ Board recruitment and succession
- ▶ increasing the profile and marketing of Bridge Housing, with more engagement by directors to enhance the reputation of Bridge Housing
- ▶ committee reporting to the Board
- ▶ knowledge management through improved review of policies and procedures.





AGM 2012

The final report will be presented and discussed at the August Board meeting where a process to deal with the report's recommendations will be formulated. However, work on some recommendations is already in train; for example, the development of a Communications Strategy.

Bridge Housing operations were also separately reviewed as part of an assessment by the Australian Institute of Company Director's Good Governance Principles and Guidance for Not-for-Profit Organisations, and the release of the Australian Charities and Not-for-profits Commission (ACNC) governance principles for not for profits, Governance for Good. This review found that Bridge Housing's adoption and adherence to ASX Governance Principles positions the company well in advance of requirements.

Directors approved a Deed of Access and Indemnity at the October 2013 Board meeting for all directors and senior managers of Bridge Housing.

To assist new and existing directors, we established a Board Charter in December 2011. This augments the Bridge Housing Governance Principles by setting out the role, responsibilities, structure and processes of the Board. It also details the support that will be provided to directors, including an annual training budget of \$2,000 per director. All directors are also encouraged to undertake the Company Directors Course run by the Australian Institute of Company Directors' within their first year of directorship.

John Kell undertook the Australian Institute of Company Director's Advanced Not for Profit Governance Program, designed for experienced not-for-profit (NFP) directors to focus on the key strategic and sustainability issues impacting the NFP sector.

## 2. Structure the Board to Add Value

The Bridge Housing Board is skills-based. The Board chooses directors who have expertise 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 HR management.

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

### How we do this

We regularly assess the Board's skills to identify skills gaps or areas for enhancement to support our Strategic Plan and Business Plan objectives. We also advertise to get the best qualified director for the position. Information about the skills, experience and expertise of directors and executives are available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).

The Bridge Housing Board approved and introduced the Bridge Housing Board Charter and Director Induction Program in 2011-12, to provide 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 access to Bridge Housing's operations through structured meetings with general managers and site visits, which enable directors to gain a deep understanding of Bridge Housing's business.

In July 2010, the ASX Corporate Governance Councils Principles and Recommendations adopted diversity-related amendments. The revisions recommended that listed companies adopt a diversity policy that sets measurable objectives for achieving gender diversity. Companies must report annually on their achievement against those objectives and on the proportion of women employed by the organisation, in senior management roles and on the Board of Directors.

The Board determined that diversity on the Board and in the organisation is critical to effective governance and good organisational practice, as it encourages alternative views.

In December 2012, we approved a Diversity Policy that applies to the Board and company. The Diversity Policy calls for at least 40 per cent of directors and senior managers to be female. As at June 2014, 40 per cent of directors were female. However, we recognise that diversity goes beyond gender and incorporates culture. We had hoped to establish a Bridge Housing Diversity Council in 2013–14, chaired by the CEO, to help drive a comprehensive company Diversity Strategy. This has been delayed and the council will now be implemented in 2014–15. To help develop this strategy, Bridge Housing is a member of the Diversity Council of Australia.



Transparency in reporting

### 3. Promote Ethical and Responsible Decision-Making

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

- ▀ Fraud and Corruption Policy
- ▀ Statement of Business Ethics
- ▀ 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 we do this

Bridge Housing adopted a new set of values in 2011–12 that provided the framework for the culture and behaviours required of our directors and staff. These values are listed on page 3. We also reviewed our Managing Conflict of Interest Policy, which applies to directors and employees, and introduced a Statement of Business Ethics, for 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 guidelines for appropriate relationships between directors and employees and those we do business with.

Our suite of ethics policies ensures that directors, the Executive Team and other staff members act to the highest ethical standards.

To enhance our Whistle Blower Policy we established an online reporting portal with On Call to enable Bridge Housing employees, vendors, suppliers and customers to report fraudulent activity. More details are available on the Bridge Housing website at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).

#### **4. Safeguard Integrity in Financial Reporting**

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

##### **How we do this**

We have established a Finance, Risk and Audit Committee with a formal charter to:

- maintain an effective risk management framework, including compliance and internal controls
- ensure the integrity of financial statements and external financial communication
- ensure the effectiveness of external and internal audit functions
- ensure the adequacy of Bridge Housing's insurance coverage.

Management and the Board receive comprehensive financial reports that track our financial performance against comparative financial and operational key performance indicators (KPIs).

Our five-year report card, on page 76, measures our performance on critical KPIs. In 2012-13, we augmented the report card with additional commentary on our

key financial viability measures to explain the importance of these key indicators to our stakeholders.

In 2011-12, we began our three-year Internal Audit Program aimed at providing independent, external reviews of Bridge Housing's systems, policies, processes and procedures. The internal audit is contracted to RSM Bird Cameron. Its independence is protected by a direct reporting line to the Chair of the Finance, Risk and Audit Committee and to the Board.

The 2013-14 internal audit focused on responsive maintenance and accounts payable. The outcomes of the internal audit are reported in the Finance and Corporate Services Report on page 68.

The Board believes that external auditor rotation is important to maintain objectivity and independence, and to adhere to the principles in the *Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004* (also known as CLERP 9).

In November 2013, attendees at the Bridge Housing Annual General Meeting (AGM) approved the directors' recommendation to change our external financial auditor and appointed BDO to do the job. BDO was reappointed to undertake the external audit for 2013-14.

#### **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 we do this**

Bridge Housing is not subject to the ASX Continuous Disclosure Rules but adopts its principles. We are committed to a culture of strong governance and transparency, and to being a leader in the not-for-profit and community housing sectors.

We have received external review and validation for our transparency and governance through the PwC Transparency Awards, Australasian Reporting Awards and NSW Awards for Excellence in Community Housing.

We are subject to the disclosure provisions of the NRSCH, specifically Probity Performance requirement 5(d) of Performance Outcome 5 in its Evidence Guidelines. To maintain the reputation of the community housing sector, community housing providers are required to notify the primary Registrar of any incident related to its operations (and its response) that damages or has the potential to 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 during 2013-14. Our Media Policy delegates media comments to the CEO or Chairman.



Tenants and members in discussion at a workshop

## 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 facilitate the effective exercise of those rights.

### How we do this

Bridge Housing has members but not shareholders. We hold our AGM in November and make our Annual Report available to our members and other stakeholders through our website or by contacting our office.

As discussed under principle 5, securing transparency and reporting awards shows our commitment to providing information with enough

detail to enable Bridge Housing to be held to account. The Chairman and the CEO 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 good internal controls.

### How 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 us from delivering our Strategic Plan and Business Plan objectives.

In 2012-13, we completed the transition to enterprise risk management framework AS/NZS ISO 31000:2009. The Risk Management Plan is formally approved by the Board annually, with the status and mitigation actions of high rated risks reported quarterly to the Board by the management team. The Risk Management Plan 2013-14 is reported in the Finance and Corporate Services Report on page 68.

Bridge Housing developed a Treasury Policy in 2011-12 that provides a comprehensive framework to manage our financial risks and determines the Board's risk appetite. For example, given the borrowings required to deliver our property development program, the policy helps determine the appropriate cash reserve.

The Board approved an Internal Audit Policy in 2010-11 and a three-year Internal Audit Program for 2011-14. As discussed under principle 4, Bridge Housing completed its third internal audit in 2013-14.



## 8. Remunerate Fairly and Responsibly

The Board will ensure that Bridge Housing's remuneration and employment policies and practices help retain and attract qualified and motivated staff, including the Chief Executive Officer.

### How 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. In 2012-13, we paid for Alan Revell to undertake the Company Directors Course.

Executive salaries are set via regular remuneration reviews that take into account salaries for comparable positions in the community service and government sectors.

In 2012-13, the Bridge Housing Board approved an improved remuneration and benefits package for award-based staff, placing Bridge Housing employees above the Social, Community, Home Care and Disability Services Industry Award.

## Meeting of Directors 2013-14

During the financial year, six Board meetings of directors were held in addition to subcommittee meetings. Attendance by each director during the year was as follows:

	Board Meetings		Human Resources and Nominations Committee		Assets and Procurement Committee		Finance, Risk and Audit Committee	
	A	B	A	B	A	B	A	B
Vicki Allen	6	6	5	5	X		X	
John Kell	6	5	2	2	X		X	
Shirley Liew	6	5	X		X		6	6
Gary Milligan	6	4	X		5	5	X	
Dick Persson, AM	6	4	5	5	X		X	
Alan Revell	6	6	X		1	1	6	6
Helen Wood	6	5	X		5	2	X	

 Chair of meeting  Eligible to attend

**A** Number of meetings eligible to attend **B** Number of meetings attended **X** Not a member of the committee

# Housing and Community Report

The Housing and Community Team is responsible for delivering tenancy management services; providing advice and assistance on allocations and accessing housing; ensuring we involve our tenants in activities; and delivering on our community building and engagement commitment.

## This section of the Annual Report:

- ▀ presents Housing and Community highlights for 2013-14
- ▀ reports on how the Housing and Community Team has delivered on its critical success factors
- ▀ provides an overview of the key activities undertaken during the year
- ▀ outlines our objectives for 2014-15.

## Highlights of 2013-14

In 2013-14, the Housing and Community Team:

- ▀ exceeded the Platform 70 extension target of housing 100 rough sleepers by providing homes for 105 people
- ▀ launched Building Bridges, our Community Building and Engagement Strategy 2014-2017
- ▀ achieved an 84 per cent overall satisfaction rating in our Tenant Survey 2013, equal to the sector benchmark
- ▀ reviewed and improved our rent review process and expanded our rent review team
- ▀ managed voids and vacancies within benchmark.

## Critical Success Factors

The Housing and Community Team play a key role in delivering the following critical success factors in our Strategic Plan 2012-15 and Business Plan 2013-14:

### Deliver Quality Homes and Services to Our Residents

The Team also contribute significantly to the following critical success factors:

### Enable Strategic Portfolio Growth

The Housing and Community Team worked closely with the Assets Team to help deliver the critical success factors of enabling strategic portfolio growth and delivering quality homes and services.

The teams collaborated to ensure that new properties and developments met our design requirements. They were responsible for allocating properties within our benchmark allocation period of 10 days to ensure that dwellings are used efficiently, and helped coordinate any responsive and planned maintenance works required to ensure our properties are maintained efficiently.













### Ensure Business Sustainability

The Housing and Community Team also worked closely with the Finance and Corporate Services Team to help them achieve the critical success factor 'ensuring business sustainability'.

The teams ensured that the organisation's arrears, vacancies and voids were kept within a benchmark figure to reduce our revenue loss, and undertook rent reviews every six months to check that our residents were paying the correct rent.

## Business Plan 2013-14

The Housing and Community Team played a key role in helping us meet the critical success factors laid out in our Business Plan 2013-14.

Measure	How did we do?	
<b>Deliver quality homes and services to our residents</b>	<b>Key:</b>  completed  in progress  not completed	
Approve Community Building and Engagement Strategy		Building Bridges Strategy launched in June 2014
Implement an organisation-wide Service Culture and Excellence program		Customer Service Charter completed in draft form but not yet launched Mary Gober Customer Service training completed
Establish agreements for all our support partners		Agreements not yet reviewed; awaiting the outcome of Going Home Staying Home Reforms in July 2014
Improve on the 2012-13 satisfaction rate for Tenants' Complaints and Appeals process		Tenant Survey 2013-14 Appeals and Complaints satisfaction fell
Integrate Tenant Survey 2012-13 feedback into service delivery plans		Feedback integrated through: Communications Review Maintenance Survey Customer Service Standards
Increase the number of TAG members		Approximately 5 per cent of households are now represented by a TAG member
<b>Ensure business sustainability</b>		
Ensure arrears are at, or below, the sector benchmark		Arrears are above benchmark
Ensure voids and vacancies are at or below the sector benchmark		Voids and vacancies at benchmark
Review Community Housing Leasehold program and adopt recommendations		Implement action plan to improve the management of our Leasehold program

## Responsive Housing Services

The Housing and Community Team represents the vast majority of our front line Bridge Housing staff and includes our Housing Management, Allocations, Rent Review and Community Building Teams.

### Tenancy Management Services

Our housing managers play a critical role in providing flexible and responsive tenancy management services including:

- ▶ being the first point of contact for tenant enquiries
- ▶ signing up new tenancies
- ▶ managing rent collection, including rent arrears
- ▶ appearing at NSW Civil and Administrative Tribunals
- ▶ working with tenants to address nuisance and annoyance issues
- ▶ conducting annual property inspections
- ▶ supporting tenants to sustain their tenancies.

Bridge Housing has two tenancy teams covering our eastern and western operating regions, each comprising of a team leader and four housing managers. Each housing manager is responsible for a defined geographical area within the eastern and western regions.

At the beginning of the year we reviewed our housing portfolios with a view to improving customer services with regard to demographics and support services. We updated and launched a number of policies and procedures to ensure best practice, transparent and consistent customer service are delivered.

### Pathways Team

Demand for affordable, social housing far exceeds supply. In NSW approximately 58,000 people are registered on Housing Pathways, the common NSW Housing Register (waiting list). This system works on a No Wrong Doors policy and enables any applicant for social housing to be assessed by any community housing provider, or Housing NSW. Our Pathways



Kylie, Pathways Team assisting with a housing application

Team is responsible for assessing applications for housing assistance and efficiently allocating Bridge Housing properties to applicants from the NSW Housing Register.

During 2013-14, the Pathways Team assessed 460 applications for housing assistance. This is an average of 38 applications per month and demonstrates the significant demand for social housing in NSW. Bridge Housing assesses applications for housing assistance in accordance with agreed timescales and understands the importance of dealing with applications in a sensitive and efficient manner.

The Pathways Team completed allocations into Bridge Housing's property portfolio during 2013-14, including properties in Yagoona, Peakhurst and Telopea, the properties Bridge Housing had secured through Housing NSW New Supply tenders. It took nine days on average to successfully allocate a Bridge Housing property. The team is aware of the importance of allocating properties efficiently to settle tenants into their new homes quickly and minimise rent loss. Our new properties are particularly important as they play an integral role in the development of the organisation and enable Bridge Housing to provide more people with long-term, affordable social housing.

## Customer Service

### Tenant Survey

Bridge Housing is committed to quality service delivery, and feedback from our residents is essential to ensure continuous improvement. We have undertaken an annual Tenant Survey since 2006 to measure satisfaction and identify areas for service improvement.

The survey has been administered by the NSW Federation of Housing Associations since 2012 which has allowed us to benchmark our performance against our peers. This year, 44 per cent of our residents took the time to fill in the survey and let us know what they thought of Bridge Housing. This marked a significant improvement on the response rate of 30 per cent in 2012-13.

As with last year's survey, the NSW Federation of Housing Associations' analysis concluded that the results remained very positive, with tenants reporting a high level of overall satisfaction with our services. We achieved a satisfaction rating of 84 per cent (85 per cent in 2012-13), which is consistent with previous years and with other community housing providers against which we were benchmarked in 2013-14.



We performed below sector benchmark in our complaints and appeals handling and will be developing strategies to improve this through our customer service improvement program. The Tenant Survey is a valuable tool because it helps us identify our strengths and the areas we need to work on to improve our services. Our priority for 2014-15 is to develop and implement the recommendations arising from the survey, in consultation with our staff and tenants.

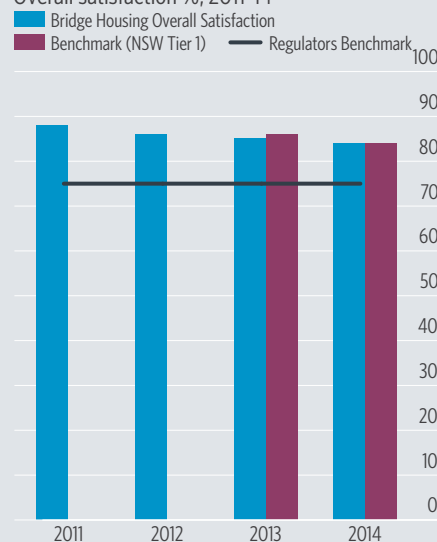
Building Bridges outlines the Tenants in Operations and Planning Initiative, which will improve the way we respond to tenant feedback, involve tenants in decision-making processes – such as formulating the Strategic Plan – and ensure we listen to tenants and act on their suggestions.

### Customer Service Improvements

This year we embarked on a process to improve our customer service across all our service areas, with the most significant impact on our Housing and Community Team. Our objective is to develop a clear set of Customer Service Standards to drive improvements in our service delivery, enable greater transparency and accountability for the service levels our residents and applicants should expect, and build this into the culture of Bridge Housing.

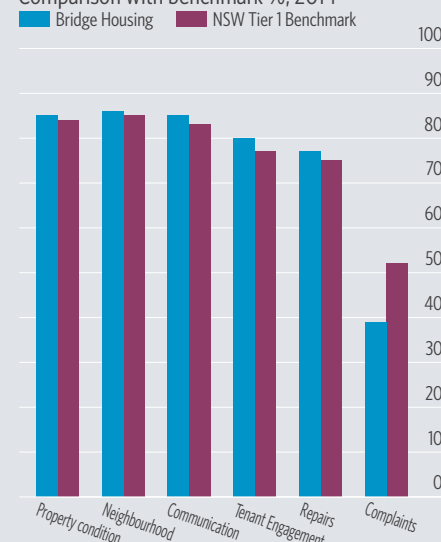
#### Tenant Satisfaction

Overall satisfaction %, 2011-14



#### Tenant Satisfaction

Comparison with benchmark %, 2014



This commenced with a review undertaken by Customer Service Benchmarking Australia (CSBA) in March and April 2014 to establish a performance benchmark. Bridge Housing performed just under the community housing average, with performance variable across the functional teams.

Concurrently, we started our customer service training with Mary Gobar International to improve interactions between service delivery teams and tenants and applicants.

Work will proceed into 2014-15, including:

- incorporating the Mary Gobar method into our everyday customer service approach and culture
- maintaining well-functioning communication systems and processes, such as telephone systems, a 'contact us' page on our website, a team mailbox and email templates
- devising our Customer Service Standards.



Krystal, Housing Manager, assisting a client



Rent review planning: Asrar, Roseann, Aimee, Rosie and Enrique

## Rent Review

Rent reviews are an important function of a community housing provider, as collecting rent is the basis of organisational sustainability. Our bi-annual rent review is a resource-intensive process involving approximately 1,650 tenancies. Extreme care is taken with calculations as errors of as little as \$5 per week can have a huge impact on very low-income households.

In 2013-14, we increased our gross rent by approximately \$530,000 per annum, with a net increase of approximately \$284,000<sup>25</sup>.

We have spent considerable time improving the efficiency of rent reviews and simplifying the process for tenants. As a result of improvements, we received fewer appeals, queries and complaints throughout the rent review period, with an overall improvement

in tenant satisfaction. Using learnings from previous reviews we have:

- ▀ ensured the right allocation of resources
- ▀ continually improved process management
- ▀ increased the functionality of our IT systems through electronic information download from Centrelink directly into Bridge Housing systems, which reduces data handling and ensures accuracy and consistency
- ▀ implemented an audit system to check the accuracy of calculations, manual entries and rent assessments.

Bridge Housing has become a sector leader in undertaking rent reviews. Given the large workload during the rent review period, we increased staff resources to streamline the process, and introduced an efficient

filing and receipting system to improve customer service.

## Reducing Homelessness

### Platform 70 Exceeds Expectations

Bridge Housing's innovative, award-winning Housing First program, Platform 70, was extended in 2013-14 following significant cost savings. The Platform 70 team was tasked with housing an additional 30 chronically homeless individuals from the City of Sydney LGA. Working with Neami National, our Platform 70 support partner, we exceeded this target by housing 35 individuals, bringing the total of rough sleepers housed since October 2011 to 105.

This was a significant achievement. Platform 70, which is funded through the National Partnership Agreement on Homelessness, has proved incredibly successful, with participants

<sup>25</sup> 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.

sustaining 90 per cent of tenancies after one year. It has also broken down many misconceptions about the ability of long-term homeless people to live successfully in the private rental market. Once access to stable and affordable accommodation is addressed, tenants can actively engage with support services to address other goals, such as gaining employment, further education, reconnecting with family, addressing substance misuse and receiving medical treatment.

Many Platform 70 tenants are entering into the second year of their tenancies and looking forward to a better future. The program's success can also be attributed to our partnership with other community housing providers, such as, Metro Housing, St George Community Housing, Hume Community Housing and Link Housing, who have housed 20 per cent of Platform 70's tenants. See Spotlight 2 for more information on Platform 70.

Bridge Housing and Neami National will celebrate housing 100 rough sleepers, in August 2014, through our Homecoming Launch which will recognise the achievement of Platform 70 tenants.

This year we began absorbing Platform 70 into our mainstream housing program as the Platform 70 funding ends in June 2015 and there is no indication that the Federal or NSW Government will continue

funding the program. As vacancies occur in our leasehold portfolio we will substitute these with Platform 70 leasehold properties. As at June 30 2014, we have absorbed 71 Platform 70 tenancies into our core portfolio, with a further 15 properties to be transitioned by the end of 2014-15.

The National Drug and Alcohol Research Centre at the University of NSW is independently evaluating the program for the Department of Family and Community Services – the NSW Government department responsible for funding the program – and we hope the results will be released in 2014-2015.

### **Michael's Intensive Supported Housing Accord**

Bridge Housing has worked in a formal partnership with Mission Australia to deliver the Michael's Intensive Supported Housing Accord<sup>26</sup> (MISHA) since 2010.

MISHA helps chronically homeless, single, adult men in the Parramatta area improve their housing stability, reduce social exclusion and better equip themselves to live successfully in the community. We provide tenancy management services and work with MISHA case managers, a psychologist and an outreach engagement worker to enable the men to maintain their tenancies and gain skills and confidence.

Bridge Housing sought to actively participate in the program as a result of property allocations under the NBESP. To date, we have provided 23 properties for clients who meet the eligibility criteria. Mission Australia released an independent evaluation<sup>27</sup> of the program in August 2014 which highlighted the program was cost-effective to government. It stated:

*"If a similar program were to be implemented by government, the cost of support net of savings from reduced use of mainstream services would be comparatively low. In the short to medium term, it is likely that the program would be at least cost neutral, and if cost offsets are sustained may create significant long-term whole of government savings."*<sup>28</sup>

26 [www.missionaustralia.com.au/newsroom-page/news/item/432-michael-s-intensive-supported-housing-accord-misha](http://www.missionaustralia.com.au/newsroom-page/news/item/432-michael-s-intensive-supported-housing-accord-misha).

27 Conroy, E., et al. (2014) *MISHA Report From Homelessness to Sustained Housing 2010-2013 Sydney*: Mission Australia.

28 Conroy, E., et al. (2014) *MISHA Report From Homelessness to Sustained Housing 2010-2013 Sydney*: Mission Australia, p.3.



# Spotlight 2: Tony's Story

# Platform 70

# Three Years On



In 2011, Bridge Housing launched the Platform 70 program, through the National Partnership Agreement on Homelessness and with the help of Federal and State Government funding. Along with our support partner, Neami National, we were tasked with the challenge of providing permanent housing for 70 vulnerable and long-term Sydney-based rough sleepers in private rental accommodation.

We were also responsible for working with and funding other community housing providers working on this project. In the two years to 2013, Bridge Housing achieved its target of housing 70 rough sleepers. Based on the success of the program, the NSW Government agreed to roll over funds for 2013-14. Our target was to house an additional 30 rough sleepers. Bridge Housing exceeded this target and we have provided 105 rough sleepers with secure affordable housing in the private rental market.

Tony, Bridge Housing Tenant



Some of the key statistics of the program are:

- 90 per cent of tenants are still housed after a year
- 10 tenancies have failed and six tenants have died since being housed
- non-housing outcomes for participants include 10 in further education, 12 starting work, six taking part in abstinence programs, 11 re-engaging with their children, 17 undergoing medical treatment and 22 accessing mainstream support services
- Bridge Housing accommodated 80 per cent of participants, and partnered with other community housing providers to house the other 20 per cent<sup>29</sup>
- 30 per cent of tenants are Aboriginal people
- 70 per cent of tenants are men and 30 per cent women.

Platform 70 will be independently evaluated. However, Australian Housing and Urban Research Institute reports<sup>30</sup> indicate there are net benefits to government through Housing First programs like Platform 70. This is also supported by the recently released research report on Mission Australia's MISHA (Michael's Intensive Supported Housing Accord)<sup>31</sup>, providing housing for rough sleepers in Parramatta. Bridge Housing partnered in this program by providing 23 dwellings.

The vast majority of Platform 70 tenants have remained housed, proving that innovative programs such as this can make a huge difference to those who have struggled with chronic homelessness.

The focus for the Platform 70 program for the 2014-15 financial years will be to wrap up the project and transition these tenancies over to Bridge Housing's general long-term housing program with continued joint support from Neami National, Way2Home and our tenancy management team.

## Tony's Story

Due to substance abuse and mental health issues, Tony fell into a cycle of homelessness causing further health issues and social isolation. He was engaged by Platform 70 through Neami National's Way2Home assertive outreach approach and was housed in June 2012.

Tony has described his feelings of gratitude and happiness since being housed via the Platform 70 program. His quality of life and self-esteem have improved due to the environment in which he now lives. It has provided the stability to allow him to focus on his health and education while knowing he has a secure and stable environment to call home.

*"This program has boosted my self-esteem and changed the way I perceive myself and what I can achieve. I am living somewhere that I would never have been able to afford on my own. It has taught me to stand strong, believe in myself and aim high to achieve my new goals."* – **Tony, Bridge Housing Tenant**

Tony is successfully sustaining his tenancy with Bridge Housing and has transitioned to our general housing program. He is now focused on establishing a career, focusing his passion for music and performance.

Tony's story is evidence Platform 70 has helped to reduce homelessness in Sydney and to achieve the goal of ending homelessness in Australia. It is also evidence that through the 'housing first' approach, vulnerable and long-term rough sleepers can gain quality of life through secure and appropriate housing, health services, education and stability.

<sup>29</sup> Eleven Platform 70 tenants are housed through Metro Housing, four with St George Community Housing, one with North Coast Community Housing, two with Hume Community Housing and one with Link Housing.

<sup>30</sup> Zaretsky, K., et al. (2013) *The cost of homelessness and the net benefit of homelessness programs: a national study*, AHURI Final Report No.205. Melbourne: Australian Housing and Urban Research Institute.

<sup>31</sup> Conroy, E., et al. (2014) *The MISHA Project: From Homelessness to Sustained Housing 2010-2013*, Mission Australia.



Tenants in discussion at a workshop

## Community Building and Engagement

Bridge Housing is committed to achieving effective community engagement by recognising the importance of involving our tenants, residents and wider community in what we do. We are also committed to community development – to creating and supporting sustainable communities and neighbourhoods in which people want to live.

Creating the position of Sustainable Communities Manager in 2013 has enabled Bridge Housing to build on existing tenant participation activities and provide greater focus for our community development, capacity building and tenant involvement.

A key outcome in 2013–14 was the development of our Building Bridges strategy. Building Bridges sets a new approach to Bridge Housing's work in improving the wellbeing,

strength and resilience of our tenant community and in building links to the broader community. It was developed through extensive research and deep engagement with tenants, partners and staff.

### Building Bridges

Building Bridges<sup>32</sup> is a three-year strategy delivered through nine new community building initiatives across the organisation. It takes a long-term approach to building capacity in the organisation and in communities to effectively deliver the strategy.

At the heart of Building Bridges is the concept of working together and involving tenants and partners in decision-making. It builds on our existing housing and community services, tenant participation programs and resources to deliver service improvements and initiatives that can contribute to positive change for tenants and their families.

It starts from the ground up, working with tenants and partners to:

- ▶ support successful tenancies through the Hand Up, Local Links, and Good Neighbours initiatives
- ▶ consider how we can maximise opportunities for everyone to get involved through the TOP (Tenants in Operations and Planning) initiative and the Bridge Housing Communications Strategy
- ▶ provide opportunities for tenants and their families to access employment, education and healthy environments through the Streets Ahead and Our Place Green Space initiatives
- ▶ strengthen Bridge Housing and tenant ties in communities through the Big Ideas Grants and Capacity Building initiative and the Bridge Housing in Communities initiative.

<sup>32</sup> Building Bridges is available at [www.bridgehousing.org.au/files/news/july\\_2014\\_building\\_bridges/building\\_bridges\\_2014\\_2.pdf](http://www.bridgehousing.org.au/files/news/july_2014_building_bridges/building_bridges_2014_2.pdf)

### Building Bridges 2013–14

The strategy was launched on 6 June 2014 with a celebratory event attended by tenants, staff, government and community partners. Work commenced in 2013–14 on a number of initiatives and projects including:

- ▶ the Local Links initiative, building the capacity of the Housing and Community Team to link tenants with local services, programs and facilities, including increased attendance at a range of agencies and improved information sharing
- ▶ planning the Stickybeak Tours project with partners to connect new and socially isolated tenants to their local area
- ▶ block meeting reviews that focus on capacity building with tenants at a local level
- ▶ TOP and Bridge Housing in Communities initiatives through which an Aboriginal and Torres Strait Islander tenant group has been formed
- ▶ updates to the Bridge Housing Communications Strategy, which identified a new direction for the newsletter and facilitated work on a new website
- ▶ establishing Community Garden Protocols, a tenant-led initiative, through the Camperdown Garden Club and the Community Greening Program
- ▶ the Bridge Housing in Communities initiatives, including partnerships with Redfern Community Centre to deliver NAIDOC Week events, as well as continuing work by the Pathways Team in promoting Bridge Housing services to a range of communities and partners.

### Building Bridges Priorities for 2014–15

Our priorities for the current financial year include:

- ▶ developing the Big Ideas Grants and Capacity Building initiative
- ▶ launching the Community Gardens Protocols and program

- ▶ continuing to work with Aboriginal and Torres Strait Islander tenants and communities
- ▶ implementing Block Meeting policies and procedures
- ▶ continuing to build relationships in communities
- ▶ improving culturally appropriate communications with culturally and linguistically diverse tenants and communities.

### Getting Involved and Having a Say

Building Bridges seeks to put tenants at the heart of all that we do. The TOP initiative builds on our previous tenant participation activities to expand our 'menu' of options for involvement. Current options include:

- ▶ the Tenant Advisory Group (TAG), including:
  - ▶ central TAG meetings to address wider issues that affect all residents
  - ▶ local TAG meetings in the east and west to focus on local issues
  - ▶ a new local TAG at Rozelle
- ▶ quarterly tenant workshops
- ▶ an Aboriginal and Torres Strait Islander Working Group
- ▶ block meetings
- ▶ the annual Tenant Survey
- ▶ an annual end-of-year celebration
- ▶ the Your Views Panel.

### Your Views Panel

The Your Views Panel is a new initiative implemented in 2013–2014 which allows a diverse group of tenants can have input into the way we communicate with tenants. Members' input helps Bridge Housing to better communicate with all tenants about a variety of services. Panel members are asked to comment on Bridge Housing letters, forms and fact sheets on an occasional basis. The panel operates via email to make the process easy for everyone.

The Panel complements TAG's work by giving tenants and Bridge Housing a quick and easy way of making and gathering comment on our communications.

### Tenant Advisory Group

The TAG has continued to grow over 2013–2014 with approximately 5 per cent of households now represented by a TAG member. The TAG Leadership Team has continued to work closely with Bridge Housing, providing a passionate voice for tenants within the organisation.

The TAG was central to the development of *Building Bridges*, by providing tenant input and partnering with Bridge Housing to deliver the *Building Bridges* workshops. TAG members were keen participants in the process and helped ensure that the final document reflected tenant priorities.

TAG has expanded, with a new group in Rozelle, and is planning initiatives for 2014–2015.

### 2014–15 Housing and Community Team Objectives

In 2014–15, the Housing and Community Team plans to:

- ▶ maintain arrears and vacancies at benchmark levels and, along with the Assets Team, maintain voids at benchmark
- ▶ deliver Year 1 of the Building Bridges strategy
- ▶ complete a review of our supported partner arrangements
- ▶ improve satisfaction with Appeals and Complaints processes
- ▶ roll out the Hands Up innovative debt management project
- ▶ lead in the development of the Customer Service Charter
- ▶ implement action plan to improve the management of our Leasehold program.



# Spotlight 3: New Initiatives from Building Bridges



Sandra, Shirley and Kim from the Aboriginal and Torres Strait Islander working group



Bridge Housing aim to make our services accessible to everyone who needs them. Our Community Building and Engagement Strategy, Building Bridges, details a new initiative called 'Bridge Housing in Communities' which aims to celebrate diverse communities and strengthen connections between tenants, Bridge Housing and our partners.

A part of this strategy focuses on the involvement of our Aboriginal and Torres Strait Islander tenants and the way we work within their communities. The Aboriginal and Torres Strait Islander tenant group was initiated following discussions with Aboriginal and Torres Strait Islander tenants at Building Bridges workshops in 2013. We listened to the feedback, stories and experiences of our tenants and responded by supporting them in setting up this new working group, which now meets every two months.

We also partnered with the Redfern Community Centre to involve tenants in their NAIDOC Week flag-raising ceremony and held a screening of the movie *Rabbit-Proof Fence* for Bridge Housing staff. This powerful and moving staff event was instigated by an active Aboriginal tenant, Shirley Lomas. It brought together many community members, including members of the Stolen Generation.

The event aimed to help Bridge Housing staff better understand the life experiences and history of people from Aboriginal and Torres Strait Islander communities.

*"As a recent migrant to this country, I really appreciated the opportunity to learn about the experiences and history of Aboriginal people. Being a mother I cannot imagine the pain and suffering that Aboriginal people have if someone took my baby away from me. It was a very important part of our history that we should all know about it and I think it should form part of the education curriculum in school. An apology is not good enough. I believe there is a lot more that we can do about it."*

**Becky Chan**

*Financial Controller, Bridge Housing*

### Shirley's Story

Shirley is active in the community and is a long-term Bridge Housing resident.

*"I have been a tenant of Bridge Housing since 2007. I first lived in a cottage for older Aboriginal women at Glebe, and although I thoroughly enjoyed living there, I wanted to have my own place so that my children and grandchildren could come and stay for weekends and school holidays.*

*When I told my housing manager my request, she was very helpful and told me what I needed to do and the rest is history. It wasn't long before I moved into my present accommodation, which is a two-bedroom flat where family can come and visit me. I have always found Bridge Housing able to solve any problems regarding my tenancy and always in a professional and courteous manner, which is why I enjoy being a tenant in their property."*

# Assets Report

The Assets Team is responsible for delivering Bridge Housing's responsive, planned and cyclical maintenance programs, along with undertaking property acquisitions and development to increase Bridge Housing's property portfolio.

## This section of the Annual Report:

- ▀ presents highlights for the Assets Team for 2013-14
- ▀ reports on how the team has delivered on its critical success factors
- ▀ provides an overview of the key activities undertaken during the year
- ▀ outlines our objectives for 2014-15.

## Highlights of 2013-14

In 2013-14, the Assets Team:

- ▀ secured the UrbanGrowth NSW tender to deliver 65 affordable housing dwellings in the Bunya Estate in Doonside
- ▀ purchased a site in Ashfield to develop a New Generation Boarding House with nine one-bedroom dwellings
- ▀ secured a Housing NSW tender to manage an 18-unit complex in Telopea
- ▀ negotiated management of seven properties secured through Affordable Housing SEPP

- ▀ co-ordinated the transfer of 21 new properties to Bridge Housing's management as a part of the Canterbury/Bankstown New Supply Tender
- ▀ met targets laid out in the Asset Maintenance Plan 2013-14 within budget
- ▀ formulated its Strategic Asset Management Plan 2013-22
- ▀ completed a technical scoping program covering 316 properties, through our three-year property scoping program, with 99 per cent of our aged properties now re-scoped over the past 2 years
- ▀ undertook major upgrades to properties identified as high risk in 2012-13
- ▀ achieved a satisfaction level of 87 per cent for our responsive maintenance service from affected tenants and an overall rating of 77 per cent for our maintenance services from the 2013 annual Tenant Survey
- ▀ ensured our property portfolio asset standards exceeded mandatory requirements, as the results of a regulatory authority review showed
- ▀ monitored contractor timeliness in responding to maintenance requests and contractor performance against target timeframes
- ▀ employed a permanent Development Manager to enhance our property development and procurement capacity and secure and deliver our ongoing development opportunities.

## Critical Success Factors

The Assets Team plays a key role in delivering the following critical success factors in our Strategic Plan 2012-15 and Business Plan 2013-14:

- ▀ strategic portfolio growth to meet affordable housing needs in the community
- ▀ quality homes and services
- ▀ business sustainability.

We have a considerable maintenance budget to ensure our properties are maintained at appropriate standards and to reduce future maintenance liability. Prudent property acquisition and development has reduced acquisition and delivery risks, including those involved in project finance and construction.

Bridge Housing wants to be recognised for delivering high-quality maintenance services and providing properties of a standard that exceeds mandatory requirements, and meet the needs of existing and future tenants. This is reflected in the following activities of the Assets Team in 2013-14.

## Business Plan 2013-14

The Assets Team played a key role in meeting the critical success factors in our Business Plan 2013-14.

Measure	How did we do?	
<b>Strategic portfolio growth</b>	Key: <span style="color: green;">■</span> completed <span style="color: orange;">■</span> in progress <span style="color: red;">■</span> not completed	
Approve development of 11 properties in 2014-15	<span style="color: green;">■</span>	Bunya tender secured to deliver 65 properties in total and 31 towards our leveraging target
Complete development of nine properties	<span style="color: orange;">■</span>	Secured Ashfield site to deliver nine affordable housing units in New Generation Boarding House
Transfer 75 dwellings from the Canterbury/Bankstown new supply tender program	<span style="color: orange;">■</span>	Transferred 21 properties in June 2014, with the balance to be transferred in 2014-15
Add 20 dwellings through the NRAS/Affordable Housing SEPP	<span style="color: red;">■</span>	Secured a Sydney Olympic Park Authority tender to manage 50 affordable housing properties. The first 19 will come online by June 2015
Win one new property from the Property Transfer tender	<span style="color: green;">■</span>	Secured a Housing NSW tender to manage 18 dwellings in Telopea as a part of the New Supply Program
Win one new property from the HNSW Estate tender	<span style="color: green;">■</span>	No tender opportunities were provided
Win one NRAS 5 tender	<span style="color: green;">■</span>	The NRAS 5 was cancelled by the Federal Government in May 2014
Assess National Disability Insurance Scheme (NDIS) opportunity	<span style="color: orange;">■</span>	This initiative has been rolled over to the 2014-15 Business Plan
<b>Deliver quality homes and services to our residents</b>		
Achieve maintenance services satisfaction > 75 per cent	<span style="color: green;">■</span>	Achieved 77 per cent satisfaction with maintenance services in the 2013 Tenant Survey
Ensure 330 capital properties meet HNSW Asset Standards	<span style="color: green;">■</span>	683 (75%) of capital properties meet or exceed state housing authority asset standards
Complete and deliver integrated Balmain and Coogee Estate Management Plan	<span style="color: red;">■</span>	Maintenance liability for common areas transferred from the Land and Housing Corporation on 1 October 2013; upgrade works to be included in the 2014-15 Asset Maintenance Program
<b>Business sustainability</b>		
Review and update Asset Management Plan 2012-21	<span style="color: green;">■</span>	Asset Maintenance Plan 2012-21 reviewed and updated to 2013-22
Deliver Asset Maintenance Program 2013-14 on time and in full (budget vs actual, number of properties)	<span style="color: green;">■</span>	Asset Maintenance Program 2013-14 delivered on time and in full

## Managing Portfolio Growth

In December 2013, we secured the UrbanGrowth NSW<sup>33</sup> tender to deliver 65 affordable housing dwellings in the Bunya Estate at Doonside. This development will cost \$21 million and delivery is forecast within the first quarter of 2015-16. We are designing the townhouses to Liveable Housing Australia's Silver standard<sup>34</sup> and will submit the development application to Blacktown Council by the end of 2014. This development allows Bridge Housing to redirect 65 NRAS subsidies from a Seven Hills project that the LAHC did not proceed with.<sup>35</sup>

In March 2014, we purchased a site in Ashfield to build a New Generation Boarding House<sup>36</sup> with nine self-contained units, each with bathroom, kitchen and laundry facilities and an average internal area of 28 square metres. The only shared space is the common room and rear private open space. This development will provide additional affordable housing in a high-cost location. The conversion and refurbishment work is estimated to cost \$900,000 and delivery is forecast for the third quarter of 2014-2015. This site allows Bridge Housing to redirect and save a further nine NRAS subsidies from the Seven Hills project.

In December 2013, we won the SOPA tender to provide housing and asset management services over five years for 50 units of affordable housing distributed through private residential development on the SOPA site. The first 19 units are forecast to be completed by June 2015.

In February 2014, we won Housing NSW's New Supply Tender to manage 18 units in Telopea, in the Parramatta LGA. The dwellings will be completed in July 2014 and tenanted in August 2014.

During the year we also participated in the Canterbury/Bankstown New Supply Tender program Project Control Group to delivery 21 properties. Since



Chris and Jacqui, Bridge Housing's Development Team

the commencement of the New Supply Program in 2012 we now manage 60 properties. The balance of 63 properties will be delivered in 2014-15.

We have been actively involved in the governance, quality inspection and delivery processes of these New Supply projects, built by the LAHC. Historically, we played no formal role

in the project governance of projects jointly developed with Housing NSW. Now, our significant contributions to the New Supply Program have ensured the buildings suffer from fewer defects and incorporate design features based on our experience of how tenants use buildings.

<sup>33</sup> UrbanGrowth NSW, [www.urbangrowthnsw.com.au](http://www.urbangrowthnsw.com.au).

<sup>34</sup> Livable Housing Australia (LHA) ([www.livablehousingaustralia.org.au](http://www.livablehousingaustralia.org.au)) is a partnership between community and consumer groups, government and industry. LHA champions the mainstream adoption of livable housing design principles in all new homes built in Australia. The aim is to establish nationally agreed guidelines for Universal Housing Design to better respond to the changing needs and abilities of people over their lifetime. It seeks to have its Silver rating adopted for all new homes by 2020.

<sup>35</sup> See Bridge Housing's Annual Report 2013.

<sup>36</sup> Further information on New Generation Boarding Houses is available at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au).



## Delivering the Maintenance Program

### Planned Maintenance

In 2013-14, we completed planned maintenance to the value of \$1.63 million (\$1.46 million in 2012-13) on 216 properties, including common areas. This was within the \$1.66 million budget.

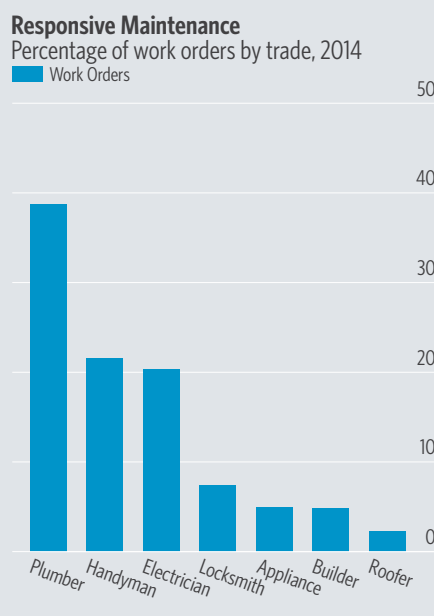
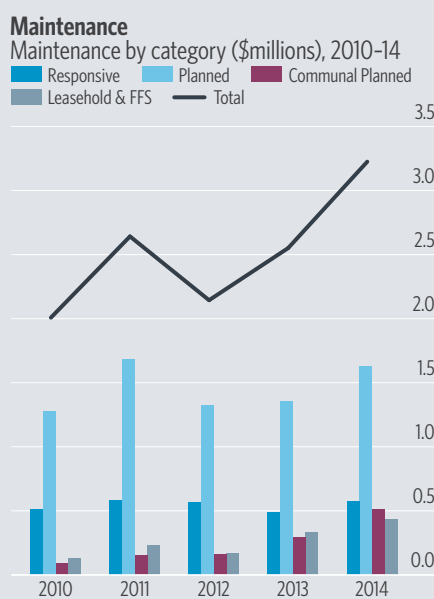
In October 2013, management of the common areas in Balmain and South Coogee developments was transferred to Bridge Housing, with high-priority works undertaken prior to year end. Additional works will be undertaken to upgrade these common areas in 2014-15.

During 2013-14, we continued our three-year technical scoping program that forms the basis of our 20-year Asset Management Plan and long-term asset planning. Bridge Housing has a diverse portfolio of properties, with 30 percent of our capital properties built 50 or more years ago. Our planned maintenance program is critical to managing one of the most significant risks to Bridge Housing: understanding and costing our long-term maintenance liability and ensuring our properties meet the appropriate property condition standards<sup>37</sup>. We do this by undertaking property assessments every three to four years. This year we scoped 316 older properties considered to be of lower risk than the properties scoped in 2012-13, and plan to undertake a further 250 scopes of our newer NBESP properties in 2014-15.

### Responsive and Cyclical Maintenance

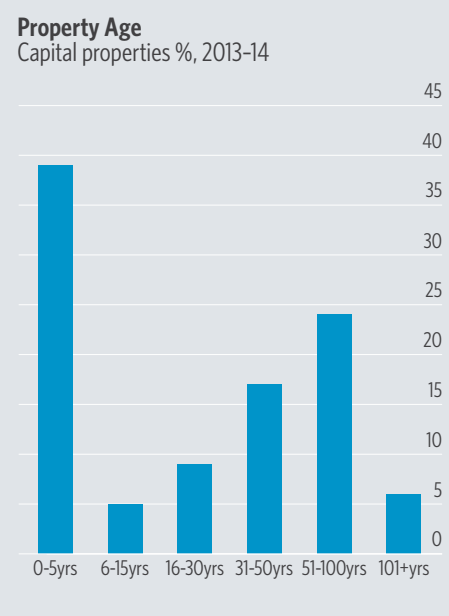
Bridge Housing undertakes responsive day-to-day property maintenance, such as fixing leaking taps, unblocking drains and dealing with a range of minor repairs. During 2013-14, we delivered 3,777 maintenance works at a cost of \$788,682 (\$762,000 in 2012-13).

Our Responsive Maintenance works for 2013-14 include plumbing, electrical handyman



services, locksmithing, appliance repairs, building and roofing.

During the year, we spent a further \$509,753 on cyclical maintenance (\$331,000 in 2012-13), including cleaning and grounds maintenance in common areas. The increase in spending is attributed to the expansion of our preventive maintenance programs; for example, roof and gutter inspections and



subsequent repairs and replacement, and the addition of the management of common areas at the Balmain and South Coogee estates.

<sup>37</sup> The NRSCH requires ≥70% of all community housing assets managed by the provider meet state housing authority's property condition standards, or other property condition standards adopted by the provider that exceed the state housing authority's standards against which the properties were inspected.

# Spotlight 4: The Bridge Housing Repairs Team

At Bridge Housing we have a dedicated in-house Repairs Team which monitors and manages work requests. This year the team raised 3,777 work orders. Maintenance requests were delivered via our 24-hour repairs phone service, face to face at our offices, via email and, most recently, via our new online Request-a-Repair service.

We would like to introduce you to the voices at the end of the repairs line.

Our team has four focused and dedicated staff members.

The team co-ordinates maintenance contractors by raising works orders, monitoring timeframes and liaising with tenants to gain access to properties for repairs. They follow up with tenants to ensure emergency repair work has been done and made properties safe. They process invoices, and collate tenant feedback, often working under pressure to provide a high-quality service.



Maree, Lana, Bronagh and Aarti: Bridge's Repairs Team

**Lana**, the Team Co-ordinator, manages more complicated repairs and maintenance issues, monitoring contractor performance, overseeing the void/vacant process and any other matters that affect the delivery of works to our properties and tenants.

*"Managing and working with such a committed, competent and passionate team helps to achieve the goals Bridge Housing sets."*

**Maree** oversees common area cleaning, grounds maintenance and maintenance of essential services such as fire safety equipment and lift maintenance.

*"I have been working with Bridge for many years. I appreciate the variety of work, flexibility I am allowed, and the camaraderie of helpful and interested team members. I like that I am able to listen to tenants' concerns and try to accommodate their requests by working with caring and reliable contractors."*

**Bronagh** and **Aarti** staff the general repairs line, taking repair requests and answering queries from tenants and contractors.

Bronagh says; *"I love my job within the Bridge Family! Working with tenants daily is very rewarding and it is nice to feel that, even in a small way, I am helping the tenants in sustaining their tenancies by assisting them in their times of need."*

Aarti says; *"I enjoy working for Bridge as it gives me a sense of belonging to a great team and family. I am able to balance my work and family life. Being able to assist our tenants, contractors and stakeholders with repairs, queries and complaints makes me feel like I have contributed to the community and giving a bit of myself that has made a difference in their lives."*



Michael, Assets Manager, inspecting work with a contractor

## Tenant Satisfaction Survey

In March 2013, we launched a comprehensive Tenant Maintenance Satisfaction Survey for our responsive maintenance services, augmenting our annual Tenant Survey. The survey seeks feedback on a range of issues, including on-time performance, quality of work, contractor performance and overall satisfaction with our responsive maintenance service.

In 2013-14, we issued 3,561 surveys and received 454 completed surveys, a response rate of 13 per cent. Of the tenants who responded, 87 per cent were satisfied with the service. This is consistent with the results of our 2013 Tenant Survey, which showed improved overall satisfaction with our maintenance services of 77 per cent (71 per cent in 2012-13). Receiving feedback from tenants is vital to improving service delivery.

## Request-a-Repair

Bridge Housing has established an internal call centre for maintenance requests and uses an external call centre provider, after hours, to provide a 24-hour service. The majority of repair requests are made by phone, on a dedicated maintenance line.

In June 2014, we launched our new online repairs and maintenance service 'Request-a-Repair'.



This innovative, web-based, interactive software application incorporates detailed visual diagrams that enable tenants with minimal repairs and maintenance knowledge to quickly identify and report their non-urgent repairs. Request-a-Repair offers translations in languages most commonly spoken by our tenants: Cantonese, Mandarin, Vietnamese, Spanish and Arabic. We will monitor the take-up of work requests submitted through Request-a-Repair.

We will eventually incorporate Request-a-Repair into our operating systems to allow our asset and housing management teams to raise repair requests on site. Request-a-Repair is a great addition to our repairs and maintenance service as it provides a simple, user-friendly tool for tenants and staff to report maintenance issues as soon as they are identified.

## 2014-15 Asset Team Objectives

In 2014-15, the Asset Team plan to:

- ▶ deliver a nine-room New Generation Boarding House in Ashfield
- ▶ deliver 65 new Affordable Housing dwellings on the Bunya Estate
- ▶ commence management of the first tranche of SOPA affordable housing units
- ▶ complete the management transfer of the remaining 63 dwellings in the Canterbury/Bankstown New Supply Tender program
- ▶ complete the management transfer of 18 dwellings from the Teloepa program
- ▶ participate in the delivery of 153 dwellings in Cowper St, Glebe, by 2016
- ▶ secure a significant site from the Property Transfer Program Tender, subject to NSW Government proceeding with the program
- ▶ identify an acquisition opportunity to deliver 15 dwellings to meet our NBESP leveraging targets
- ▶ deliver the Asset Maintenance Program 2014-15 and develop the Asset Maintenance Program 2015-16
- ▶ complete a tender for new maintenance contracts across responsive, planned and cyclical maintenance programs, and implement the new maintenance contractor regime
- ▶ implement a new Contractor Safety Management System, including annual WHS compliance verification by qualified external auditors and online induction
- ▶ implement an audit strategy for responsive maintenance
- ▶ achieve a tenant satisfaction rate of at least 75 per cent (the sector benchmark) for maintenance services, measured through our annual Tenant Survey
- ▶ prepare a strategy paper to utilise NDIS opportunities.

# Spotlight 5: Technical Scoping Program



In 2012-13, we commenced our second technical scoping program cycle, which assesses the condition of our capital property portfolio against Housing NSW asset performance standards and costs our long term maintenance liabilities, one of the most significant risks for community housing providers.

To ensure we achieved an optimum outcome for our new program we began the process with a full review of our first cycle (2008-2010), resulting in the development of a new specification and scoping template.

After a rigorous tender and quality inspection regime we appointed an experienced external scoper, Brian Pender, to complete our full technical scoping program due to his extensive scoping experience, including 15,000+ inspections of residential buildings for Housing NSW.

Brian Pender and Darren, Technical Officer, undertaking a property inspection.

## Our Technical Scoping Specification

In order to get the most accurate data on our properties our scoping specification for individual properties and common areas includes:

- ▶ **Planned Maintenance Scope**  
which estimates the lifespan and cost of replacement of various property elements based on specific life-cycles, and forms the basis of our annual asset maintenance programs and 20-Year Asset Management Plan forecasting model.
- ▶ **Backlog Maintenance Scope**  
listing all works required to a property to meet Housing NSW Asset Performance Standards Version 6.2i and Basic Model Asset Provision Standards.
- ▶ **General property information**
- ▶ **Hazardous materials register**

## Prioritising Properties

Our scopes provide essential property condition information to enable our Asset Team to prioritise works at our highest risk properties or target specific elements within a property; and formulate our annual maintenance programs, where we will prioritise high and medium risk properties or elements and spread out less important, low risk works, over the following 2-3 years.

## Scoper Review

Brian Pender's independent review of the general condition of the older properties within our portfolio is as follows:

*"When assessed against the current Asset Standards of Safety, Function and Appearance, the overall general condition of the properties is at a good to very good level. This is also supported by the average cost required to raise each property to the current Housing NSW Asset Performance Standards, Version 6.2i.*

*"Minimal Safety failures were found within the properties. If a safety failure was observed during the inspection it was then referred to Bridge Housing at the time of the inspection.*

*"In regard to backlog maintenance and current condition, when comparing Bridge Housing properties against other property portfolios, the amount of backlog maintenance is at a lower level than would generally be expected, with minimal safety or function failures."*

**B. Pender, May 2014**

## Regulator's Benchmarks

The National Regulatory System threshold requires a minimum of 70 per cent of community housing provider properties to meet the applicable state housing authority standard. Currently 75 per cent of our properties are at standard and with completion of our 2014-15 planned maintenance program 88 per cent of our properties will be at standard.

## The Future

We have now scoped 99 per cent of our older capital properties. In 2014-15 our scoping program will focus on our new build properties to ensure we have accurate estimates in our 20-Year Asset Management Plan forecasting model; and to identify remaining defects, the cost of which may be covered by statutory warranty.

# Finance and Corporate Services Report



Rowena, Amber, Rebecca, Becky and Rhonda from Bridge's Finance Team

The Finance and Corporate Services Team provides strategic financial services to the business and support services across finance, information technology, human resources, work health and safety, and risk management. They play a key role in helping us meet the critical success factors laid out in our Business Plan 2013-14.

## This section of the Annual Report:

- presents highlights for the team for 2013-14
- reviews 2013-14 performance against Business Plan objectives

- summarises other key support areas, including Information Technology, Human Resources, Risk Management, Internal Audit, and Work Health and Safety

- presents our 2014-15 objectives.

The '2013-14 Financial summary' section on page 74 reports on our 2013-14 financial position, including our Report Card 2010-14 and Financial Performance 2010-14.

## Highlights of 2013-14

In 2013-14, the Finance and Corporate Services Team:

- developed and implemented a new company intranet, Bridgely
- developed a new water charging policy to allow us to recharge water usage in properties with communal meters to provide equality across our tenant base

- developed and implemented a Business Continuity Plan (BCP)
- implemented an online repairs reporting system (Request-a-repair)
- reviewed and updated our Work Health and Safety policies and procedures
- completed the third year of our Internal Audit Program
- developed a Fraud and Corruption Prevention Plan and undertook a Fraud Risk Assessment
- implemented a Whistle Blower Program through an external third-party supplier, Your Call
- developed a new induction program supported by learning journals, online material and assessments
- expanded our learning and development program, including a Leadership Development Program.
- reviewed and developed a communication strategy
- met most financial and operational key performance indicators (KPIs).

## Critical Success Factors

The Finance and Corporate Services Team plays a key role in delivering the following critical success factors in our Strategic Plan 2012-15 and Business Plan 2013-14, ensuring business sustainability and developing our people.

These critical success factors ensure our financial sustainability, drive process and efficiency improvements, manage our risk and compliance obligations, and ensure that we develop our people and create an engaging and inclusive work environment.



## Business Plan 2013-14

The Finance Team played a key role in helping us meet the critical success factors laid out in our Business Plan 2013-14

Measure	How did we do?	
<b>Ensure Business Sustainability</b>	Key: <span style="color: green;">■</span> completed <span style="color: orange;">■</span> in progress <span style="color: red;">■</span> not completed	
Deliver an operating surplus of \$0.75 million	<span style="color: green;">■</span>	Operational surplus of \$1.4 million, strengthening Bridge Housing's balance sheet. Most key financial ratios and other metrics were generally within benchmark
Develop and implement IT initiatives	<span style="color: orange;">■</span>	Developed a new intranet and introduced SDM enhancements including a leasehold and Sydney Water module Implemented on-line whistleblower reporting tool
Develop systems, procedures, processes and reporting to ensure financial sustainability	<span style="color: green;">■</span>	Improved the 20-Year Forecasting Model; implemented our Water Usage Charging Policy; improved budgeting, forecasting and reporting systems
Embed and enhance best practice in risk management	<span style="color: green;">■</span>	Secured registration as a Tier 1 provider under the new NRSCH Reviewed Fraud and Corruption Prevention Plan and Whistle Blower Program; revised Risk Management Plan 2013-14
Develop and implement a BCP	<span style="color: green;">■</span>	Developed and implemented a BCP
Complete year three of the Internal Audit Program	<span style="color: green;">■</span>	Completed year three of the program, covering Responsive Maintenance and Accounts Payable
<b>Develop our People</b>		
Enhance our induction program	<span style="color: green;">■</span>	Developed an online induction program supported by learning journals
Enhance our training program	<span style="color: green;">■</span>	Developed and delivered a Leadership Development Program along with a comprehensive development and training program covering both technical and operational skills and knowledge
<b>Enhance our Reputation and Extend Relationships</b>		
Develop a communication and marketing strategy	<span style="color: green;">■</span>	Completed a communications review and developed a Communications Strategy. Key initiatives from the strategy will form part of the 2014-15 Business Plan

## Internal Audit Program

Bridge Housing's Internal Audit Program 2011-14 ensures an independent and transparent review of the strengths and weaknesses of our internal operating systems. The Bridge Housing Board appointed RSM Bird Cameron in 2011 to develop and run the three-year Internal Audit Program to check that systems are robust, maintain integrity and comply with policies and procedures.

In 2013-14, RSM Bird Cameron undertook the third year of the program and undertook the following reviews.

### Responsive maintenance

- ▀ review of process to capture requests and raise work orders
- ▀ analysis of request types and allocation to contractors
- ▀ review of payment and authorisation process.

### Accounts payable

- ▀ authorisation process and controls
- ▀ accounting system process and controls
- ▀ duplicated payments
- ▀ adherence to delegated authorities.

The internal audit highlighted some weakness in our systems regarding the authorisation of responsive maintenance work orders, as well as identifying the need to improve our process of assessing contractors for compliance with work order specifications and quality. Control improvements have been incorporated into the 2014-15 Business Plan.

## Risk Management Plan 2013-14

During 2013-14 we built upon our previous Risk Management Plans, which comply with AS/NZS ISO 31000:2009, and expanded the use of our Enterprise Risk Management and Compliance System, Complispace.

Bridge Housing faces key risks associated with the transition from housing management to undertaking property procurement, development and increased borrowing. This requires Bridge Housing to:

- ▀ build organisational capacity to manage growth and change, while maintaining existing services by strengthening our internal workforce expertise in housing and community, finance, development and asset management
- ▀ manage increased exposure to financial risks by securing and servicing loans
- ▀ manage acquisition and development risks through our property development process
- ▀ operate in a dynamic and uncertain external policy environment for the community housing sector
- ▀ manage the significant impact on operational costs, cash flow timing, the available investment funds and organisational reputation caused by delays in vesting of NBESP properties and land at Cowper St in Glebe, and the withdrawal of the Seven Hills redevelopment site.

Our Risk Management Plan enables us to identify and record potential risks that may prevent us from meeting our objectives. It identifies high-level

risk control strategies to avoid or mitigate the risk impact. Complispace enables us to manage risk control strategies by linking tasks to each risk. Each task is assigned a due date and is allocated to a responsible executive member of staff to manage.

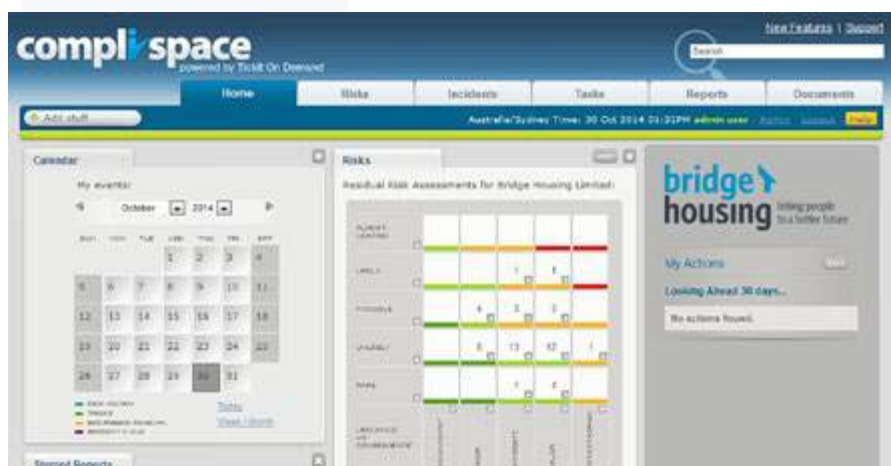
We developed the Risk Management Plan 2013-14 based on the Executive Management Team's review of our external and internal operating environments and the Risk Management Plan 2012-13 (including the Risk Register). We re-evaluated existing risks, introduced new risks in the Risk Register and re-rated other risks.

Bridge Housing's management is responsible for monitoring and reviewing risks, and has:

- ▀ monitored individual tasks monthly by exception, at the Executive Management meeting
- ▀ reported on high and extreme risks to the Board on a quarterly basis
- ▀ reviewed risks and risk ratings on an annual basis, as part of our annual business planning process
- ▀ allocated more frequent reviews for some individual risks based on the nature of the associated risk.

Commentary on our high-risk operational areas is as follows:

Risk	Comment/action
Policy development and integration	We have undertaken detailed reviews of all key housing policies and trained all staff. Other key policies have been reviewed and updated. All policies have been loaded onto the new intranet, launched in December 2013.
Business continuity	We developed, approved and implemented our new BCP, which is scheduled for review in 2014-15.
Financial viability	Following our tender wins in December 2013, we modelled a new baseline 20-Year financial scenario incorporating all our development commitments to provide a sound model for further opportunities. This was updated for our 2014-15 Budget, with best- and worst-case scenarios analysed.
Disaster recovery	This has been incorporated into our BCP. Full disaster testing will be conducted during 2014-15.
Technology capability	We have undertaken a post-implementation review as well as a contract review of our SDM implementation. Our detailed issues register is monitored and managed closely.
Maintenance contractors	The National Safety Council of Australia reviewed our Contractor Compliance and developed recommendations for best-practice processes and documentation.
Property transfers	There has been no action at this time as the NSW Government has not commenced its Property Transfer Program.
Property development capability	We partnered with an experienced builder for the Bunya opportunity and developed a governance framework to manage the project internally, approved by the Board.
Community objections to social and affordable housing	We are in the process of developing a Community Engagement and Communications Strategy for the Bunya Project.
Change of government policy	<p>The most significant impact at the NSW Government level has been the halting of the property transfer program, which affects our ability to meet our portfolio Strategic Plan forecasts.</p> <p>At a federal level, the major issues are the impact of the proposed review of income support payments through the Disability Pension and Newstart Allowance. Changes in these areas may affect our cash flow by reducing rent income.</p>
Government budget cuts	As above, but no specific action at this stage.



Enterprise Risk Management and Compliance System, Complispace

## Information Technology

In February 2013, Bridge Housing went live with its new integrated tenancy, asset and financial management system (SDM). The major focus during 2013-14 was embedding this system and associated process change within the organisation. As with any new large system implementation, a number of issues needed to be managed, but overall the change was effectively managed.

Besides improved robustness and control, SDM now enables the extraction of more detailed and comprehensive data to more effectively manage our business; particularly relating to arrears, voids and vacancies. It improves integration between Bridge Housing business divisions: Assets, Tenancy Services and Finance.

In 2013-14, we enhanced SDM by:

- ▶ introducing the Sydney Water Payment Module to facilitate the payment of 810 water accounts per quarter and the automatic recharging of 420 water bills per quarter
- ▶ improving the rent review system to enable bulk transfer of income information for 83 per cent of head tenants, most of whom receive Centrelink payments
- ▶ significantly improving reporting of arrears, voids and vacancies
- ▶ automating our quarterly reporting requirements to Community and Private Markets Housing division in the NSW Department of Family and Community Services.

In addition to the significant effort to embed SDM into the business, a number of other system initiatives were progressed throughout the year, as outlined below.

### Intranet

During 2013-14, we developed a new intranet (Bridgely) which now incorporates general company information, our policies and procedures, our online induction program and our governance and WHS programs. This was rolled out to our staff in December 2013.

### Board Portal

During 2013-14, we provided a secure Board portal to allow directors access to all Board and sub-committee papers and minutes along with other relevant documents and training material at any time. Over time we envisage that the provision of hard-copy documents will be discontinued and Directors will use a tablet to access Board papers in relevant meetings.

### iPhones/iPads

During 2013-14, operational staff were issued with iPhones and iPads. This has not only improved their effectiveness while working remotely by being able to access emails, but has provided the platform for current and future initiatives, such as:

- ▶ updating our phone system so voicemail on office phones is converted to email for remote access via staff iPhones
- ▶ implementing an online inspection form for use via iPad, to replace current paper forms
- ▶ implementing the StaySafe app in 2014-15 to allow staff to check in and check out, send alerts and track their location when working alone in the field.

### Request a Repair

Implemented a new web based repair reporting system (see Asset Report for details).

### Electronic records and document management

This project was delayed in 2013-14 as embedding SDM took priority. However, a project team has been established, consultants engaged, a budget identified, and a detailed project scope and plan developed, which places us in a good position to progress this major project during 2014-15.

## Human Resources

The quality of our services is governed by our ability to attract and retain high-calibre staff with the skills, capacity and passion to drive company performance. As such, we continued to focus on the HR improvements of previous years in further refining our HR policies and procedures, enhancing our Total Rewards Program and improving our Training and Development Program.

We detail these and other HR initiatives in the 'Our People' section on page 80. The results of our continued focus on and improvement in HR can be seen in our Staff Engagement score, which increased in 2013-14 to 82 per cent. This compared with an average staff engagement score of 70 per cent across the eight community housing providers who took part in an industry survey. A more detailed analysis is provided in the 'Our People' section.



## Workplace Work Health and Safety

Bridge Housing continued its strong commitment to providing a safe workplace for its employees in 2013-14. The Work Health and Safety Committee and management executed the 2013-14 Work Health and Safety Management Plan. We maintained an excellent work, health and safety record, with no recorded incidents or lost work hours.

The Work Health and Safety Committee comprises two employees and two management representatives: the CEO, the General Manager Finance and Corporate Services. Staff elect the employee representatives, who act as the designated health and safety representatives, as required by legislation. The committee met four times in 2013-14 and undertook four workplace inspections, which identified no work, health and safety issues in the workplace.

To ensure that our work, health and safety practices and policies remain current and robust we commissioned an independent review of key policies and our management framework.

All policies were reviewed and updated and launched to our staff in conjunction with the launch of our new intranet in December 2014. This was supported by a mandatory training program run by specialised WHS trainers, Courtnells.

In addition, the WHS Committee identified two areas requiring detailed review: contractor compliance, and lone worker policies and procedures. The National Safety Council of Australia (NSCA) was appointed to review these areas of operation and to develop best-practice policies, procedures and documentation.

In addition, we reviewed systems to support these initiatives and are in the process of implementing the following systems:

- ▶ CM<sup>3</sup> to manage contractor documentation and compliance
- ▶ e<sup>3</sup>Learning to facilitate online contractor induction
- ▶ the StaySafe iPhone application to support lone worker policies and procedures.

In addition to the online Contractor Induction system we have also commissioned e<sup>3</sup>Learning to provide the following online e-learning modules:

- ▶ WHS Fundamental (All Staff)
- ▶ Duty of care for managers and supervisors (line managers)
- ▶ Manual tasks for workers (reception and admin staff)
- ▶ Working from heights (asset technical staff)
- ▶ WHS Harmonisation (Safety Committee).

The above initiatives are in various stages of implementation and will be finalised in 2014-15.

## 2014-15 Finance and Corporate Services Objectives

In 2014-15 Finance and Corporate Services plan to:

- ▶ achieve an EBITDA (earnings before interest, taxes, depreciation and amortisation) of \$601,000 to meet short- and long-term goals and objectives outlined in the Business Plan 2014-15
- ▶ secure debt facilities to fund the current development pipeline and provide for future growth and delivery of our NBESP leveraging targets

- ▶ develop the next three-year Strategic Plan for 2016-18
- ▶ undertake scenario planning to determine appropriate longer-term structure and possible future accommodation requirements
- ▶ continue to build our technology platform to drive business efficiency and process improvement
- ▶ continue to improve our budgeting, forecasting and reporting systems and processes
- ▶ expand the use of our Risk and Compliance software, including developing an Appeals and Complaints module
- ▶ finish implementing key WHS initiatives regarding contractor compliance and lone workers
- ▶ develop an ongoing HR strategy to build upon the previous HR improvement plan
- ▶ review and develop a strategy for ongoing internal audit program
- ▶ implement recommendations from the Communications review, including development of a new website.

# 2013-14 Financial Summary

## Financial position

Bridge Housing recorded an operating surplus before depreciation of \$1.37 million in 2013-14, compared to \$0.91 million in 2012-13. This result was \$0.6 million above budget primarily as a result of an unexpected donation of \$0.5 million received in June 2014.

## Economic dependency note

Bridge Housing is reliant on government subsidies, grants and resources, and income generated from our tenants' rent. We do not rely on donations to fund our operations. Our major sources of revenue are identified in the Revenue Graph on page 75.

## Revenue

Operating revenue increased by \$2.2 million in 2013-14. This was due to increases in:

- ▀ rental income collected from our six-month rent reviews
- ▀ the number of properties under management
- ▀ leasehold rental subsidies received after increasing rental payment expense on our leasehold portfolio.

The revenue breakdown is shown in the Revenue Table 2010-14 on page 75.

## Expenses

Expenses increased by \$2.6 million in 2013-14, which included:

- ▀ \$0.8 million in higher rental payments on our leasehold portfolio (offset by additional revenue)
- ▀ \$0.3 million in depreciation as a result of the additional properties vested to us in August 2013
- ▀ an additional \$0.7 million on repairs and maintenance to improve the standard of our properties.

The expenses breakdown is shown in the Expense Table 2010-14 on page 75.

Bridge Housing's net assets have increased from \$57.6 million to \$90.7 million during the course of the 2013-14 financial year. The movements are as follows:

- ▀ cash increased by \$0.6 million, from \$10.7 million in 2012-13 to \$11.3 million
- ▀ receivables decreased by \$1.5 million, from \$3.3 million in 2012-13 to \$1.8 million
- ▀ other assets increased by \$0.5 million, representing the deposit on our Bunya project
- ▀ non-current assets increased by \$33.4 million, from \$47.3 million in 2012-13 to \$80.7 million, due to an additional 79 properties vested to us in August 2013 (\$23.2 million) and the impact of revaluation of our property portfolio (\$11.2 million)
- ▀ liabilities decreased by \$0.2 million, from \$3.8 million in 2012-13 to \$3.6 million.

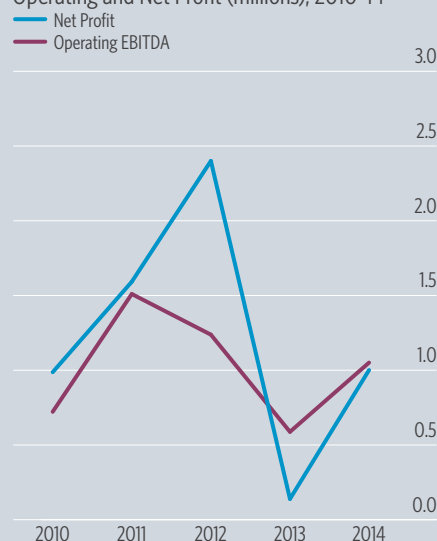
## Financial performance 2010-14

A five-year comparative analysis of our financial performance, including our 2013-14 results, is on page 78. This is an extract from our audited Financial Report 2014, available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au) or by contacting the Bridge Housing office on 02 8324 0800 or [reception@bridgehousing.org.au](mailto:reception@bridgehousing.org.au).

### Our Five-Year Report Card 2010-14

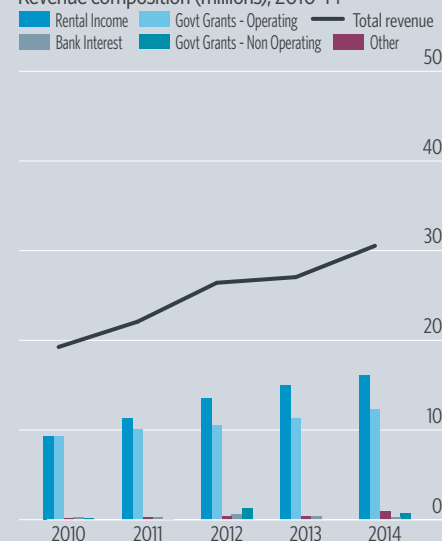
Our Report Card on page 76 provides a five-year analysis of Bridge Housing's key financial and operational ratios, and KPIs to 30 June 2014. The trend analysis shows that we performed well against our financial and non-financial KPIs. The only significant variation is our arrears, due to our approach of not writing off old arrears but instead pursuing a strategy to recover these through payment plans and other strategies. We are conscious that these are now at the top end of the acceptable range.

#### Surplus Operating and Net Profit (millions), 2010-14



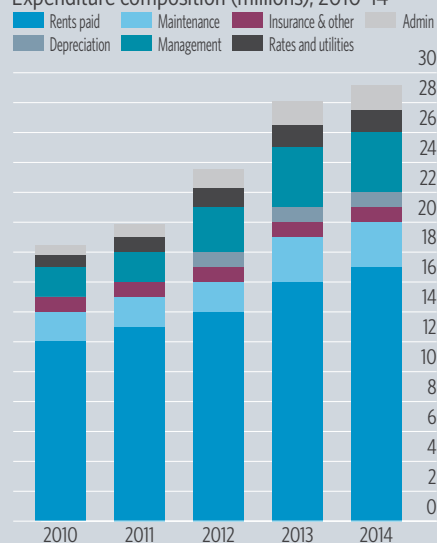
#### Revenue

##### Revenue composition (millions), 2010-14



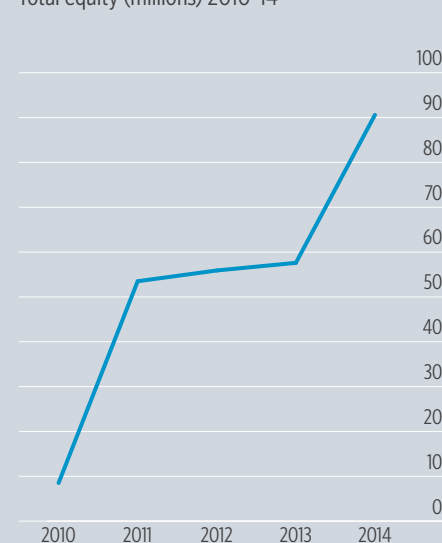
#### Expenditure

##### Expenditure composition (millions), 2010-14



#### Equity

##### Total equity (millions) 2010-14



## Our Five-Year Report Card

Key Performance Indicators 5-year analysis	Benchmark*	2010	2011	2012	2013	2014
<b>Tenant Satisfaction</b>						
Overall satisfaction with the organisation (%)	75%	N/A	88	86	85	84
<b>Service Development</b>						
Total housing properties		1,280	1,474	1,552	1,628	1,649
<b>Finance Management</b>						
Staff Cost as % of Total Revenue (%)		8	9	11	13	13
Property Costs as % of Total Revenue (%)		83	79	72	77	75
Administration Cost as % of Total Revenue (%)		3	4	5	6	5
Profitability Ratio - Operating EBITDA/ Operating Revenue (%)		4	7	5	2	4
Liquidity Ratio - Current Assets/ Current Liabilities		3	3	3	4	4
Cash Flow Ratio - Operating cash inflows / operating cash outflows		1.1	1.2	1.1	1.0	1.1
Interest Cover Ratio - Operating EBITDA/ Interest Expense		24	52	67	0	0
Return On Assets - EBITDA/ Assets (%)		8	3	4	1	2
Cash at End of Year (\$m)		7.7	11.4	10.6	10.7	11.3
Net Profit (\$m)		1	1.6	2.4	0.1	1.0
Reserve for Future Planned Maintenance (\$m)		2.2	2.2	2.2	0.0	0.0
Retained Profit (\$m)		4	49*	52*	56*	82*
*Includes NBESP Fair Value of \$54.6 million						
<b>Housing Management</b>						
Arrears (%)	2.5%	1.4	1.8	1.6	2.3	3.0
Market Rent Loss via Void (%)	2.5%	0.7	1.2	1.2	0.6	0.7
Market Rent Loss via Vacancy (%)	2.5%	0.7	1.4	1.2	0.7	0.4
Void Days	28 days	24	35	28	21	31
Vacant Days	14 days	11	15	17	18	16
Number of Tenants Exiting the Service Because of Possession Order Enforcement		8	6	5	23	19
Eviction Rate	10%	N/A	N/A	N/A	14.0%	9.4%
<b>Human Resources</b>						
Ratio of Staff to Lettable Properties		1:57	1:49	1:46	1:41	1:39
Staff Turnover %		11%	32%	35%	15%	11%
Number of Full Time Equivalent Staff		22	30	34	40	42

\* Benchmarks established by the National Regulatory System for Community Housing(NRSCH). See Registration Return Guide, [www.nrsch.gov.au](http://www.nrsch.gov.au).

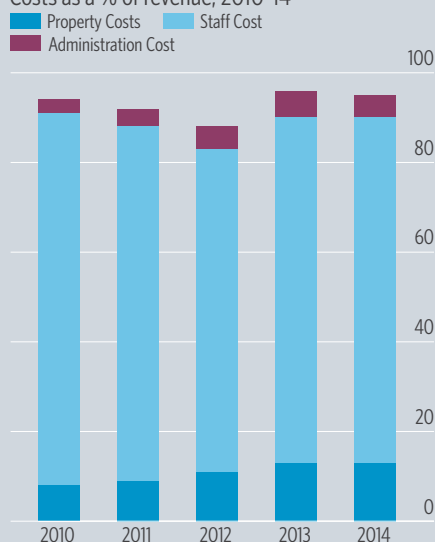


## Key Financial Viability Measures

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

### Cost Structure

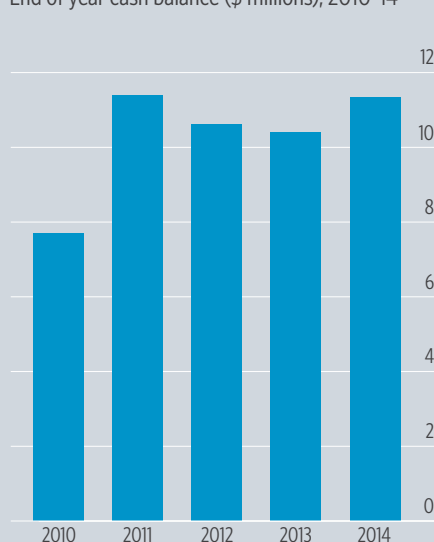
Costs as a % of revenue, 2010-14



Our cost structure remains reasonably consistent with the 2012-13 financial year, although overall has decreased slightly as a percentage of revenue. We expect this trend to continue, reflecting the investment we have made in staffing and other costs to support future growth.

### Cash Balance

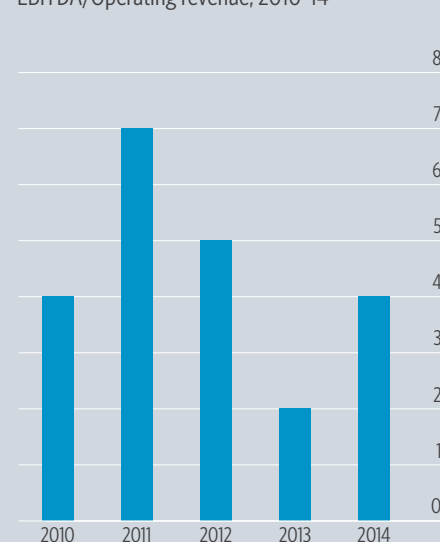
End of year cash balance (\$ millions), 2010-14



Our cash balance at 30 June 2014 was \$11.3 million. This is \$0.6 million more than the previous year. Bridge Housing has a very strong cash position to deliver affordable housing to low-to-moderate-income earners.

### Profitability Ratio

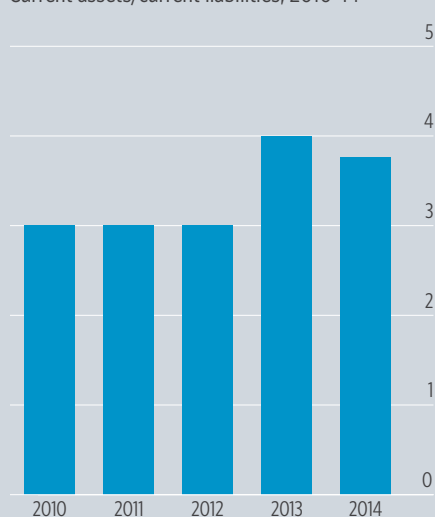
EBITDA/Operating revenue, 2010-14



This ratio measures Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) as a percentage of operating revenue. It has increased 79 per cent to \$1.1million.

### Liquidity Ratio

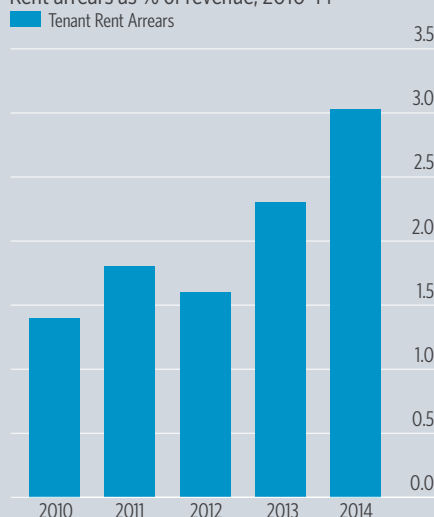
Current assets/current liabilities, 2010-14



The working capital (liquidity) ratio measures Bridge Housing's ability to repay its short-term debt using short-term assets. Bridge Housing's liquidity ratio at 30 June 2014 was 3.8, which indicates our strong capacity to meet short-term financial commitments.

### Arrears

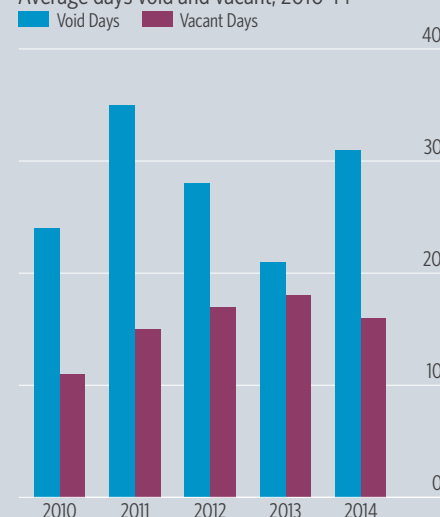
Rent arrears as % of revenue, 2010-14



This ratio measures our rental arrears as a percentage of operating revenue. The end-of-year figure is distorted because of rent adjustments in June as our rent review process took effect on 1 June 2014. We expect to see arrears trend down in 2014-15.

### Voids and Vacants

Average days void and vacant, 2010-14



Void days are those days our properties are unavailable for letting due to maintenance work. Vacancy days are those days a property is vacant before letting. The average number of each in 2013-14 was in line with the benchmark.

## Our Five-Year Financial Performance

Five-Year Financial Results at a Glance (In AUD)		2010	2011	2012	2013	2014
How much we...	Where does all the money come from?	\$	\$	\$	\$	\$
...Charged tenants for living in the properties	Rents	9,364,960	11,313,833	13,519,812	14,954,147	16,094,649
...Received from government	Non-Operating Grants received such as Sepp 10, Capital Grants	190,866	54,555	1,321,257	0	775,000
...Received from government	Operating Grants received	9,331,129	10,072,866	10,575,153	11,284,215	12,353,952
...Received from investment of surplus funds	Interest	240,071	328,293	649,452	384,049	313,881
...Received from other activities	Fees for service, water usage recharge, tenant reimbursement	132,626	315,062	352,487	425,900	1,002,208
...Received from government	Other Contribution -Properties Vested		43,400,000			24,489,552
<b>Total Revenue (Excluding Other Contribution)</b>		<b>19,259,652</b>	<b>22,084,609</b>	<b>26,418,162</b>	<b>27,048,311</b>	<b>30,539,691</b>
Where does all the money go?						
...Spent renting properties	Rents paid	-12,162,616	-13,011,627	-14,401,092	-15,919,794	-16,701,977
...Spent on property rates & utilities	Rates and utilities	-804,930	-1,017,297	-1,306,753	-1,481,775	-1,534,247
...Spent on maintaining the properties	Maintenance	-1,955,814	-2,409,567	-2,144,408	-2,551,892	-3,225,574
...Spent on other property expenses	Insurance & other property expenses	-1,028,997	-934,324	-1,177,210	-979,577	-1,449,963
...Allocated on other property expenses	Depreciation	-135,881	-279,203	-787,394	-833,298	-1,139,710
...Spent on administration expenses	Administration and overhead expenses	-651,641	-816,505	-1,214,522	-1,629,384	-1,611,363
...Spent on salary and related costs	Management expenses	-1,532,390	-2,023,830	-2,983,252	-3,513,457	-3,875,754
<b>Total Expenditure</b>		<b>-18,272,269</b>	<b>-20,492,353</b>	<b>-24,014,631</b>	<b>-26,909,177</b>	<b>-29,538,587</b>

Five-Year Financial Results at a Glance (In AUD)		2010	2011	2012	2013	2014
...Have kept to help with future activity	Surplus for the year	987,383	1,592,255	2,403,531	139,134	1,001,104
...Have retained of previous years' surpluses	Retained profits brought forward	7,524,001	51,911,385	53,503,639	57,484,194	89,683,458
...Have transferred to Reserve for PMP	Transfer to Reserve for Planned maintenance program	-2,232,856	-2,232,856	-2,232,856	0	0
...Have transferred to Reserve for property revaluations	Transfer to Assets Revaluation Reserve	0	0	0	-1,577,024	-9,147,602
...Have transferred to Reserve for property development	Transfer to Other Reserve for property development	-2,060,867	-2,098,422	-2,119,678	0	0
...Have retained to help with future activity	Retained profits carried forward	4,217,661	49,172,362	51,554,636	56,046,304	81,536,960
<b>Balance Sheet</b>						
...Were owed by our tenants and others	Debtors	2,136,779	2,662,687	3,226,468	3,300,514	1,772,496
...Had in the bank	Cash assets	7,746,993	11,436,818	10,609,766	10,733,902	11,332,328
...Had paid for property, furniture and equipment	Property, plant and equipment	2,175,745	45,393,630	46,105,774	47,377,159	81,211,806
...Owed to members & others	Liabilities	-3,548,133	-5,989,494	-4,034,839	-3,788,247	-3,632,069
<b>Net Assets</b>		<b>8,511,384</b>	<b>53,503,641</b>	<b>55,907,169</b>	<b>57,623,328</b>	<b>90,684,562</b>
...Have retained to provide for future planned maintenance program	Reserve	2,232,856	2,232,856	2,232,856	0	0
...Have retained to provide for assets	Assets Revaluation Reserve	0	0	0	1,577,024	9,147,602
...Have retained to provide for future property development	Other Reserve	2,060,867	2,098,422	2,119,678	0	0
...Have retained for future activities	Retained profits	4,217,661	49,172,362	51,554,636	56,046,304	81,536,960
<b>Total Equity</b>		<b>8,511,384</b>	<b>53,503,640</b>	<b>55,907,170</b>	<b>57,623,328</b>	<b>90,684,562</b>

# Our People

The passion and engagement of staff is our most important differentiator. By attracting and retaining talented employees, we can better deliver our vision and mission. Through a combination of their diverse experience, skills and capabilities across our business areas, our employees ensure we continue to provide high-quality services to our applicants and residents, and enable Bridge Housing to strive for greater success.

Major focuses of our People and Culture work in 2013-14 were a Leadership Development Program for existing and emerging leaders, a comprehensive Induction Program to assist on boarding new recruits and enhancing our Total Rewards Program. These and other initiatives are detailed below.



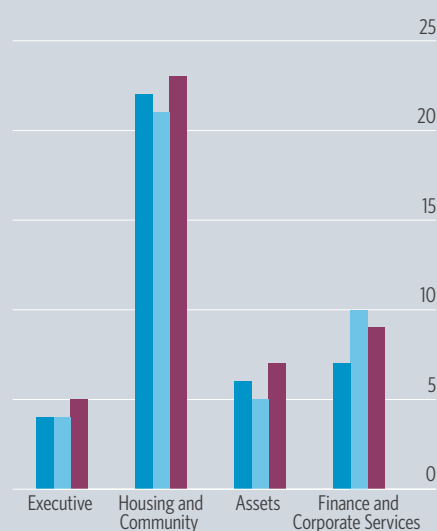
Business process planning, Enrique, Becky and Tamara



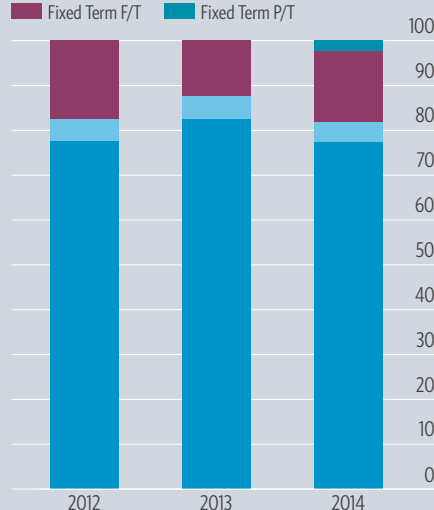
**Departments**

Employee No, 2012-14

2012 2013 2014

**Employment Status**

Employee contractual status %, 2012-14

Permanent F/T Permanent P/T  
Fixed Term F/T Fixed Term P/T**Staff Profile**

The Bridge Housing team comprises 42 dedicated, full-time equivalent staff members, including full-time, part-time, fixed-term and temporary staff. Our staff members operate from our head office in Redfern, across three service areas:

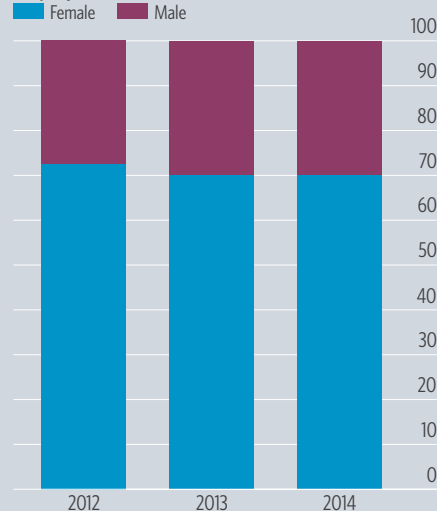
- Housing and Community
- Assets
- Finance and Corporate Services.

New positions include Development Manager and Community Development Manager. Our Executive Team went through a transition when the General Manager of Housing and Community took maternity leave and the General Manager Assets left in June 2014 to take up a senior position in the NSW Land and Housing Corporation. The strength and capacity of Bridge Housing is reflected in its ability to recruit two new Executive Team members into these roles without affecting our ongoing operations.

**Gender**

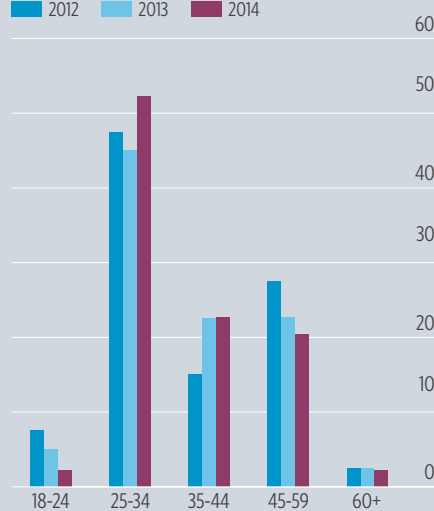
Employees %, 2012-14

Female Male

**Employee Age**

Employee age distribution %, 2012-14

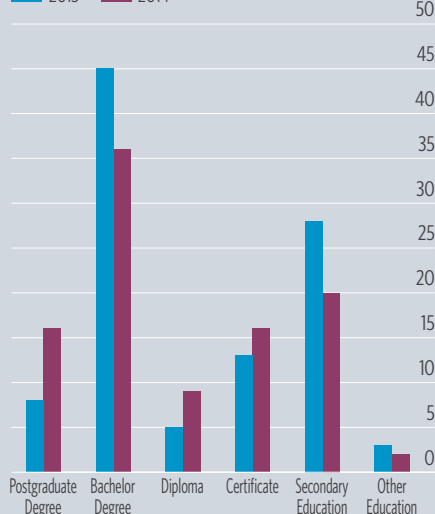
2012 2013 2014



**Education**

Level achieved %, 2013-14

■ 2013 ■ 2014

**Tenure**

Employee length of service by year %, 2012-14

■ 2012 ■ 2013 ■ 2014

**Salary Band**

Staff salary band %, 2013-2014

■ 2013 ■ 2014

**Induction Process**

During 2013-14, we formalised our induction process to ensure that new staff members understand our policies, procedures and company culture, as well as the key requirements of their role. The induction program covers staff members' three-month probation period and is supported by a learning journal that has been specifically developed for each key role within the organisation.

The learning journal sets out the key activities that must be undertaken for each role in the first week, and the first, second and third months of employment. The learning journals are supported by online

information and assessments delivered via Bridge Housing's intranet to validate completion of each stage of the learning journal.

**Employee Opinion Survey**

Bridge Housing contracted Voice Project in September 2011 to undertake its first Employee Opinion Survey (EOS). Voice Project is a research company at Macquarie University, specialising in employee opinion and engagement surveys. The company has conducted over 600 projects with more than 230 clients, and in 2013-14, for the first time benchmarked Bridge Housing's performance against eight other

community housing organisations who undertook a survey, as well as the broader community services sector.

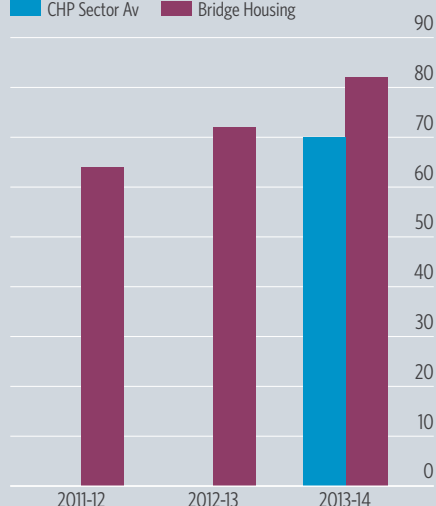
The survey allowed us to measure our progression and the impact of our HR improvement, compare our performance with the broader community and the healthcare sector and, for the first time, with other community housing providers.

In 2013-14, we conducted our third EOS<sup>38</sup>. We received a 100 per cent response rate and achieved an employee engagement level of 82 per cent, up from 72 per cent last year and 64 per cent in 2011. This engagement score was 12 per cent above the community housing sector average

38 The 2013-14 year was the first year that community housing organisations could benchmark. Eight Tier 1 community housing providers took part in the EOS Survey

**Employee Engagement**Bridge Housing compared to sector average  
%, 2012-14

CHP Sector Av Bridge Housing

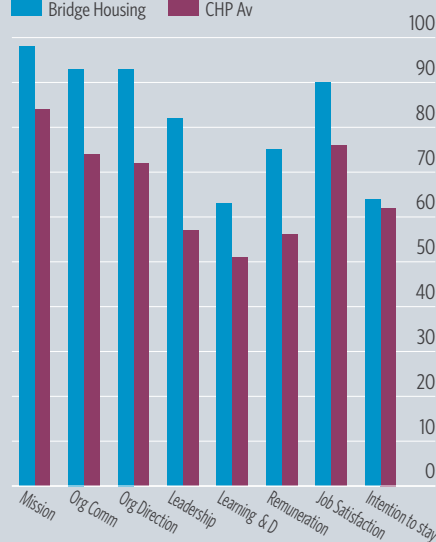


score and 20 per cent above that of the broader community and healthcare sector. Engagement levels are a critical indicator as they measure employees' commitment to the organisation, job satisfaction and intention to stay. This is a particularly pleasing result given it was achieved in a year of significant change throughout the organisation with the implementation of a major new IT system.

Drilling down further into the results shows that we scored above 90 per cent and significantly above the industry benchmark in the key business drivers of mission and values, direction, organisational commitment and job satisfaction.

**Employee Opinion Survey**Bridge results compared to sector average  
%, 2014

Bridge Housing CHP Av



We also achieved sector-leading results in remuneration and for our learning and development program.

We scored lower on the survey in the areas of technology, facilities and cross-unit cooperation, although, with the exception of facilities, our results were in line with or slightly above the industry benchmark.

We expect that our technology result will improve as the new IT system is further embedded in the organisation and other system-related initiatives are delivered. Our 2014-15 Business Plan includes initiatives to improve both cross-unit cooperation and our office facilities, although we are limited in what can be achieved in the latter area.

## Staff Turnover

In 2013-14, our staff turnover was 11 per cent, compared to the NSW community housing sector average of 18 per cent<sup>39</sup> and represents a decrease from our 20 per cent turnover in 2012-13 and 33 per cent in 2011-12. This result reflects the implementation of our Human Resources Improvement Plan and highlights the increased stability and engagement of our workforce.

We undertake a comprehensive exit interview when a staff member leaves. In 2013-14, most exiting staff cited personal issues as the main reason they left their job, which were generally out of our control or influence.

We believe that a certain level of staff turnover is healthy, as new employees bring fresh ideas. We also believe our current turnover is at the bottom of the expected range.

## Performance Management

In 2012-13, Bridge Housing implemented a new organisation-wide Performance Management and Development System, which included an annual Performance Management Process (PMP). The process comprises ongoing

performance and development planning, and the monitoring and reviewing of staff performance.

The PMP enables us to more closely align our culture and behaviour with our Corporate Values by linking Strategic, Business Plan and Individual KPIs. Part of any salary increase is now based on meeting these KPIs. This process was further refined and supported in 2013-14, through the development of a Managing Performance and Behaviours Guideline and the inclusion in our Leadership Development Program of modules on having difficult conversations and managing performance.

## Learning and Development

Bridge Housing introduced a new Learning and Development Policy in 2012-13, including updated policies for study leave and study assistance. The policy provides a strategic framework for training and development, linked to the core competencies required for each position. It has helped us build our staff and organisational capacity, assist in staff retention and address employee concerns about career opportunities revealed in earlier Employee Opinion Surveys.

We implemented a detailed training calendar that built on the outcomes of individual development plans and identified the training required for staff to help us meet our Strategic and Business Plan objectives. During 2013-14 Bridge Housing spent \$72,000 on training, or 2.2 per cent of salary costs.

As part of this calendar year we delivered our Leadership Development Program to develop the capacity of current managers and potential future leaders. This is highlighted in the Spotlight on page 86.

We also provided opportunities for career development during the year, including the chance to take on higher-level duties and secondments, join project teams and receive executive mentoring. Through these initiatives, five staff members were able to undertake secondment opportunities, four staff members acted up and 20 staff members participated on various project teams. This reflects Bridge Housing's strong commitment to staff development and increasing staff skills to be successful in a market-tested recruitment process.

During 2013-14, staff attended the following training courses, industry forums and events.

<b>Executive</b>	<ul style="list-style-type: none"> <li>Working effectively with culturally diverse clients – NSW Federation of Housing Associations</li> <li>CFO Forums – Powerhousing Australia</li> <li>NSW Family and Community Services – Inner City Homelessness Service System Reform Roundtables/Going Home Staying Home Reform roundtables</li> <li>CEO Forum – NSW Federation of Housing Associations</li> <li>Transparency in Reporting – Pricewaterhouse Coopers</li> <li>Housing Needs of People Exiting Corrective Services – NSW Corrective Services</li> <li>Public Housing in the Inner City – Shelter NSW</li> <li>National Regulatory Scheme Workshop – National Regulatory Scheme for Community Housing</li> <li>Maximising Opportunities – The Australasian Housing Institute</li> </ul>
<b>Housing and Community</b>	<ul style="list-style-type: none"> <li>Work Effectively in Social Housing – NSW Federation of Housing Associations</li> <li>Certificate IV in Social Housing – NSW Federation of Housing Associations</li> <li>Introduction to Housing Law – Redfern Legal Centre</li> <li>Money Matters in Social Housing – Redfern Legal Centre</li> <li>Homeless Person Week Practitioner Forum – The Australasian Housing Institute</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>Asbestos Awareness – TAFE NSW</li> <li>Diploma of Quality Auditing – Auditor Training Centre</li> <li>Scoping Training and Assessment – NSW Federation of Housing Associations</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Financial Models for Community Housing Criterion Conferences</li> <li>Raise the Bar – Microsoft Excel (intermediate and advanced)</li> <li>Raise the Bar – Microsoft Excel (formulas and functions)</li> </ul>
<b>Cross-organisation</b>	<ul style="list-style-type: none"> <li>Cultural Awareness Training – David Widders Consulting</li> <li>Conduct of Privacy – Complispace</li> <li>Health and Safety Induction for All Staff – Courtenells</li> <li>Work Effectively with Culturally Diverse Clients and Co-workers – NSW Federation of Housing Associations</li> <li>Fraud, Corruption and Conflict of Interest – Brett Warfield and Associates</li> <li>Equal Opportunity, Bullying and Harassment Prevention – Blooming HR</li> <li>Customer Service Standards and Practices – Mary Gober International</li> </ul>
<b>Conferences</b>	<ul style="list-style-type: none"> <li>Australian Housing and Urban Research Institute (AHURI) – AHURI National Conference 2013</li> <li>Growing Affordable Housing – The Australasian Housing Institute</li> <li>Financial Models for the Community Housing – Criterion Conferences</li> <li>International Housing Partnership Exchange Annual Conference.</li> </ul>



# Spotlight 6:

# Leadership Development



Staff participating in the Leadership Development Program

Bridge Housing initiated and ran a Leadership Development Program in 2013-14 for 20 existing and emerging leaders in the organisation. Part of our broader Learning and Development Program, it was designed to develop the capacity of our staff and assist in succession planning by building our internal capacity to support growth.

Participants built core leadership skills through a seven-month interactive program which included:

- ▶ adaptive leadership
- ▶ leading and managing change
- ▶ project management
- ▶ managing performance
- ▶ having difficult conversations
- ▶ coaching.

The program also incorporated a Behavioural Self Assessment for all participants, using the Team Management Profile System tool. All participants found this invaluable in gaining a better understanding of their working and management styles and those of others around them.

Each participant was required to apply their learnings and engage in a business improvement project which extended beyond the program. Four

project teams were formed to deliver an electronic records management system, a rent card, a maintenance contract review and a diversity policy.

Participants have provided a very positive evaluation of the course and we believe the knowledge and development they have gained through Bridge Housing's investment is of great benefit to our staff.

In 2014-15, we plan to have all staff members undertake a Team Management Profile Assessment to develop their understanding of preferred working and management styles. Elements of the program will also become part of our core staff learning and development training, to allow us to work more effectively within our team environment and embed a common language and understanding throughout the organisation.

The Leadership Development Program was developed and delivered by the Institute of Public Administration Australia, using the training resources of Marana Consulting.

*"The presenter combined an in-depth understanding of content with excellent delivery. They engage the participants and don't gloss when application is difficult; for example, when talking about having difficult conversations."*

*"The skills and knowledge I learnt from the workshops are so useful and I can use them straight away at work."*

*"Great content and delivery, excellent and clearly knowledgeable trainers and interesting subjects."*

## Equity and Diversity

Bridge Housing is committed to employment equity and diversity. In 2012-13, we formalised this commitment by approving a new Diversity Policy.

Our policy states that we are committed to workplace diversity, we value and respect our differences, and our workplace is fair, accessible, flexible and inclusive, and free from discrimination and harassment. By drawing on a wide range of points of view, we can work to our full potential in achieving our business goals.

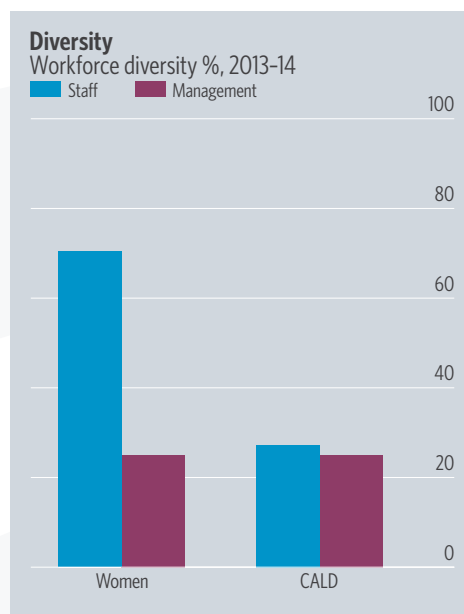
In the first instance, we will focus on ensuring that we meet the principles of gender diversity, and on seeking ways to address other areas of diversity over the course of our Strategic Plan 2012-15. We will develop strategies and programs to support the policy and set KPIs to measure the outcomes.

The policy has established the following targets, which are consistent with best practice:

- ▶ 50 per cent of all recruitment candidates for a Board position or position in the Bridge Housing workforce must be women who meet the position criteria
- ▶ by the end of 2012-13 a minimum of:
  - ▶ 40 per cent of Board positions will be held by either gender
  - ▶ 40 per cent of positions in the team leader band position will be held by either gender
  - ▶ 40 per cent of general manager positions will be held by either gender

Bridge Housing's workforce will reflect the community in which it operates.

Women make up 72.5 per cent of our employees, consistent with the gender balance in the Health and Community Services sector. We met or exceeded our target for diversity in middle management, with 60 per cent of roles held by women. However, only one of the three General Manager positions is held by a woman. We will establish a Diversity Committee,



chaired by the CEO, to develop and drive the policy. We have also joined the Diversity Council of Australia.

We embrace a culturally diverse workforce, which reflects the breadth of diversity in our applicants and tenants. Our staff reflects the diversity of the residents and the communities in which we operate. They variously speak Arabic, Cantonese, French, Greek, Mandarin, Portuguese, Spanish and Tagalog.

## Health and Wellbeing Program

Bridge Housing continued to build and extend its Health and Wellbeing Program to staff members during 2013-14. The program helps:

- ▶ increase employee satisfaction and engagement
- ▶ improve staff productivity and performance
- ▶ support employee lifestyle and behavioural changes
- ▶ improve workplace morale.

We have a long established Employee Assistance Program and this year staff members made use of this program. We consulted and surveyed staff members at the beginning of the year to ensure the program

continued to meet their needs and achieve its objectives. We launched the 2013-14 program at our Annual Benefits Expo in May 2014, as part of our Total Reward Program. As well as maintaining the very popular monthly massages, we added the following programs to our Health and Wellbeing calendar during the year:

- ▶ Healthy Eating/Nutrition
- ▶ Weight Loss
- ▶ Positive Psychology
- ▶ Sleeping Well.

### Fruit Box

During 2013-14, we introduced a weekly fruit box to provide staff with a healthy snack alternative.

### Charity day

In line with our values and the development of our Corporate Social Responsibility, we have implemented a policy to offer staff a day off per year to volunteer for an approved charity event.

### Donations

We have formalised our support of several community and charity events throughout the year, including NAIDOC Week, Homelessness Week, Australia's Biggest Morning Tea and Sydney Running Festival. In connection with these events, Bridge Housing has updated its policy to match any staff donations or funds raised dollar for dollar (read more on page 88).

Our staff members continue to enjoy many benefits to help them maintain a healthy work-life balance, including:

- ▶ a 35-hour working week
- ▶ flexi-time – starting any time before 9.30am and finishing any time after 4.30pm – which the majority of staff members take advantage of
- ▶ flexible working arrangements, such as part-time hours and leave without pay, which four staff use
- ▶ annual flu vaccinations.

# Bridge Housing in the Community

## 2013 City2Surf

In August 2013, 20 Bridge Housing staff members entered the City2Surf, the annual 14-kilometre fun run from Hyde Park to Bondi Beach, Sydney, to raise funds for sister not-for-profit organisations. It was the fourth time Bridge Housing staff members had entered a team in the event. Running under the banner of the Bridge Housing Harriers, they raised a total of \$1,500 for the Redfern Foundation, which supports three local community organisations operated primarily by and for Aboriginal people:

Mudgin-Gal, Babana Mens' Group and the Tribal Warrior Association.

This year, our contributions went to Mudgin-Gal (meaning 'Women's Place'), which offers support for women, girls and their young families, including drop-in, in-home family support; legal and medical services; accommodation referral; and educational and vocational support programs. Mudgin-Gal's 'Black Out Violence' campaign is acknowledged as a best-practice model for addressing family violence in urban Aboriginal communities.

## 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 2013-14, Bridge Housing staff raised \$1,100 to help fund the work of the Cancer Council.

## 2013 City of Sydney Street Count

The City of Sydney conducts bi-annual street counts of rough sleepers in the heart of the city as part of its Homelessness Strategy. The objective is to collect up-to-date information about the number of people sleeping rough in this local government area to help measure the effectiveness of the City's Homelessness Services and other local initiatives.

Given the work Bridge Housing does in resolving chronic homelessness through programs like Platform 70, Bridge Housing staff volunteered for the fifth consecutive time in the early hours of the morning in August 2013 and February 2014 to help the City of Sydney collect the data it needs. Bridge Housing remains committed to this important task and will be volunteering again in 2015.



Donating to Mudgin-Gal support centre

## Contributions to Our Industry

### Membership

Bridge Housing plays an active role in the community housing industry, being a member of industry organisations including the NSW Federation of Housing Associations, PowerHousing Australia and the Australasian Housing Institute.

Our CEO, John Nicolades, was elected President of the NSW Federation of Housing Associations in February 2014 and has provided meeting facilities for the NSW branch of the Australasian Housing Institute.

### Presentations

Title	Presenter	Date	Conference/Seminar
Industry respondent	John Nicolades	May 2014	The community housing industry: maximising opportunities, Australian Housing and Urban Research Institute
Short film interview: "In what ways have the ARA awards helped in annual reporting"	John Nicolades	May 2014	2014 Australasian Reporting Awards snapshot

### Media

Bridge Housing's media presence grew in 2013-14 through the development and implementation of our Communications Strategy. Our media coverage included:

ABC 702	June 2014	Interview with ABC 702 morning host Linda Mottram for the launch of Building Bridges Community Building and Engagement Strategy on 6 June <sup>40</sup>
The Sydney Morning Herald	May 2014	Mentioned in article entitled 'Funding cuts add to affordable housing shortage', coinciding with the launch of the National Affordable Rental Scheme announced in the May 2014 Federal Budget <sup>41</sup>
ABC TV News	July 2013	News item on Platform 70 housing its 70th tenant <sup>42</sup>

<sup>40</sup> [www.youtube.com/watch?v=b7k2QNzQouo](http://www.youtube.com/watch?v=b7k2QNzQouo).

<sup>41</sup> [www.smh.com.au/nsw/funding-cuts-add-to-affordable-housing-shortage-20140517-38gpb.html](http://www.smh.com.au/nsw/funding-cuts-add-to-affordable-housing-shortage-20140517-38gpb.html).

<sup>42</sup> [www.youtube.com/watch?v=fraPtzq93xQ](http://www.youtube.com/watch?v=fraPtzq93xQ).



# Facts and Figures

This section of the Annual Report shows the changing profile of Bridge Housing since 2010 by examining our property portfolio, tenancies and the diversity of our tenants.

## Properties

### How many?

Bridge Housing's property portfolio increased from 1,628 to 1,649 properties in 2013-14. The additional properties came from the Canterbury/Bankstown New Supply program. This increased the percentage of capital properties in the portfolio.

We lease capital properties from the Land and Housing Corporation on recurrent three-year leases. Also included in our capital property portfolio are 243 properties vested to us under the NBESP. We manage fee-for-service properties on behalf of other organisations for a fee. Social Housing Subsidy Program properties are targeted at households on moderate incomes.

### Location

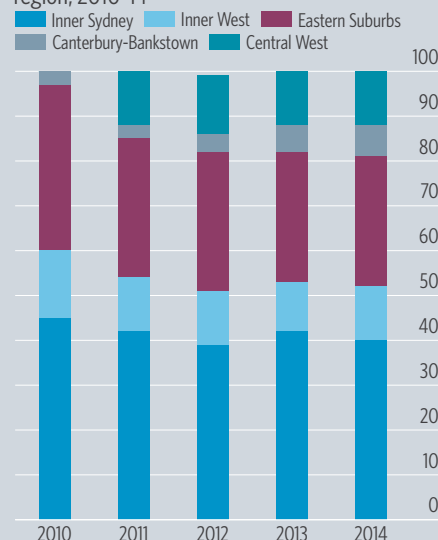
Our properties are predominantly located in inner Sydney, as well as the Inner West and Eastern Suburbs. Since 2010, we have increased our presence in central-western Sydney (Parramatta Council) and the Canterbury and Bankstown areas following the transfer of NBESP properties and our successful tender to manage properties in Canterbury and Bankstown.

### Type

Our properties are predominantly one- and two-bedroom units in two-, three- and four-storey buildings. We have a smaller number of two- and three-bedroom houses. We seek properties that will best match the type and size of our tenant and applicant households.

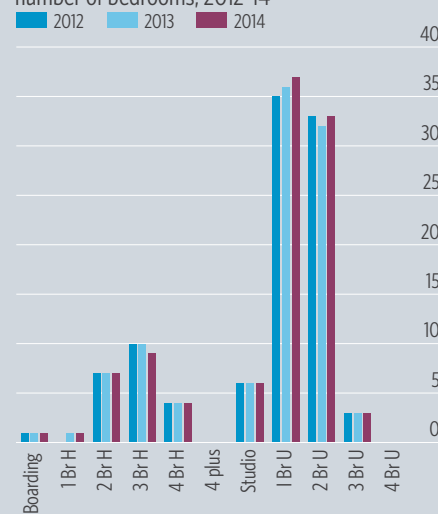
### Property Location

Percentage of properties by Sydney metropolitan region, 2010-14



### Property Type

Percentage of properties by dwelling type and number of bedrooms, 2012-14





## Tenancies

### Who we house

The majority of our tenancies 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 predominantly headed by women across all age groups. This reflects the lower incomes of female-headed households.

### The number of people housed

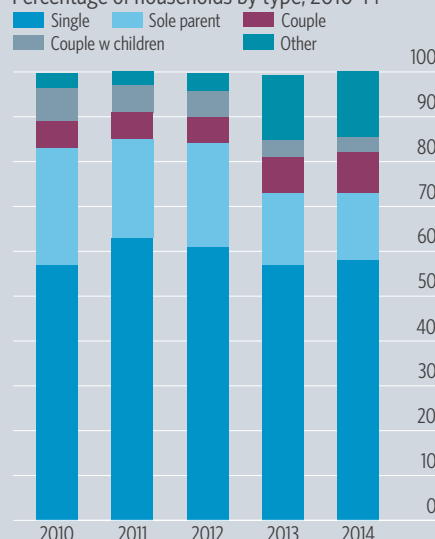
We accommodated 177 new tenants in 2013-14 through vacancies and additions to our property portfolio. There were 83 tenants in our capital properties, 20 in our fee-for-service program and 74 in our leasehold program. This shows the importance of vacancies in creating additional housing opportunities for people on our waiting list.

Internal transfers – existing Bridge Housing tenants moving to another Bridge Housing property – helped us meet the changing housing needs of our tenants through the Housing Pathways system, which helps free up under-occupied properties.

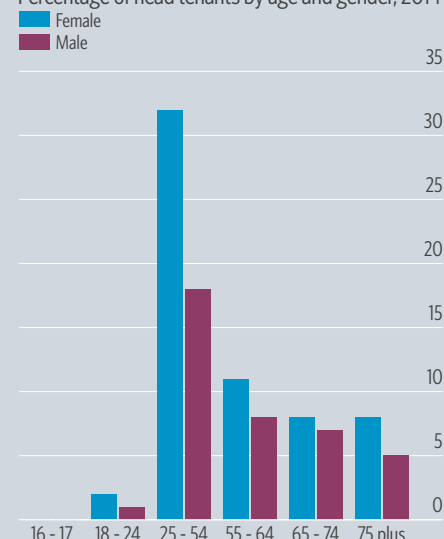
### How long tenants stay

Bridge Housing provides long-term secure accommodation for low- and moderate-income households in regions with low rental and purchase affordability. 30 per cent of our tenants have been with Bridge Housing for more than five years and 60 per cent for more than two years. The increase in tenancies of less than one year in 2012-13 is due to the number of new properties in our portfolio from the Property Transfer Program, and the NBESP from 2009-10.

**Household Composition**  
Percentage of households by type, 2010-14



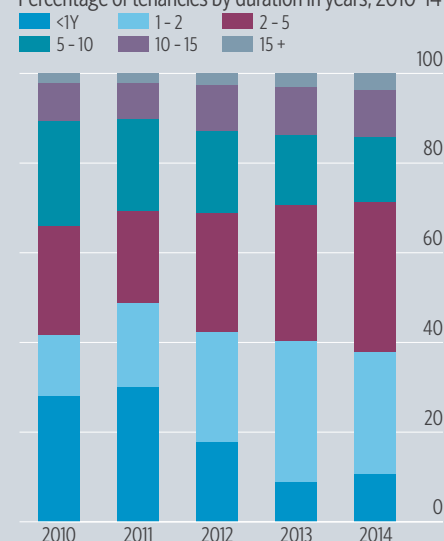
**Gender and Age**  
Percentage of head tenants by age and gender, 2014



**New Tenancies**  
Number of new tenancies and transfers, 2010-14



**Tenancy**  
Percentage of tenancies by duration in years, 2010-14



## Income

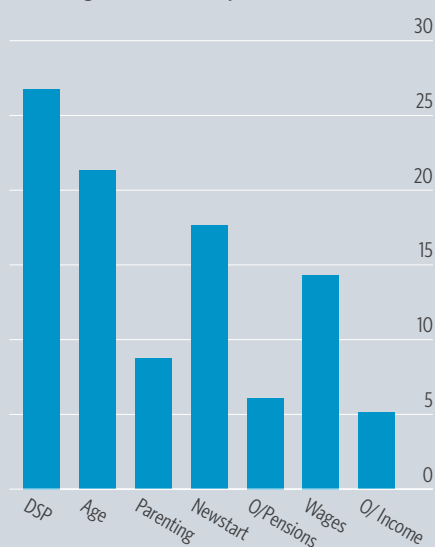
Bridge Housing tenants are predominantly Centrelink beneficiaries (86 per cent). They mainly receive income from the Age Pension (21 per cent), Disability Support Pension (27 per cent), Newstart Allowance (18 per cent) and Parenting Payment (8 per cent). Wage earners account for 13 per cent of our tenants, many of whom are in our affordable housing programs.

## Language and cultural identification

Bridge Housing tenants and applicants are considerably diverse, culturally and linguistically. They speak more than 47 languages. After English, the major languages represented are Arabic, Asian and European languages, which together make up almost 20 per cent of all tenants. Six per cent are from an Aboriginal or Torres Strait Islander (ATSI) background.

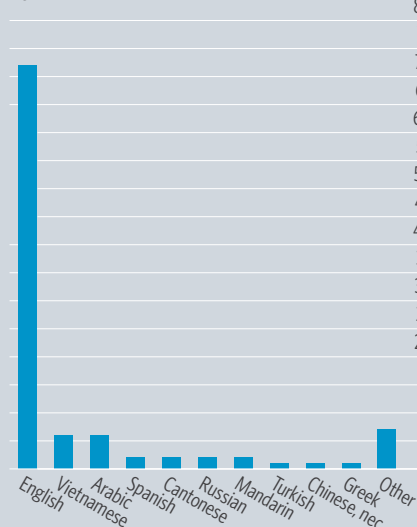
### Income

Percentage of tenancies by income source, 2014



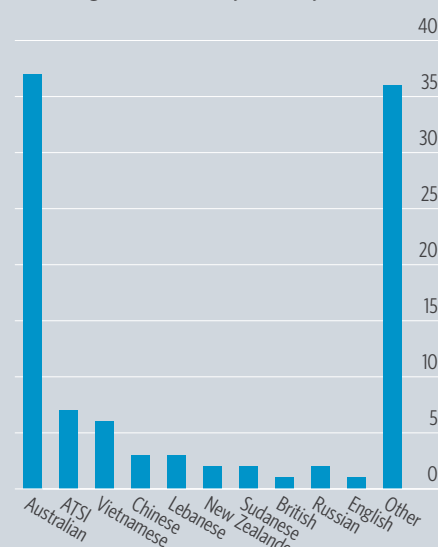
### Language

Percentage of tenancies by preferred language, 2014



### Cultural Identification

Percentage of tenancies by ethnicity, 2014



# Acknowledging Our Partners

## Thank You

We would like to thank the people and organisations who have assisted us in 2014.



Our 40 support partners who assist Bridge Housing maintain sustainable tenancies for the most vulnerable in our community:

Neami National and 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.

The Community and Private Market Housing Division of Housing NSW,

Department of Family and Community Services for contracting housing services to Bridge Housing.

The NSW Land and Housing Corporation for assisting in expediting our Cowper St, Glebe project

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

Jennine Blundell for facilitating our 2014-15 Business Planning process

Dr Tony Gilmour and the Housing Network for assistance on the UrbanGrowth NSW Bunya

Affordable Housing Tender and Sydney Olympic Park Authority Affordable Housing Tender

Pamela Pryor, Hori McKenzie, Zorica Lackovich, and Clive Matthews (Chair and Leadership Team - Bridge Housing's Tenant Advisory Group)

The many tenants who contributed to the development of Building Bridges- Bridge Housing's Community Building and Engagement Strategy

Donors to the City2Surf fundraiser

# Glossary and Abbreviations

## 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 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 refugees and shelters.
High Growth and Medium Growth scenarios	Bridge Housing developed two growth scenarios: 'Medium Growth', which assumed the delivery of existing projects in the pipeline (2,000 homes); and 'High Growth', which assumed the Medium Growth scenario plus the NSW Government recommencing the Property Transfer Program in 2012-13 and continuing it during our Strategic Plan 2012-15. The High Growth scenario also assumed that we successfully tender for 400 properties per annum (3,000 homes).
Homelessness	<p>Over the past 20 years, various definitions of homelessness have been developed and used in Australia and other OECD nations. In 2012, the Australian Bureau of Statistics (ABS) released its definition of homelessness, after some years of discussion and debate. The ABS statistical definition of homelessness is:</p> <p>When a person does not have suitable accommodation alternatives they are considered homeless if their current living arrangement:</p> <ul style="list-style-type: none"> <li>▶ is in a dwelling that is inadequate; or</li> <li>▶ has no tenure, or if their initial tenure is short and not extendible; or</li> <li>▶ does not allow them to have control of, and access to space for social relations.</li> </ul> <p>For further information, visit Homelessness Australia <a href="http://www.homelessnessaustralia.org.au">www.homelessnessaustralia.org.au</a></p>
Housing Pathways	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 ( <a href="http://www.housingpathways.nsw.gov.au">www.housingpathways.nsw.gov.au</a> ).
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 'broad-hectare') 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.
Nation Building Economic Stimulus Package (NBESP)	The Australian Government's \$42 billion investment in stimulating the economy during the global financial crisis in 2008-09. NSW received \$2 billion to deliver around 6,000 social housing homes 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	<p>The Council 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.</p> <p>The Council was abolished in May 2014</p>
National Rental Affordability Scheme (NRAS)	<p>An Australian 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.</p> <p>The Scheme was abolished in May 2014</p>
National Regulatory Scheme for Community Housing	<p>The objectives of the NRSCH are to:</p> <ul style="list-style-type: none"> <li>▶ Provide a consistent regulatory environment to support the growth and development of the community housing sector</li> <li>▶ Pave the way for future housing product development</li> <li>▶ Reduce the regulatory burden on housing providers working across jurisdictions</li> <li>▶ Provide a level playing field for providers seeking to enter new jurisdictions</li> </ul> <p>(<a href="http://www.nrsch.gov">www.nrsch.gov</a>)</p>

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 2009–10 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 Estates.
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.
State Environmental Planning Policy (SEPP)	SEPPs deal with issues significant to the state and people of NSW. The SEPP No 70: Affordable Housing (2009) establishes a consistent planning regime for the provision of affordable rental housing. The policy provides incentives for new affordable rental housing, facilitates the retention of existing affordable rentals, and expands the role of not-for-profit providers. It also aims to support local centres by providing housing for workers close to places of work, and facilitate development of housing for the homeless and other disadvantaged people. For further information, visit <a href="http://www.planning.nsw.gov.au">www.planning.nsw.gov.au</a> .
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, Hunters 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.

## Abbreviations

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



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Design: Karl Reimann: [www.deepspace.com.au](http://www.deepspace.com.au)  
 Photography: Tim Jones: [www.timjones-photography.com](http://www.timjones-photography.com)  
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 John Kung: [www.johnkung.com](http://www.johnkung.com)  
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The Bridge Housing Annual Report is printed on ecoStar carbon neutral paper. ecoStar is made from 100% recycled post-consumer fibre and FSC certified.

Front cover: Norbert, a Bridge Housing tenant





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