bridge housing

linking people to a better future

ANNUAL REPORT 2015

Bridge Housing Team

bridge housing linking people to a better future

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About This Report

The Bridge Housing Limited *Annual Report 2015* provides key stakeholders with a summary of our operational and financial performance during the 2014–15 financial year. We wish to tell the story of what we do, why we do it and how our work affects the residents and communities we serve.

To assess how well we are performing, we measured our outcomes for 2014–15 against the targets set in our Strategic Plan 2012–15 and detailed further in our Business Plan 2014–15.

Our Audience

This report is primarily prepared for 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
- 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.

Acknowledgement of Country

Bridge Housing acknowledges the Gadigal and Darug people as the traditional custodians of the lands on which we operate and wish to pay respects to their Elders both past and present.

Our Vision

To be a leading not-for-profit provider of quality affordable housing.

Our Mission

To improve lives and strengthen communities by providing housing and services for low to moderate income households.

Bridge Housing Limited

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Our Values

We are	This means
Socially responsible	We are committed to encouraging social inclusion and improving the lives of the people and communities we support.
People-focused	The needs of our applicants and residents are at the core of all our activities and decisions. We empathise with them and deliver our services with fairness, respect and sensitivity. We value and support our employees to enable them to perform at their best and achieve their full potential.
Committed and passionate	We put our hearts and minds into our work. We value and encourage innovation and continually seek to improve our performance.
Build relationships	We build relationships based on trust and respect to create positive outcomes for the people and communities we serve.
Professionalism and integrity	We 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 factors for Bridge Housing's success. These factors are implemented through our annual Business Plans. In our Strategic Plan 2012–15 these factors were:

- 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 detail our performance against our Business Plan objectives for 2014–15, which are aligned with and fulfil the Strategic Plan 2012–15. Our Strategic Plan 2015-18 was approved by the Board in June 2015 and we will commence reporting in our Annual Report 2016.

Our Services

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

- owns 254 properties
- manages 741 properties owned by the NSW Land and Housing Corporation (LAHC), the public housing authority
- leases 610 properties from the private rental market
- manages 111 properties on behalf of other organisations and individuals
- acquires and develops properties
- provides responsive and planned maintenance services on a property portfolio valued at $373 million[1].

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 15 support partners under formal agreements and many more services to support individual tenants. Please see Acknowledging Our Partners on page 101 for more details.

1 This is based on an average value of $340,000 per unit and $632,500 per house (as per recent portfolio valuations) multiplied by the number of Bridge Housing properties, and properties managed on behalf of the NSW Land and Housing Corporation – a total of 995 properties. Leasehold and fee for service properties are excluded.

Highlights

2014-15 has been another successful year for Bridge Housing where we have continued to improve the business and our service delivery, established debt facilities to fund our development pipeline, begun a number of developments, restructured our service delivery model and futher developed our strong governance.

Achievements

Strategic Portfolio Growth

In 2014–15, we increased our property portfolio from 1,649 to 1,716 dwellings including:

- securing the last group of 63 properties through Family and Community Services' 2012–14 new-supply program covering the Canterbury and Bankstown local government areas
- securing the management of the first 11 of 18 properties under the Sydney Olympic Park Authority (SOPA) affordable housing program.

We commenced developments to provide 112 affordable homes by late 2016 and 153 more by 2018. The projects include:

- the Bunya development at Bungarribee, which will deliver 65 homes – the first concrete slabs were poured in July 2015
- the planning phase of the Ashfield redevelopment, for which a start date of August 2015 was set
- securing of land in Parramatta in December 2014 to replace three cottages with a 38-unit complex, set to start construction in October 2015
- redevelopment of land in Cowper Street, Glebe, to provide 153 homes for older people by 2018.

Delivering Quality Homes and Services to Our Residents

We completed the first year of our award-winning Building Bridges strategy, our community building and engagement program. This is reflected in an 80 per cent satisfaction rating for tenant involvement in the Tenants Survey 2014–15[2].

The Platform 70 program was finalised in 2014–15. In total, 107 rough sleepers were housed through the initiative that provided long term subsidised housing in the private rental market linked to support provided by NEAMI International. The program was extremely successful, with more than 80 per cent of tenants sustaining their housing.

We also housed 11 tenants through Connect 100, a government initiative to address the drift of homeless people away from their communities towards the inner city for better access to services. We will continue to work with the NSW Department of Family and Community Services (FACS) for the life of the program.

Our customer service benchmarks were released and we improved our telephone and face-to-face customer service, as measured through mystery shopping carried out by Customer Service Benchmarking Australia.

Our overall satisfaction rating of 81 per cent in the Tenant Survey 2014–15 compared well to the national regulatory benchmark of 75 per cent.

We also achieved a significant improvement in complaints handling, from 39 per cent to 49 per cent[3].

Planned maintenance works valued at $2.43 million on 418 dwellings ensured that 96 per cent of our capital properties were well maintained or maintained above standard, according to an independent property assessment survey undertaken by the NSW Land and Housing Corporation. The level was also well above the 70 per cent national regulatory property condition benchmark[4]. This reflected the satisfaction rating of 84 per cent for property condition, achieved in the Tenant Survey 2014–15.

Effective Governance

Bridge Housing introduced a directors' tenure limit of 10 years, which was approved at the 2014 AGM, to balance the need for renewal and experience.

The gender balance on the Board is 50/50 compared to our target guarantee of no less than 40 per cent of either gender.

Business Sustainability

We delivered a net operating surplus before depreciation and impairment of $796,892 in 2014–15 compared to $865,814 in 2013–14, and increased net assets by 12 per cent to $101 million, primarily as a result of the increased valuation of our property portfolio. This, combined with our strong cash position and the establishment of corporate debt facilities, places Bridge Housing in a strong financial position for growth.

2 Bridge Housing is one of 19 community housing providers which are part of the NSW Federation of Housing Associations' benchmarking report. Eleven are from NSW, followed by Victoria, South Australia, Queensland and Western Australia. Members are assessed on the same set of questions.
3 The NSW sector benchmark is 47 per cent of tenants satisfied with how complaints were handled.
4 The National Regulatory System for Community Housing 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, p 18. www.nrsch.gov.au.

Developing Our People

The organisation implemented an online performance management system to improve staff performance and accountability.

We also introduced an online e-learning portal to deliver both compulsory compliance training and a range of courses for professional development.

Key work health and safety initiatives were implemented to make staff safer. In particular, we revised our Lone Worker Policy and Procedures to ensure that staff members working in the field or out of hours on their own are supported to do so safely. Further details can be found in the Work Health and Safety section on page 84.

Increasing Our Profile

The organisation's communication strategy for 2014-15 included redesigning the website, increasing the use of social media (Facebook, Twitter, LinkedIn and YouTube), and refreshing the Bridge Housing brand.

We also maintained a good media profile with coverage in *The Sydney Morning Herald* newspaper and on ABC TV.

Challenges

Bridge Housing faced a number of challenges during the year:

- Staff engagement fell to 75 per cent after rising from 62 per cent to 84 per cent between 2011 and 2014.
- The NSW Government delayed approval for the redevelopment of the Cowper Street, Glebe site.
- Satisfaction with our housing services, repair processes and property condition had small declines in the annual tenant survey.
- Ongoing lack of a clear policy direction for the community housing sector.

Awards in 2014–15

Bridge Housing continued to secure national awards for its reporting, earning our third Gold Award for our *Annual Report 2014* at the Australasian Reporting Awards.

We were also again shortlisted for Report of the Year in the commercial category, along with Woodside Petroleum and BHP Billiton.

At the 2015 NSW Awards for Excellence in Community Housing in May 2015 we received awards for:

- Excellence in Governance and Organisational Management, our second successive award in this category
- Excellence in Community Engagement for the Building Bridges program
- High Commendation for Portfolio Management.

At the 2015 Australasian Housing Institute's Awards for Professional Excellence in Housing, we won the:

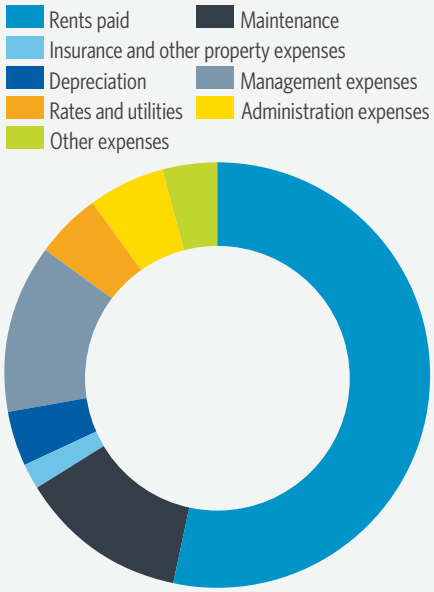
- Leading Tenant Engagement Practice Award for the Building Bridges program
- Leading Asset Management Award.

Financial Highlights

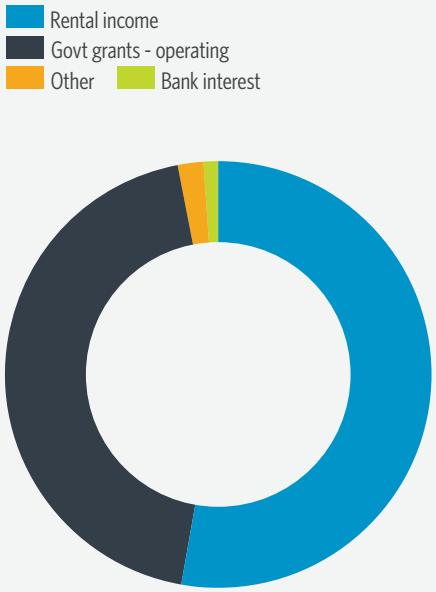
Bridge Housing once again recorded a solid financial result. We continued to invest in capacity building and property maintenance as well as strengthening our balance sheet to establish a strong financial base for future growth. Key results at a glance are as follows. See the Financial Summary on page 88 for further details.

Operating profit	$0.8M	▼	8%
Net assets	$101M	▲	12%

Our expenses 2014–15
Expressed as a percentage of total expenditure



Our sources of revenue 2014–15
Expressed as a percentage of total income



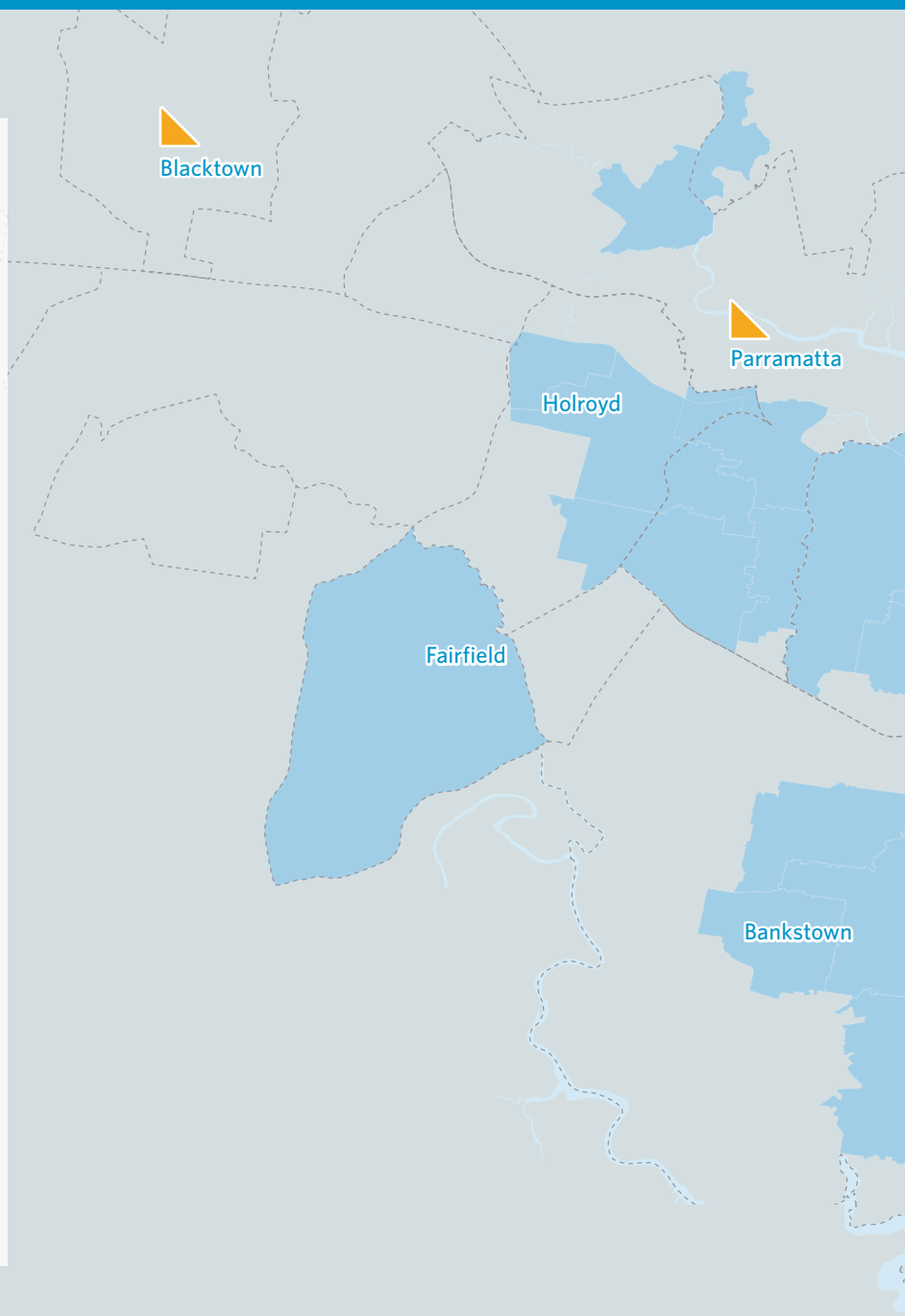
Bridge Housing Profile

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 2015, Bridge Housing owned or managed 1,716 properties and operated across 18 local government areas, as illustrated by the map below.

Bridge Housing is registered under the National Regulatory System for Community Housing (NRSCH) and regulated by the NSW 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 eight 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 45 community housing providers operating throughout NSW.

Further information on our governance is on page 60 of this annual report and at www.bridgehousing.org.au



Properties per LGA

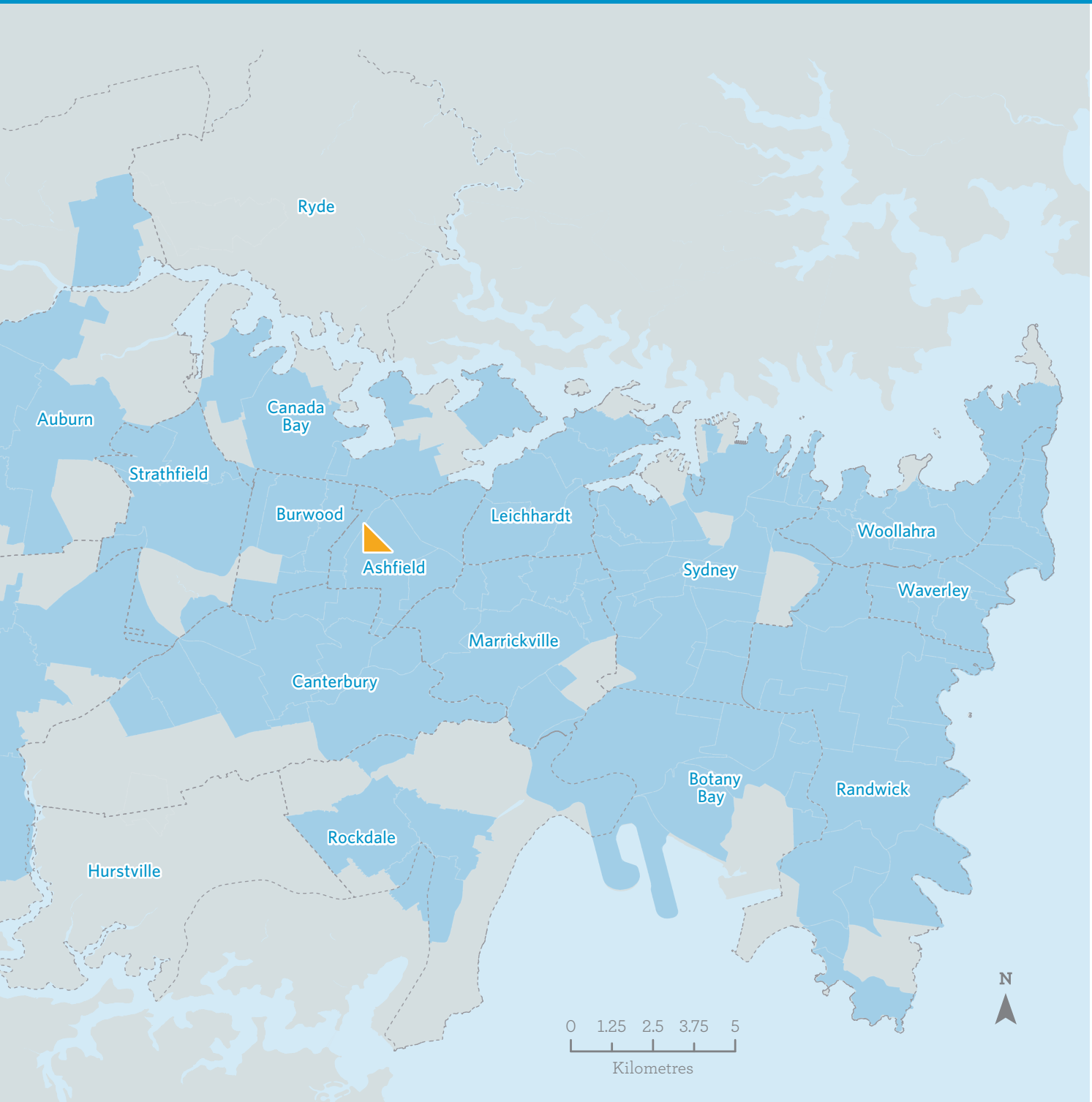
Ashfield	83
Auburn	20
Bankstown	99
Botany	63
Burwood	36
Canada Bay	28

LGAs in which Bridge Housing operate

Canterbury	50
Fairfield	1
Holroyd	9
Leichhardt	111
Marrickville	154
Parramatta	206

LGAs which include development sites

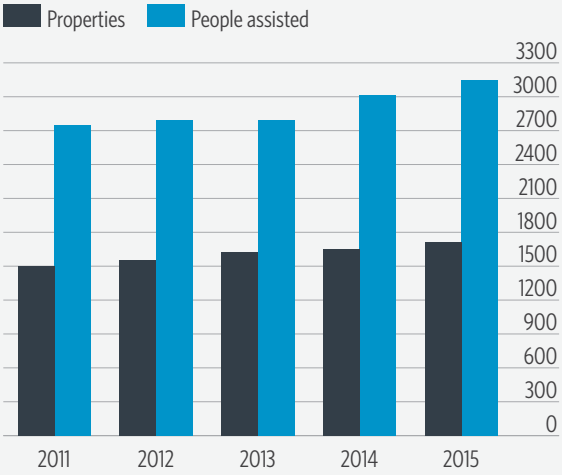
Randwick	260
Rockdale	11
Strathfield	63
Sydney	308
Waverley	196
Woollahra	18



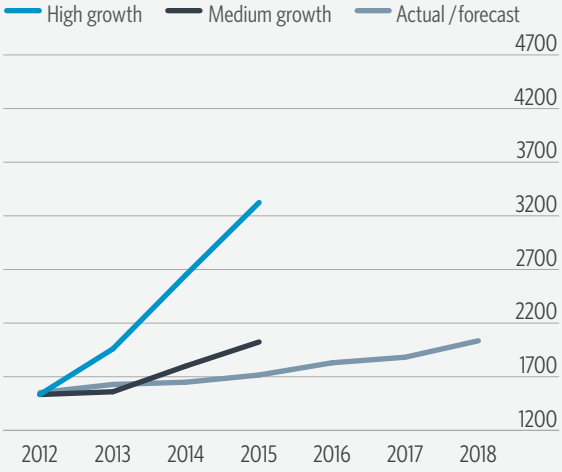
Where We Started

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.

People and properties
Number of properties and people assisted, 2011–15



Property growth
Bridge Housing growth, No 2012–18



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

Our Strategic Plan 2009–12 built on this foundation, aiming to strengthen and extend operations to include procurement 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 by providing secure, affordable housing. 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 Plan 2012-15 and Business Plan 2014-15.

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 and High Growth scenarios[5].

As reported in previous years, these targets became unachievable when the NSW Government decided not to proceed with the Seven Hills redevelopment, and delayed the vesting of properties in Cowper Street, Glebe. Further delays to the start of the next NSW Government Property Transfer Program contributed to slower growth than anticipated.

Despite the challenging policy environment since 2011, we have grown our property portfolio from 1,552 to 1,716. In 2014–15, we assisted 3,146 people with secure and affordable accommodation. See Spotlight 1 on page 10 for details on the demographics of our tenants.

In 2014–15, Bridge Housing integrated 18 FACS units in Telopea, delivered in July 2014, into the portfolio. We also started to integrate Sydney Olympic Park Authority (SOPA) properties, some of which became available earlier than the predicted deadline of July 2015. See the Operations Report on page 66 for further details.

On the development side, we progressed planning of the Bunya Estate at Bungarribee, with construction starting in June 2015 to deliver 65 properties by June 2016. Development activities have started in Ashfield to deliver nine affordable studio apartments by March 2016. We also bought land in Parramatta for the development of 38 social and affordable housing units by late 2016. See the Development Report on page 76 for further details.

By the time we have worked through our Strategic Plan 2015–18, we will have added 400 properties and grown our portfolio to 2,000 properties. Bridge Housing has the capacity to accelerate growth if given clearer policy settings and directions from the NSW Government, but are not waiting for the government to act. Our commitment to providing affordable and social housing is demonstrated by our diverse strategies for portfolio growth.

5 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).

Properties by Program 2014–15

Program	Social housing	Affordable housing	Total	Supported housing*
Owned (vested)	243	12	255	60
Part equity			0	
Social Housing Subsidy Program		27	27	
Community Housing Leasehold Program (CHLP)				
Capital program	692		692	55
Private rental	610		610	124
Leased FACS (scheduled for redevelopment)	21		21	4
Fee-for-service				
Local government	54	28	82	3
State government (JTAP/HPA)	1	11	1	
Other community organisations	7		7	1
Private affordable		10	21	
Total	**1628**	**88**	**1716**	**247**

* Supported housing is a subset of the total social housing dwellings, making the total number of properties 1,716.

Program Descriptions

Vested properties

In this program, property title is 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 (National Building Economic Stimulus Plan) 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 remaining 79 properties were vested following the NSW Minister for Finance and Services approval of Bridge Housing's vesting business case. The transfer of title occurred in August 2013.

Capital properties

Bridge Housing leases and manages capital properties from the Land and Housing Corporation (LAHC), in the NSW Department of Family and Community Services (FACS), 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. FACS 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).

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. FACS 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 2014–15, the subsidy cost was $71 million.

Bridge Housing operates the largest leasehold program in Australia, leasing 610 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 changed from separate payments for management, maintenance and leasehold subsidy to a block payment, which the provider manages.

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 that we provide.

Spotlight 1: Who Are Our Tenants?

Tenants come to Bridge Housing from all walks of life and all backgrounds. They are workers, artists, parents, activists and volunteers. They are community members, elders, leaders, survivors and everyday people with rights and responsibilities.

Who are our tenants

Bridge Housing tenants are also some of the most disadvantaged and vulnerable people in Sydney.

As at June 2015, we housed 3,146 people living in 1,716 households across 18 local government areas. Approximately 81 per cent of these households are in general social housing programs with subsidised rent, 15 per cent are in supported programs where tenants are linked to support services, and 4 per cent are in affordable housing programs for households on low to moderate incomes who are not eligible for social housing.

Bridge Housing tenants, their families and other household members live in diverse neighbourhoods, often alongside other Bridge Housing households. Around 42 per cent of residents live in unit blocks and have at least three Bridge Housing households for neighbours. Nearly a quarter of these residents live in mixed social housing estates with FACS tenants (approximately 8 per cent of total residents). Fifty-eight per cent of residents live in mixed neighbourhoods alongside other renters and private owners.

In the greater Sydney area, around 1 per cent of the population is homeless. Around 16 per cent of new Bridge tenants over the last year were previously homeless.

The table below shows how the numbers of Bridge Housing tenants in various categories compare proportionately with the general population of Greater Sydney.

	Greater Sydney[6] (%)	Bridge Housing[7] (%)	Actual numbers of Bridge Housing residents
Many more people with disability (12% of residents identify as having a psychiatric disability)	4	26	575
Many more adult residents who rely on income support	27[8]	76	1712
Many more people living alone	26	58	973
More Aboriginal and Torres Strait Islander people	1	7	208
More sole parent families	11	16	228
More people aged 60 or over	18	27	770
More women	51	56	1598
Fewer children under the age of 18	23	21	599
Far fewer couples with children	35	4	60
Fewer people who speak a language other than English at home – the main languages spoken include Vietnamese, Arabic, Spanish, Mandarin and Cantonese	33	25	710
Far fewer people who are employed	94	15	345

6 Statistics sourced from ID Community Profiles unless otherwise stated.
7 All Bridge Housing statistics in this table are from January 2015.
8 Overall Australian statistic from www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features50Mar+2010.

Chairman's Report

I'm delighted to report that Bridge Housing Limited completed its Strategic Plan 2012-15 during 2014–15 and launched its Strategic Plan 2015–18, which will guide our future growth and direction. The development of our latest strategic plan provides an opportunity to pause and consider the transformation of Bridge Housing and what we have achieved over the past three years, as well as looking to the future.

John, CEO and Vicki, Chairman

Since 2012, we have:

- grown our portfolio by 10 per cent from 1,552 to 1,716 properties
- begun our affordable housing development program to deliver a further 265 properties by 2018
- secured $25 million in debt to finance our development program
- increased the number of people to whom we provide affordable accommodation from 2,700 to 3,146
- ensured our properties are well maintained through a strong planned maintenance program, with 96 per cent of properties assessed as maintained or well maintained
- achieved consistently high levels of tenant satisfaction, with an overall service satisfaction of more than 80 per cent
- launched our three-year community building program, Building Bridges
- delivered Platform 70, our Housing First homeless program, securing accommodation for 107 rough sleepers
- maintained our strong governance and reporting practices, recognised through sector awards – we are the only community housing provider to win three consecutive gold awards at the Australasian Reporting Awards
- secured registration as a Tier 1 community housing provider under the National Regulatory

System for Community Housing and maintained that status through our first compliance assessment under this new regime

- increased our staff numbers from 34 to 44 employees, building our capacity in property development, financial management, community development and asset management
- maintained our position as a good place to work and retained high-quality staff, as measured through high staff engagement scores in the past three annual staff surveys, and reduced staff turnover.

Bridge Housing's success is underpinned by a disciplined approach to implementing our Strategic Plan through our annual Business Plan, which we detail in each annual report. Our Strategic Plan 2012–15 has enabled the organisation to transform itself from a housing management entity into one that has the capacity to undertake property development, secure significant financing and manage development and financing risk appropriately.

The Board approved our Strategic Plan 2015–18 in June 2015. A key element of its development was the deeper involvement of staff and tenants. We have provided a summary of the Strategic Plan on page 20 of this Annual Report. It is also available on our website.

Vision and Mission

As part of the strategic planning process, we reviewed our vision and mission statements. We refreshed our vision replacing: "To be one of Australia's pre-eminent not-for-profit providers of quality affordable housing" with "To be a leading not-for-profit provider of quality affordable housing". The Board feels the new statement provides a stronger statement of intent.

We also agreed to replace our mission statement: "To build sustainable communities through the provision of affordable housing for low to moderate income households" with "To improve lives and strengthen communities through the provision of housing and services for low to moderate income households". The new statement makes a clearer reference to the connection between access to affordable housing and its impact on people's lives and the communities in which they live.

Growing our Portfolio

A key outcome of the Strategic Plan 2015–18 will be to deliver more affordable housing by increasing our property portfolio. The plan envisages two scenarios – Business as Usual and High Growth. Under the Business as Usual scenario, we will expand from 1,700 properties to 2,000 by 2018 through our existing social and affordable housing development program. The High Growth scenario assumes the NSW Government will resume its property transfer program and that in the next three years Bridge Housing will secure another 2,700 properties, almost tripling our portfolio to 4,700 properties.

Does Bridge Housing have the capacity to absorb those additional properties? Yes. The improvements in our business and management systems since 2012 enable Bridge Housing to rapidly scale up to quickly absorb more properties. 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.

Highlights of FY2015

I would like to acknowledge some of the highlights of the past financial year. I reported last year that we had secured tenders for development sites at Bungarribee and Ashfield. I'm delighted to report that construction work has begun on Urban Growth's Bungarribee development in Blacktown to deliver 65 affordable dwellings and we expect this to be completed by June 2016. Redevelopment works have also started on nine studio apartments at our Ashfield site, which should be finished by March 2016. In December 2014, we successfully tendered for a site in Parramatta for the development of 38 units. These developments will add to the supply of more social and affordable homes in a housing market that is becoming less affordable for renters and buyers on low to moderate incomes.

Our mission statement:
To improve lives and strengthen communities through the provision of housing and services for low to moderate income households

Policy Environment

Bridge Housing has expanded its portfolio slowly to assist more people with affordable and secure accommodation, notwithstanding the absence of any clear policy framework from the Federal and State Governments since 2011. Bridge Housing and the community housing sector have been resilient, but a thriving and innovative community housing sector requires policy certainty and a framework that sets out its role in providing affordable housing.

The analysis presented in the Operating Environment section on page 37 reports some cause for optimism at the state level this year – in particular since the state election in March 2015 and the appointment of Brad Hazzard as the Minister for Family and Community Services and Minister for Social Housing. Pleasingly, Mr Hazzard appears to be interested in an increased – but as yet undefined – role for the community housing sector in the provision of social and affordable housing. The government is expected to release the long-awaited social housing policy in December 2015, which is anticipated to provide a framework for the growth of the community housing sector.

It will also need to encompass the outcomes of the Premier's Innovation Initiative on social housing and the $1 billion social and affordable housing fund. In last year's annual report, I said we needed 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. This must be at the core of the social housing policy.

I'm confident that Bridge Housing can maintain its leading role in the community housing sector and continue to grow its portfolio of properties and deliver high-quality services for our tenants.

Effective Governance

We continually seek to improve Bridge Housing's governance culture and practice. The quality and experience of the community housing sector's directors and boards is a key issue for the sector and the NSW Government, particularly where substantial assets are transferred to community housing providers through management agreements or through vesting.

We have led the sector by basing our governance principles on the ASX Corporate Governance Principles and Recommendations since 2010. Our governance principles are available in the Governance section on page 10 of this report.

We regularly assess our performance. Our second independent governance review was undertaken by the Walton Group, which concluded that Bridge Housing had a strong and high-performing Board. The Walton Group identified a number of key areas for improvement, which we implemented during 2014–15, including:

- introducing a 10- year tenure limit for directors, which was approved at the annual general meeting in November 2014
- improving our succession planning
- increasing our focus on communications and marketing.

Bridge Housing's diversity policy reflects our commitment to the Board and to workplace diversity. Our target is to ensure representation of either gender on the Board does not drop below 40 per cent. At the time of writing, representation was evenly split.

Transparency continues to be an important element of our governance culture. It is the lifeblood of our reputation and our accountability to stakeholders, and helps to build our profile and that of the community housing sector.

We won our third Gold Award in the *Australasian Reporting Awards* (ARA) for our *Annual Report 2014*, acknowledging our transparency in external reporting. We were particularly honoured that we were not just the only not-for-profit organisation to achieve a gold award, but we were shortlisted in ARA's commercial category for report of the year along with Woodside Petroleum, BHP Billiton and Marlborough Lines. At our sector level, we were delighted to win our second successive award in the NSW Awards for Excellence in Community Housing for Excellence in Governance and Organisational Management.

I'm confident that Bridge Housing can maintain its leading role in the community housing sector and continue to grow its portfolio of properties and deliver high-quality services for our tenants.

It is a privilege to be your Chairman and I would like to thank my fellow Directors for their support and acknowledge the considerable time and effort they have given – on a voluntary basis. In particular, I note John Kell's significant contribution. John resigned from the Bridge Housing Board in June 2015. He joined in 2009 through the amalgamation with the Eastern Suburbs Rental Housing Association (ESRHA). As the then Chairperson of ESRHA, he ensured the amalgamation went as smoothly as possible. I also welcome Carolyn Scobie, who joined the Board in June 2015, and Mark Turner, who joined in December 2014. Both bring considerable corporate experience and expertise.

Thank you also to Pam Pryor and Clive Matthews, who lead our vibrant and engaged tenant advisory group. It has been a pleasure to work closely with Bridge Housing CEO John Nicolades and I thank John, his leadership team and all Bridge Housing staff for their dedication in delivering this year's results.

Vicki Allen
Chairman

Chief Executive Officer's Report

Bridge Housing performed well during 2014–15, securing additional properties and a property development pipeline to meet the existing and future housing needs of low and moderate income households struggling in an increasingly unaffordable housing market. As a result, Bridge Housing has positioned itself to take advantage of future opportunities for growth.

Strategic portfolio growth

Key property portfolio highlights include:

- starting construction of 65 affordable dwellings in Urban Growth's Bunya Estate at Bungarribee, to be delivered by June 2016
- starting construction of nine studio apartments in Ashfield. This New Generation Boarding House[9] is to be completed in March 2016. Each has separate bathroom, kitchen and laundry facilities and an average internal area of 28 square metres
- buying a development site in Parramatta from the Land and Housing Corporation (LAHC) to redevelop three fibro cottages to provide 38 dwellings by October 2016
- resuming work on the public housing redevelopment in Cowper St, Glebe, which will deliver 153 social housing dwellings by June 2018
- securing $25 million of debt from National Australia Bank to help finance our affordable housing development program
- managing 11 properties in a Sydney Olympic Park Authority (SOPA) affordable housing program, anticipated to grow to 50 units by 2016–17
- managing and tenanting 18 units in Telopea in the Parramatta area, after winning a new-supply tender through Family and Community Services
- negotiating with a private developer for the management of three affordable housing properties over 10 years through the Affordable Housing State Environmental Planning Policy (AHSEPP)
- completing the management transfer of 63 properties through the LAHC's new-supply program in the Canterbury and Bankstown local government areas. Bridge Housing now manages all 123 properties delivered through this program.

These are very positive results. The development program illustrates Bridge Housing's transition to incorporate property development capacity and expertise, and the financial strength of the organisation to successfully borrow from financial institutions (see Spotlight 5: Debt Raising on page 94). More importantly, it also means we will provide an extra 112 dwellings by 2016 and 265 dwellings by 2018. This will result in Bridge Housing delivering its NBESP leveraging target commitments 4 years ahead of schedule. These are excellent results, particularly given the continuing delay in receiving the NSW Government's social housing policy, analysed in the Operating Environment section of this Annual Report.

Our Strategic Plan 2012–15 envisaged a high-growth scenario to increase Bridge Housing's portfolio from 1,552 to 3,000 properties. That scenario depended on the NSW Government resuming its commitment to transfer 35 per cent of social housing to the community housing sector. The program did not resume during this period but, as noted in the Operating Environment section and the Chairman's report in this Annual Report, more positive signs are emerging that the program will resume during the period of our Strategic Plan 2015–18.

High-quality Services

During the year, we continued to focus on delivering high-quality services to our residents and applicants. These services incorporate housing allocations, tenancy management, and responsive and planned maintenance. Historically, they are delivered through two separate structures, but in May 2015, housing and maintenance services were amalgamated into one service management stream, Operations. We have detailed this restructure in Spotlight 2: Restructure on page 44 with the key aims being to improve customer service to our tenants and cross-team collaboration.

Our annual tenant survey 2014–15 was well received with 41 per cent of our tenants responding to the survey. We achieved an 81 per cent overall satisfaction rating with our services, above the NRS sector benchmark. The survey is an important measure of how Bridge Housing tenants rate our service and it helps us improve that service. Tenant satisfaction with maintenance services was 75 per cent. We were delighted that tenants' understanding of our complaints and appeals procedure rose from 35 per cent to 49 per cent. We achieved scores between 86 to 91 per cent on a range of factors: location of the home; its suitability for tenants' circumstances; proximity to transport and services; the amenability of the neighbourhood; and the safety of the home. The results of the survey are reported in detail in the Operations Report on page 66.

In 2014–15, we embarked on a program of examining our systems and processes – such as the telephone system – to improve our customer

9 Further information on New Generation Boarding Houses is available at www.planning.nsw.gov.au.

service and staff training. We want to develop key performance indicators for service delivery and improve our accountability to tenants and applicants. We released our Customer Service Standards in March 2015 and we have established an internal customer service improvement committee. We contracted Customer Service Benchmarking Australia (CSBA), one of Australia's leading customer service monitoring organisations, to assist us to improve our customer service. Using a mystery shopping approach, CSBA carried out assessments, identified areas for improvement, and rated Bridge Housing on the quality of its customer service via telephone, email and in person. The outcomes of the second CSBA review in May–June 2015 show considerable improvement in telephone and face-to-face contact. Further detail is available in Spotlight 3: Customer Service on page 58.

I am pleased to report that through our rolling program of property scopes and planned maintenance, 96 per cent of properties met or exceeded the state housing authority's asset standards. The regulator's benchmark is 70 per cent.

We also implemented the first year of Building Bridges, our three-year, community-building strategy. Highlights include establishing the Aboriginal and Torres Strait Islander Tenants Advisory Group; Stickybeak bus tours to assist tenants' orientation to local services; release of our community garden guidelines; and Big Ideas Grants.

This has increased the level of tenant engagement and our links to other community services. We were delighted when Building Bridges won an award for Excellence in Community Engagement in the 2015 NSW Awards for Excellence in Community Housing, and the Leading Tenants Engagement Practice Award at the 2015 AHI Professional Excellence in Housing Awards. Spotlight 4 on page 74 provides further detail on Building Bridges' first year.

Maintaining Our Assets

Bridge Housing has a diverse portfolio of properties, 25 per cent of which are between 50 and 100 years old. We place great importance on maintaining our properties to provide good-quality homes to present and future tenants, and to reduce our future maintenance liability. Since 2008, we have had 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 on each property. During 2014–15, we continued this program, which forms the basis of our 20-year asset maintenance program forecasting model. This year, we scoped 238 properties that were transferred to Bridge Housing under the Nation Building Economic Stimulus Plan from 2010–12 and subsequently vested. We completed planned maintenance to the value of $2.43 million on 418 properties, including common areas.

We also spent $716,000 on responsive maintenance for 818 properties, including common areas.

I am pleased to report that through our rolling program of property scopes and planned maintenance, 96 per cent of properties met or exceeded the state housing authority's asset standards. The regulator's benchmark is 70 per cent.

We began the re-tendering of our maintenance services to move from managing a large base of 45 contractors to new multi-trade contractors. We plan to appoint two multi-trade head contractors who will provide planned and responsive maintenance services across our eastern and western regions. We are also issuing separate contracts for our ground maintenance and fire safety programs.

Our new regime will improve contract specification and performance obligations, provide better work health and safety management, and offer a higher level of service to our tenants. The new contracts will start in late 2015.

Business Sustainability

We continued our solid financial performance this year, producing a surplus of $796,892. Our non-current assets increased by $10 million, from $91 million in 2013–14 to $101 million as at June 2015. This increase is primarily a result of the increased value of our owned property portfolio.

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.

In December 2014, the Board approved our corporate debt facility with NAB to finance our development program. We tendered our debt facility to five financial institutions and NAB provided the most competitive rates and terms. The loan has a term of five years before it is reset, however we have hedged a proportion of the debt for 10 years to mitigate the risk of interest rate increases and to take advantage of the current low cost of long term funds. Spotlight 5 on page 94 provides further detail on our debt raising.

Bridge Housing depends on the rents it collects to operate, which makes managing our arrears, voids and vacancy turnaround times critical. Our arrears performance improved from last year, falling from 3 per cent to 1.9 per cent, below the industry's benchmark of 2.5 per cent.

In 2014–15, our voids were 30 days, just above the industry's benchmark of 28 days. Vacancies were 17 days, slightly above the industry benchmark of 14 days. Both of these results are in line with last year but require improvement.

Communications Plan

During 2014–15, Bridge Housing has delivered on a significant number of the recommendations in its Strategic Communication Plan, which was finalised in April 2014.

Key achievements include:

- refreshing the Bridge Housing logo and colours to give a more modern look to the website, publications, stationery and reception area
- launching the new, user friendly website in March 2015, providing a sharper focus on tenant needs and multiple formats for obtaining information
- cultivating a stronger, more regular presence on social media with the launch of our Twitter account in May, in addition to LinkedIn, Facebook and YouTube accounts
- successful media relations initiatives regarding a significant philanthropic donation and the NSW Government's announcement of our role in the development at Cowper Street, Glebe
- the redesign and renaming of the tenant newsletter as *Our Place*.

In recognition of the 'shareability' of visual and video content in our digital world, the new website has links to videos hosted via Bridge Housing's YouTube account. Our social media posts generally feature photos and video links and we have developed interactive email signatures.

For example, the launch of our innovative Big Ideas Grants initiative in June 2015 was promoted through a video of the event featuring residents performing with the African drumming troupe Maddad, as well as via website e-news, a photo gallery, a story in *Our Place* and social media posts.

We have been monitoring our digital media presence using Google Analytics to gauge traffic on the website and HootSuite for social media analysis. The website has consistent traffic, with particular visitor interest in affordable housing availability and our property development activity. Our Twitter presence has quickly grown, with more than 100 followers in the first two months.

Our social media strategy has been to post and share industry news, provide updates on Bridge Housing news and activities, and build online communities with stakeholders.

In 2014–15, we also planned other communications initiatives for unveiling early in 2015–16. We started the *Bridge Business* corporate e-newsletter, announced the Bunya affordable housing development via traditional and social media, and introduced a secure 'Read my rent statement' facility on the website.

The Strategic Communication Plan was developed in consultation with the Board, staff, tenants and other stakeholders, and we are looking to consult further with them in the coming year to get their views on how we should continue to communicate and engage with them.

We have recently revised our voids procedures and processes and implemented new detailed reporting. It is expected that these new processes and the increased transparency of performance will see an improvement in these areas during 2015-16, similar to the outcomes we achieved this year with arrears.

Our Five-Year Report Card on page 90 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 introduced in 2012–13. Our key focus was to start implementing our electronic document and records management system (EDRMS) to ensure we have the internal business infrastructure and systems required for long-term growth. In addition, it is easier to embed a 'digital culture' of managing and storing our records while the organisation is relatively small. The implementation of an EDRMS is a significant project that requires a major change management focus across the organisation and will be delivered in 2016–17.

Other digital initiatives included:

- moving our performance management system from paper-based reporting to an online platform
- moving the management of our appeals and complaints to CompliSpace, our online enterprise risk management system, which has improved the management and monitoring of this critical process
- launching a new e-learning portal to provide online training for staff.

Cantrell Street, Yagoona

We also refreshed our risk management program and developed our Risk Management Plan 2014–15, making much more effective use of CompliSpace. This has enabled us to more actively manage and report on identified risks, such as those inherent in broadening our activities from pure housing management to include property procurement and development and finance risk. Our 20-year financial forecast model is a key part of our risk management. It is an important planning tool that enables us to test the impact of proposed and actual property acquisitions and developments, and financing scenarios. Our debt-raising process provided independent testing and validation of our 20-year financial forecast model. Our Finance and Corporate Services Report on page 80 provides a comprehensive review of our risk-management strategy.

We extended our three-year internal audit program 2011–14 for another year and will be retendering in 2015–16. The internal audit program was initiated to independently identify the strengths and weaknesses of our operating systems, policies and processes and recommend actions for improvement. This year's internal audit focused on responsive maintenance, property development and project management, and IT controls. It found we had rectified the weaknesses in our responsive maintenance program identified from last year, had strong and thorough development control processes, and our IT controls are comparable for a small organisation with few internal IT resources. A detailed report on our internal audit is in the Finance and Corporate Services Report.

Developing Our People

Bridge Housing believes our staff members are our key resource and we place considerable emphasis on developing a positive workplace culture, improving our systems and processes, and providing learning and development opportunities.

Since 2011, we have conducted an annual employee opinion survey (EOS) to measure the effect of our human resources improvements and compare our performance with that of the community and the healthcare sector[10]. Since 2013–14, more community housing providers have joined the survey so we are now able to compare our results with those of other community housing providers.

Our EOS result for 2014–15 achieved an employee engagement level of 75 per cent. This was a fall from the 82 per cent achieved in 2013–14[11], but it was up from 72 per cent the previous year and 64 per cent in 2011. Our engagement score was four per cent above the community housing sector average. We are analysing the causes of the decline and how we might reverse this in 2015–16. We scored more than 90 per cent and significantly above the industry average for the key business drivers of mission, values and organisational direction.

The Our People section on page 51 provides a comprehensive report on our initiatives and the EOS.

As noted earlier, we restructured our executive team to better align the business for future growth and better serve our applicants and tenants. The restructure resulted in the amalgamation of the housing and community and assets teams, which now report to the General Manager, Operations. This led to the establishment of two new senior positions, Director of Housing and Director of Assets, which report to the General Manager, Operations. The development team, which previously reported to the General Manager, Assets, now reports to the CEO.

10 Voice Projects, which conducted all three Employee Opinion Surveys.
11 Our results for 2012–13 were 72 per cent and in 2011–12, they were 64 per cent.

This new structure will improve our service delivery and cross-team cooperation and enable the CEO to focus more on the strategic and external environments, which are critical for Bridge Housing's growth. The restructure is detailed in Spotlight 2 on page 44.

Increasing Our Profile

The completion of our communications strategy in 2014–15 gave us a comprehensive plan to increase our profile through a number of channels. This strategy included:

- redesigning and rebuilding our website with increased functionality such as a translation function and read and speak-enabling text in a number of community languages. Our website went live in March 2015 and we are averaging 2,000 views a month
- using social media. Since May 2015 we have operated on LinkedIn, Facebook, Twitter and YouTube. We integrate our messaging across the platforms using Twitter alerts for Bridge Housing initiatives or relevant housing policy articles or research. We use LinkedIn and Facebook for longer articles on our initiatives or activities. We have quickly expanded our Twitter followers to 123 as we build our networks and connections.

We continued to receive positive coverage in the mainstream media for an organisation of our size. The main news stories were former Greens MP Sylvia Hale's $500,000 donation, made late last year but picked up by the media early in 2014–15, and the announcement of the public housing redevelopment in Cowper St, Glebe, in June 2015.

I continue in my position as Chairperson of the NSW Federation of Housing Associations, the state community housing provider industry group. This will enable me to play a significant role in key community housing industry and policy forums. In addition, I joined the Board of the Community Housing Industry Association, the peak body of the national community housing provider industry.

Our general managers continue to actively participate in various subcommittees of the NSW Federation of Housing Associations, PowerHousing Australia and the Australasian Housing Institute.

Looking to the Future

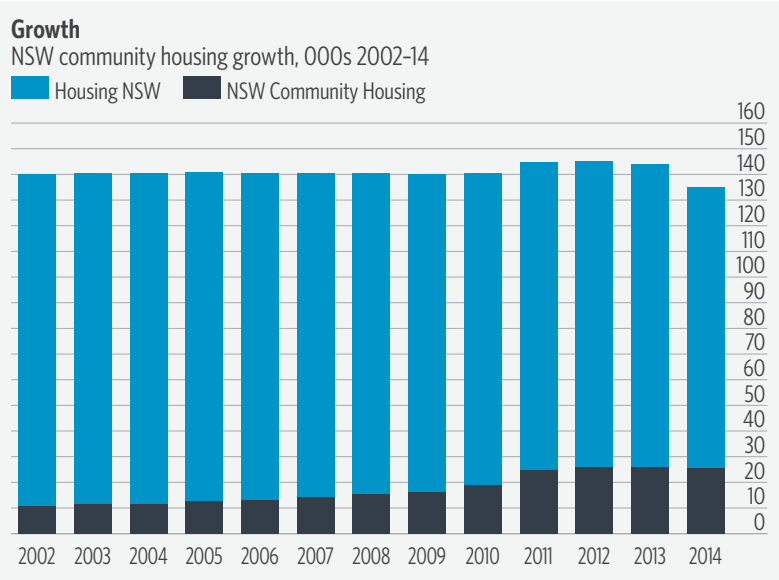
This year marked the third and final year of our Strategic Plan 2012–15. Through property growth and by winning successive tenders over this period, we have a pipeline of affordable housing projects into 2018. Bridge Housing has made a significant transition this year to prepare itself for future growth opportunities. This is reflected in our Strategic Plan 2015–18, which is based on the belief that the NSW Government will take some bold policy initiatives to transform the way social housing is delivered. At the minimum, this should include the transfer of 35 per cent of public housing to community housing providers and interventions to increase the supply of affordable housing for those who are ineligible for public housing but struggling in the private rental market.

This Annual Report shows Bridge Housing is ready and able to absorb more properties.

We have developed our capacity and capabilities, and we are prepared to grasp the opportunities provided by more positive housing policies and working with government.

I look forward to leading the skilled and dedicated Bridge Housing team and working with a highly competent and skilled Board to ensure Bridge Housing continues to be a leading not-for-profit provider of quality affordable housing and delivers on our mission to improve lives and strengthen communities through providing housing and services for low to moderate income households.

John Nicolades
Chief Executive Officer



Strategic Plan 2015–18

Bridge Housing's three-year strategic planning cycle has positioned the organisation for successful and sustainable growth since 2006. The development of the Strategic Plan 2015–18 was a major focus of the first half of 2015, so that we had a clear pathway to develop our Business Plan 2015–16 and were ready to implement it from 1 July 2015.

Consultation

In preparing the Strategic Plan 2015–18, we consulted widely within the Bridge Housing community and externally with government, support partner agencies and private sector partners. Workshops in April and May were held with tenants, staff, management and the Board to ensure that a range of voices were heard and that priorities from all levels of the organisation, and from our tenants, were considered. We are grateful to all those who participated for their enthusiasm, honesty and visionary thinking. This has contributed to an ambitious but achievable Strategic Plan that positions Bridge Housing for sustainable growth. We have developed two growth scenarios: Business as Usual, which would increase our portfolio from 1,700 to 2,000 properties; and our High Growth scenario, which would deliver 4,700 properties, nearly tripling our portfolio over three years.

What's Changed

As part of the process, the management team and the Board reviewed the vision and mission statements to determine whether they still served the organisation well. The decision to change both reflects Bridge Housing's aspirations, while still respecting the foundations on which we have built our success.

Vision	To be one of Australia's pre-eminent not-for-profit providers of quality affordable housing	▶	To be a leading not-for-profit provider of quality affordable housing
Mission	To build sustainable communities through the provision of affordable housing for low to moderate income households	▶	To improve lives and strengthen communities through the provision of housing and services for low to moderate income households

The Strategic Plan 2015–18

The new plan identifies five critical success factors that are anchored by effective governance. By putting governance at the centre of our planning process, we recognise the crucial role good governance plays in delivering the other critical success factors.

The critical success factors are extensions of the same success factors that served Bridge Housing so well in the Strategic Plan 2012–15.

The six critical success factors and associated strategies form the basis of our three annual Business Plans, which will collectively deliver the Strategic Plan 2015–18. For more details on how these critical success factors and strategies follow on from our Strategic Plan 2012–15, see Our Performance on page 22. We will begin reporting against the Strategic Plan 2015–18 in the 2016 Annual Report. The Strategic Plan 2015–18 is available on our website at www.bridgehousing.org.au.

Each critical success factor is underpinned by a number of strategies:

1. Meeting affordable housing need by increasing our property portfolio	1.1 Deliver an existing affordable housing development pipeline to increase housing supply
	1.2 Explore innovative solutions to expand the supply of affordable housing
	1.3 Seek and secure affordable housing opportunities in urban renewal areas
	1.4 Explore expansion of service provision in complementary areas to increase our affordable housing portfolio and enhance service provision
	1.5 Secure properties through any property transfer program and improve tenant outcomes
	1.6 Consider mergers to deliver economies of scale, increase affordable housing supply or expand service provision
2. Delivering quality homes and housing services	2.1 Engage our residents and work to strengthen communities
	2.2 Drive a customer service culture across our business
	2.3 Deliver quality, proactive tenancy management services
	2.4 Deliver high-quality, asset services to ensure our properties are at standard and meet tenant need
	2.5 Increase opportunities to connect tenants to the services they need
3. Governing effectively	3.1 Maintain strong corporate governance and organisational management
	3.2 Meet our regulatory and compliance responsibilities
	3.3 Maintain alignment between the Strategic Plan, Business Plans and associated reporting
	3.4 Develop a framework to measure the social impact of our service delivery to support the sustainability of the business and enhance community outcomes
	3.5 Work closely with tenants to ensure they have a real say in our operations and planning
4. Managing the business sustainably	4.1 Maintain strong financial management and operational performance
	4.2 Continue a strategic whole-of-life approach to asset management
	4.3 Implement and embed technologies that support customer service and organisational performance
	4.4 Undertake ongoing improvement to strategic risk-management practices
5. Supporting our people and improving our workplace	5.1 Ensure the right organisational structure and roles are in place to support strategic objectives
	5.2 Attract, recognise, reward and retain quality staff
	5.3 Deliver training, development and performance management aligned to strategic objectives
	5.4 Create a more flexible, fit-for-purpose workplace
	5.5 Build on our positive organisational culture as we grow and change
6. Enhancing our communications and increasing our profile	6.1 Increase awareness of our value proposition and build on our strong brand and reputation
	6.2 Continue to improve communications with residents, partners and stakeholders
	6.3 Advocate strongly for affordable housing, including property transfers and funding frameworks

Our Performance

In 2014–15, Bridge Housing completed the third year of our Strategic Plan 2012–15. We put our Strategic Plans into operation through our annual Business Plans. Our Business Plan 2014–15 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 in 2015–16 in relation to these particular items.

In 2014–15, we achieved more than 70 per cent of the goals we set for the organisation, with a further 20 per cent of goals currently in progress at the end of the reporting period.

Critical success factors	Goal	Target (performance measure)
1. Grow our portfolio	Drive existing procurement and development opportunities to increase the supply of housing properties	Identify 15 dwellings as acquisition opportunities
		Complete the management transfer of the remaining 63 dwellings in the Canterbury-Bankstown new supply program
		Lodge development application for Cowper St, Glebe project by December 2015
		Progress business case for redevelopment of Bedford Crescent, Dulwich Hill
		Finalise a development policy, approved by the Board of Bridge Housing
		Finalise Management Agreement with Sydney Olympic Park Authority
		Manage the handover of 18 properties at Telopea
		Meet the Bunya project delivery plan
	Secure new opportunities to grow property portfolio	Win one new tender from the Property Transfer Program
		Utilise unused incentives from Round 4 of the National Rental Affordability Scheme (NRAS)
		Secure Affordable Housing development opportunity
	Actively seek business development opportunities to increase the number of properties	Prepare strategy paper regarding likely opportunities arising from National Disability Insurance Scheme (NDIS)
		Prepare strategy paper outlining the opportunities for increasing management of affordable housing
		Complete due diligence on any identified merger opportunities

For further detail on initiatives please refer to the Operations and Finance, and Corporate Services sections, or other sections as indicated in the performance table below.

We use a traffic light system – green for 'completed', orange for 'in progress' and red for 'not completed' – 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.

Key: completed in progress not completed

Status	What we achieved	Aims for 2015–16
	Acquired land at Parramatta in Land and Housing Corporation (LAHC) tender to construct 38 new dwellings **(see Development Report on page 76)**	Progress construction of 38 units at Parramatta
	Completed management transfer of Canterbury-Bankstown properties	Not applicable
	Received approval to start the project; Bridge Housing is actively involved in the design phase and will manage the dwellings **(see Development Report on page 76)**	Participate in the Cowper St Project Control Group and design process
	Prepared business case and submitted it to LAHC	Develop a plan in response to any successful outcome of the Premier's Innovation Initiative
	Prepared draft, which is with the Management Team for review	Continue to refine development policy in line with industry consultation and benchmarking
	Reached agreement and now managing 11 properties	Transfer the management of the remaining eight properties
	Bridge Housing has managed the properties since July 2014	Not applicable
	Began construction in June 2015 **(see Development Report on page 76)**	Finalise construction by June 2016
	No tenders were issued by the NSW Government in 2014–15	Undertake scenario planning to ensure that organisation is positioned to pursue any opportunities
	Secured Parramatta tender to utilise 37 unused NRAS 4 incentives and transferred 42 incentives to Wentworth Community Housing	Not applicable
	Secured Parramatta site to deliver 38 new affordable housing dwellings **(see Development Report on page 76)**	Develop a sustainable and innovative development model to increase the supply of affordable housing
	Commissioned NDIS paper from Disability Services Consulting in 2014–15; no announcement on rollout of NDIS at state level	Develop an action plan to position Bridge Housing to take advantage of NDIS rollout in 2017–18
	Completed costing exercise, but deferred formation of the strategy paper until 2015–16	Determine strategy for expanding of our Fee for Service (FFS) business line
	Maintained this objective in the Business Plan 2015–16 as no merger opportunities were identified in 2014–15	Undertake due diligence to identify prospective merger opportunities that meet strategic objectives

Critical success factors	Goal	Target (performance measure)
2. Deliver quality homes and services to our residents	Improve the lives of our tenants and their communities	Implement and evaluate Year 1 of Building Bridges – our Community Building and Engagement Strategy
		Finalise and publish community profiles
		Evaluate and review learnings from the Platform 70 project
	Achieve excellence in service delivery	Respond to outcomes of the 2013–14 Tenant Survey with an action plan
		Implement an action plan to respond to the findings of the Customer Service Benchmarking Exercise
		Improve customer service delivery against benchmark for Housing and Community
		Develop and implement remaining draft Bridge Housing policies and procedures
		Develop a system for reporting on the quality inspection regime in response to internal audit and to comply with work health and safety (WHS) requirements
		Deliver quality access and allocation services, with: • assess affordable housing applications within 14 days • assess 'at risk' applications within 28 days • assess general/transfer applications within 40 days
		Quality, proactive housing management services, with: • 90 per cent of tenants receive an annual property inspection • 100 per cent of new tenancies receive an inspection within eight weeks • tenant debt at <2.5 per cent
		Call tenders for both responsive and planned contract work
		Complete technical scope for 238 properties
		Review support partnerships
	Increase and enhance our tenant engagement	Undertake two tenant initiatives to increase tenant participation

Key: completed in progress not completed

	Status	What we achieved	Aims for 2015–16
		Began all projects and completed Year 1 evaluation. Experienced slight delays for the Hand Up project and tenant feedback in the New Developments Project **(see Spotlight 3: Building Bridges on page 74)**	Implement Year 2 of Building Bridges Strategy
		Published community profiles in April 2015; now available on the Bridge Housing website **(see Spotlight 1: Who Are Our Tenants on page 10)**	Not applicable
		Provided data for a National Drug and Alcohol Research Centre (NDARC) evaluation and received final report	Develop a supported housing policy to apply learnings from Platform 70 to other supported housing partnerships
		Completed a workshop with tenants on draft findings. Delays in delivery of benchmarking report to finalise the action plan	Analyse the 2014–15 Tenant Survey and Customer Service benchmarking results to develop an action plan to further improve service delivery
		Implemented the action plan, which included establishing a Customer Service Leadership Group **(see Spotlight 3: Customer Service on page 58)**	Implement best-practice customer service activities and embed accountability at the Team Leader level
		Improved customer service by establishing a phone roster for the tenancy team, training staff and introducing a new Compliments, Complaints and Appeals policy and procedure **(see Operations Report on page 66)**	Continue to train all new staff members in customer service
		Implemented Operational Housing policies for 2014–15, including Management Transfers, and Voids and Vacants Management	Form an Operations Policy Group to review Housing and Assets policies and procedures
		Implemented the system and began finalising an approach for reporting on new maintenance contracts	Implement a quality and audit system in line with new multi-trade supplier contract
		After an internal review, transferred allocations to the Pathways Team: • assessed affordable housing allocations within 15 days • assessed 'at risk' applications within 29 days • assessed general/transfer applications within 29 days	Deliver quality access and allocation services: • assess affordable housing applications within 14 days • assess 'at risk' applications within 28 days • assess general/transfer applications within 40 days
		Current available reporting makes it difficult to track tenancy inspections, and the introduction of new reports will assist in 2015–16. Arrears are below the benchmark, and repayment plans are in place for all high arrears	Deliver quality, proactive housing management services: • 90 per cent of tenants receive an annual property inspection • 100 per cent of new tenants receive a property inspection • tenant debt at <2.5 per cent
		Completed tendering process and started contract negotiations **(see Operations Report on page 66)**	Implement new maintenance contract
		Completed property scoping **(see Operations Report on page 66)**	From 2015–16, use Family and Community Services Property Assessment Survey benchmark methodology, i.e. rating as well maintained, maintained or non-compliant
		Completed review and agreed on a new framework at the June Board meeting	Not applicable
		Tenants Advisory Group established a social coordinator and started planning an event	Tenant-led event to be undertaken

Critical success factors	Goal	Target (performance measure)
3. Effective governance	Ensure that our corporate governance continues to meet ASX Governance Principles	Develop a succession plan for the Bridge Housing Board
		Provide further training for Directors
	Develop a framework to deliver corporate social responsibility reporting and make Bridge Housing a socially responsible organisation	Develop and approve a Corporate Social Responsibility framework
	Ensure the corporate planning process is robust to achieve positive organisational outcomes	Ensure accurate quarterly reporting of progress against objectives to the Board
		Gain Board approval of the Strategic Plan 2015–18 and Business Plan 2015–16
4. Business sustainability	Develop an integrated IT Strategy and implement system initiatives that improve efficiency and client service	Develop an overall IT strategy for 2015–18 that aligns with and supports the Strategic Plan
		Implement new payroll system by 31 December 2014; and transition staff to online performance planning by 30 June 2015
		Train staff in procedures for managing the compliments, complaints and appeals system (CompliSpace)
		Implement an Electronic Documents Record Management System (EDRMS)
		Review the use of CompliSpace as an intranet and develop an action plan for improvement
		Review the effectiveness of mobile applications
	Embed and enhance our integrated housing management system (SDM) to drive efficiency and business improvements	Fully implement enhancements to our integrated Information Management System (SDM), update user guides and train staff
		Resolve all high-rated SDM issues within 30 days
		Integrate SMS functionality into SDM to improve communications
	Develop systems, processes and reporting capabilities to ensure financial sustainability	Ensure water usage is charged in line with policy

Key: completed in progress not completed

	Status	What we achieved	Aims for 2015–16
		The Board approved the plan and appointed a Deputy Chair	Undertake internal review to ensure our Corporate Governance meets best practice and continues to align with ASX corporate governance principles
		All new Directors completed the Company Directors Course through Australian Institute of Company Directors (AICD)	Encourage new Directors and Senior Management to undertake AICD course
		Completed Net Balance report and scheduled development of a Bridge Housing action plan for 2015–16	Develop an action plan to implement a corporate social responsibility approach for Bridge Housing
		Reported quarterly to the Board	Maintain quarterly reporting and achieve 75 per cent of Business Plan objectives
		Gained approval at June 2015 Board meeting	Gain approval for Business Plan 2016–17
		Deferred work until 2015–16 to ensure alignment with 2015–18 Strategic Plan	Develop IT Strategic Plan that aligns with Strategic Plan 2015–18
		Implemented online performance management system in June 2015 for 2015–16 performance plans; deferred review of payroll system in favour of other priorities	Ensure new performance management system is embedded and used for monthly one-to-one meetings
		Trained staff, and all compliments, complaints and appeals are now captured in CompliSpace	Not applicable
		Developed a clear plan for implementing EDRMS in 2015–16	Finalise selection of document management system and begin implementation
		Reviewed CompliSpace by December 2014, and incorporated an action plan in the Business Plan 2015–16	Review ongoing use of intranet in conjunction with the development of the EDRMS
		Completed survey and implementation plan by June 2015	Review use of mobile technology and develop an ongoing strategy as part of broader IT strategy
		Started review of new version of software as part of an ongoing process but implementation was delayed until 2015-16	Implement v2014 of SDM
		Resolved all high-rated issues within the timeframe	Resolve all high-rated SDM issues within 30 days
		As SDM has been unable to deliver a solution, began discussions with another provider whose software will integrate with SDM	Finalise SMS strategy as a part of broader IT strategy
		Completed reconciliation and verified changes were in line with policy	Review policy and charge rate in the context of the reconciliation for Year 1

Critical success factors	Goal	Target (performance measure)
4. Business sustainability (Continued)	Develop systems, processes and reporting capabilities to ensure financial sustainability (Continued)	Gain approval of Executive team for an action plan to improve the management of Community Housing Leasing Program (CHLP)
		Pilot Leasehold Housing Manager role in the Assets team to centralise leasehold engagement
		Audit of 20-year forecast model
		Review budgeting, forecasting and reporting systems for best practice
		Update and review the Asset Management Plan for 2012–21
		Prepare the annual Asset Maintenance Plan for 2015-16
		Analyse how many properties meet the standards of the Asset Management Plan and determine appropriate benchmarks
		Pilot Hand Up Arrears Project
		Implement action plan to improve arrears management systems and procedures
		Implement Rent Card for all tenants using deposit books
	Embed and enhance risk management best practices	Review and test Business Continuity Plan (BCP)
		Prepare and submit annual NRS compliance report
		Create WHS action plan to review compliance and identify areas for further training and improvement
		Approve Risk Management Plan (RMP) 2014–15
		Prepare three-year internal audit strategy for 2015–17 and appoint an audit firm

Key: completed in progress not completed

	Status	What we achieved	Aims for 2015–16
		Finalised action plan and presented it to the Board in April 2015	Implement recommendations from the action plan
		Created position, for review in 2015–16	Review effectiveness of Leasehold Manager role and recommend ongoing structure
		Verified outputs using an independent third party model for debt raising purposes rather than a formal audit	Finalise conversion to new independently developed 20-year forecast model
		Completed review, and implemented recommendations for budgeting and reporting systems	Continue to monitor effectiveness and incorporate recommendations in broader IT strategy
		Completed	Update and review the Asset Management Plan for 2012–21
		Board approved plan as part of the budget review	Prepare the Annual Asset Maintenance Plan for 2016-17
		Survey identified that Bridge Housing properties exceed National Regulatory System (NRS) requirements	Maintain properties above NRS benchmarks
		Project delayed due to staff changes, but working group has been established and draft guidelines are being developed	Implement pilot Hands Up Arrears Project
		Completed review and created a floating Housing Manager position to focus on arrears, resulting in a significant decrease and bringing arrears below the benchmark level	Review structure to determine ongoing role for arrears management
		Developed project concept, but deferred implementation as a result of other business priorities	Not applicable
		Completed review with external consultant	Review and test BCP
		Submitted compliance return by the due date, and full compliance was confirmed	Prepare and submit annual NRS compliance report
		Prepared WHS action plan and implemented major initiatives	Develop 2015–16 WHS action plan for approval by WHS committee and Board
		Approved RMP 2014-15 at the August 2014 Board meeting	Approve RMP 2015–16
		Prepared Request for Tender but delayed tender process until 2015–16 to align with Strategic Plan 2015–18 and Risk Management Plan 2015-16	Issue and award tender for three-year internal audit

Critical success factors	Goal	Target (performance measure)
5. Develop our people	Seek feedback and implement initiatives to continually improve staff engagement and retention	Maintain staff engagement above the industry average
		Develop a longer-term HR Strategy
		Review current accommodation facilities and arrangements
	Develop skills and performance capability	Develop staff performance plans
		Develop a reward and recognition program
		Complete evaluation of the Leadership Program
		Develop strategies and initiatives to improve cross-unit cooperation
		Develop training calendar that integrates training needs identified in 2014–15 development plans.
	Ensure the organisation has the right workforce, capacity and skills for the future	Implement Diversity Policy
6. Enhance our reputation and extend our relationships	Improve Bridge Housing's marketing and branding to increase public awareness of our work	Develop and implement communications strategy, including for social media
		Secure state and national industry awards
		Redevelop website to align with communications strategy
		Celebrate Bridge Housing's 30th anniversary
	Increase Bridge Housing's ability to influence state and federal government housing policy	Maintain memberships of key industry bodies and groups
		Increase opportunities for thought leadership and policy leadership
		Prepare responses to state and federal government policy initiatives

Key: completed in progress not completed

Status	What we achieved	Aims for 2015–16
	Staff engagement of 75 per cent **(see Our People on page 51)**	Maintain staff engagement above the industry average
	Drafted strategy but deferred finalisation to 2015–16 to align with Strategic Plan 2015–18	Finalise development of HR strategy to align with Strategic Plan 2016–18
	Conducted review based on staff survey results, and developed action plan for 2015–16	Implement recommendations from accommodation review
	Completed all plans as per timetable **(see Our People on page 51)**	Develop performance plans for all staff members
	Deferred program development until 2015–16	Develop a reward and recognition program and review remuneration model
	Post-course evaluation completed by all participants	Incorporate a review of personality style profiles in All Staff Away Day
	Achieved a 10 per cent increase in staff engagement result with the help of initiatives such as cross-unit project teams for major projects	Hold volunteer and team building days to improve cross-team cooperation
	Published training calendar	Develop training calendar that integrates training needs identified in 2015–16 development plans
	Started project but deferred implementation until 2015–16	Implement Diversity Policy
	Launched communications strategy, including significantly increasing the use of Twitter, LinkedIn, Facebook and YouTube **(see CEO Report on page 15)**	Incorporate communications work to develop an overall marketing strategy
	Secured awards in a number of different areas **(see Our Governance on page 60, and Bridge Housing Profile on page 6)**	Secure state and national industry awards
	Launched new website **(see CEO Report on page 15)**	Expand use of website to improve tenant services, e.g. to produce online rent statements
	Planned event for 2015–16	Celebrate Bridge Housing's 30th anniversary
	Maintained membership of the NSW Federation of Housing Associations, the Community Housing Federation of Australia, PowerHousing and the Committee of Sydney	Maintain membership of key industry bodies and groups
	Sponsored the NSW Community Housing Conference and participated in a number of industry research projects	Increase opportunities for thought leadership and policy leadership
	Lodged a formal submission in response to the Social Housing Policy Paper	Prepare responses to state and federal government policy initiatives

Housing Affordability

Since 2011, Bridge Housing's Annual Report has included a Housing Affordability report to measure and monitor housing affordability for low to moderate income households and provide a context for the demand for affordable housing across our operating region.

Introduction

Our fifth consecutive report unfortunately continues to show declining affordability for low to moderate income households, driven by soaring housing prices in Sydney. This is reflected in the recent headline "Median house price in Sydney tops $1 million for first time"[12].

Housing stress, housing affordability trends, demand for public housing and homelessness remain areas of concern – not just for community housing providers but for every organisation that provides support services for vulnerable and disadvantaged members of the community. Safe, secure and affordable housing provides the foundation for nearly every strategy to improve the quality of life for individuals and to support thriving communities.

How We Measure Affordability

Bridge Housing uses the definition of 'affordability' provided by the Centre for Affordable Housing (a division of the NSW Department of Family and Community Services), 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[13]."

A diverse and growing range of people cannot access affordable and appropriate housing in their local area. They 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 – including workers in a range of lower-paid occupations, 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

Pressure on housing prices will continue to increase purely through population growth. Sydney's population will grow by 1.6 million people, from 4.2 million in 2011 to 5.8 million by 2031. Housing this population will require an additional 664,000 new dwellings over 20 years - or 33,000 dwellings per year. In comparison, Sydney's average residential production between 1995-96 and 2010-11 was 20,000 dwellings per year. While current production is higher at 25,000 dwellings per year, it is well below the projected demand.

The impact of pressures on housing prices are illustrated in Demographia's[14] 11th International Housing Affordability Survey, which measures affordability in 86 international housing markets. Sydney is the third least affordable housing market internationally. Melbourne by comparison is sixth. Between 1981 and 2014 the income required to purchase a dwelling in Sydney, expressed as a median multiple, increased from 5 to 10. On Demographia's rating scale anything over 5 is regarded as "severely unaffordable"[15].

Declining housing affordability decreases the number of affordable rental properties and this affects households on very low and low incomes the hardest. Anglicare Australia's 2015 Australia Rental

12 Dr Andrew Wilson in Stephen Nicholls (2015) 'Sydney could have $1 million median house price by December', viewed 21 May 2015, http://news.domain.com.au/domain/real-estate-news/sydney-could-have-1-million-median-house-price-by-december-20150502-1mxru2.html
13 Centre for Affordable Housing, www.housing.nsw.gov.au/Centre+for+Affordable+Housing/.
14 Demographia (2015) 11th Annual Demographia International Housing Affordability Survey. www.demographia.com/dhi.pdf Median multiple' is defined as median house price divided by gross annual median household income
15 While Sydney has the most expensive housing, all five of Australia's major metropolitan areas – Sydney and Melbourne, plus Brisbane, Adelaide and Perth – were assessed as "severely unaffordable" in Demographia's survey for the 11th year in a row.

Affordability Snapshot[16] found 13,235 private rentals were advertised for rent in Greater Sydney on the weekend of 11-12 April 2015. Of these, only 41 properties were affordable and appropriate for people living on income support payments without placing them in housing stress. For people living on the minimum wage, 697 properties were affordable and appropriate without placing them in housing stress.

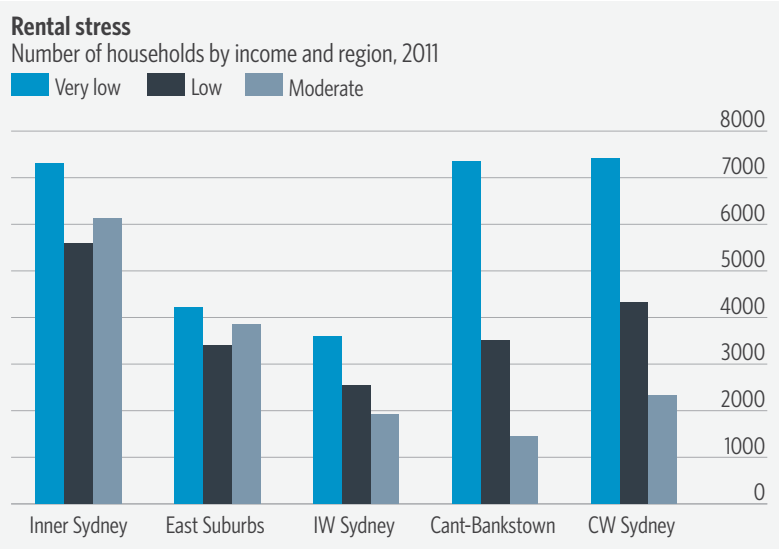
Anglicare's report reinforces the experience of many of the people who are now tenants of Bridge Housing or waiting to be allocated affordable housing. It states that "Housing unaffordability affects everyone. But for people living on low incomes it is a constant struggle. The longer they are limited by the cycle of living on low incomes, the harder it is for them to extricate themselves from their circumstances. As a result households - and that means families and individuals - become further entrenched in ongoing poverty, isolation and disadvantage. Little by little, the fabric that holds their lives together begins to unravel and it can take only one unexpected expense or event to entrench people into disadvantage, perhaps for the next and even subsequent generations[17]."

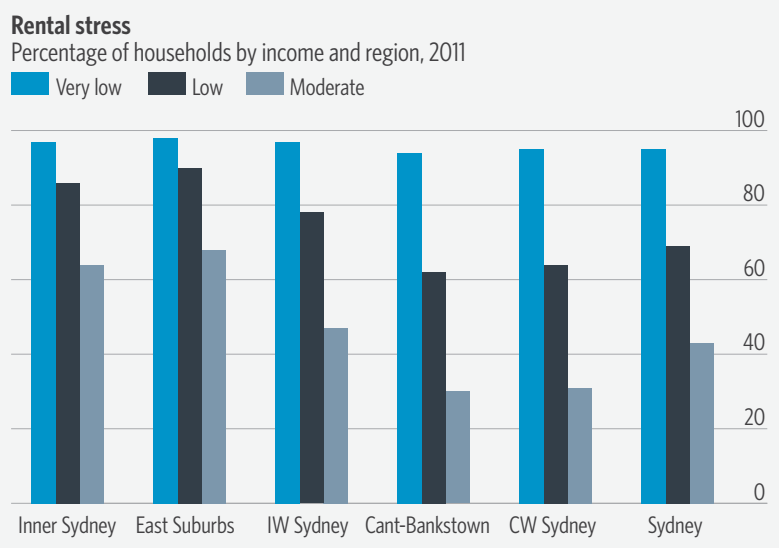
The position for households on moderate incomes, families and individuals, who are in the work force, is becoming more constrained as home ownership becomes a receding goal and renting becomes a more permanent tenure. Only 5 suburbs out of 540 in Sydney are affordable for renters on minimum wage, and a graduate nurse can only afford to rent in 293[18]. Essential workers – nurses, police – are increasingly being forced out to the city fringe if they want to buy, far from where they work, and many of whom are shift workers[19].

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 in 2007–08. This was even more acute in the Sydney region where in 2011 more than 69 per cent of low to moderate income private renters experienced rental stress, up from 41.4 per cent in 2007–08.

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 rental 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 with the Sydney region.





16 www.anglicare.asn.au/site/rental_affordability_snapshot.php
17 Anglicare Australia's 2015 Australia Rental Affordability Snapshot p 19
18 Ting, I. 2015 The Sydney Suburbs where minimum wage workers can afford to rent, Sydney Morning Herald, June 2015, http://www.smh.com.au/nsw/the-sydney-suburbswhere-minimum-wage-workers-can-afford-to-rent- 20150608-ghjc6v.html
19 Ting, I. & Wade, M 2015 Where Sydney's Essential workers can afford to live, Sydney Morning Herald, June 2015, http:// news.domain.com.au/domain/real-estate-news/wheresydneys-essential-workers-can-afford-to-live-20150610- ghk8sg.html

Affordable Properties

Housing affordability is illustrated in the 'Affordable rental' and 'Affordable purchase' charts, 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 in 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

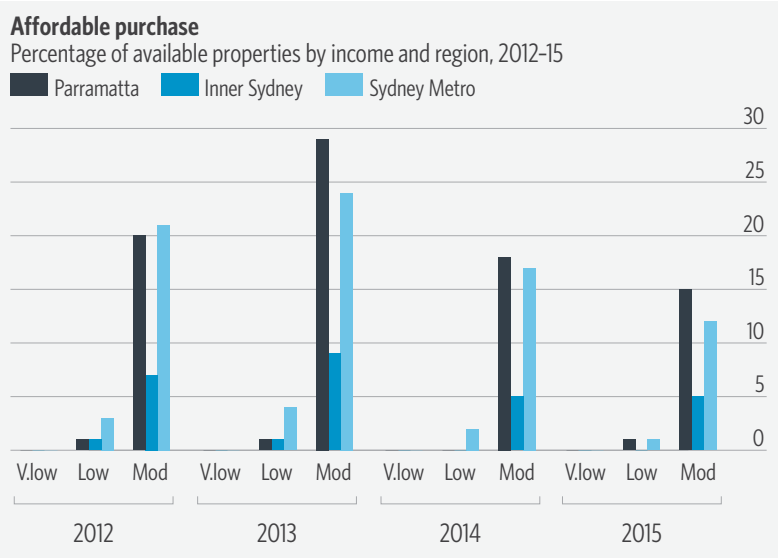
Bridge Housing's resources and programs help to meet the need for affordable housing. By June 2016, Bridge Housing will have developed an additional 112 affordable homes for long-term rental. In 2014–15, we started building 65 affordable dwellings on UrbanGrowth's Bungarribee Estate, Blacktown, which will be completed by June 2016. We also began converting an older block of units in Ashfield into nine one-bedroom self-contained units for delivery in March 2016.

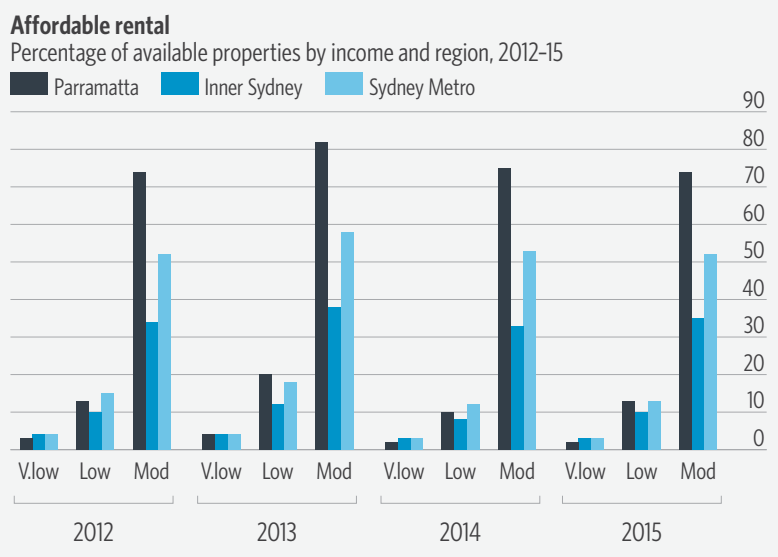
In December 2014, we successfully tendered for a Land and Housing Corporation (LAHC) site in Parramatta. This project will redevelop three fibro cottages into 38 units for social and affordable housing.

The Development Report on page 76 provides further information on our development program.

Our existing affordable housing programs provide 88 affordable homes, including developments at Wiley Park (8 units) and Eveleigh (27 units). We manage Waverley Council's Affordable Housing Program (28 units), and secured the management tender for the Sydney Olympic Park Authority's (SOPA's) affordable housing program through which we are currently managing 11 units. In addition, we have management agreements with private developers under the State Environmental Planning Policy No. 70 – Affordable Housing.

However, the community housing sector requires considerably more federal and state resources to meet the affordable housing challenge. This includes reinstating the National Rental Affordability Scheme (NRAS) and the development of a comprehensive affordable housing strategy by the state government.



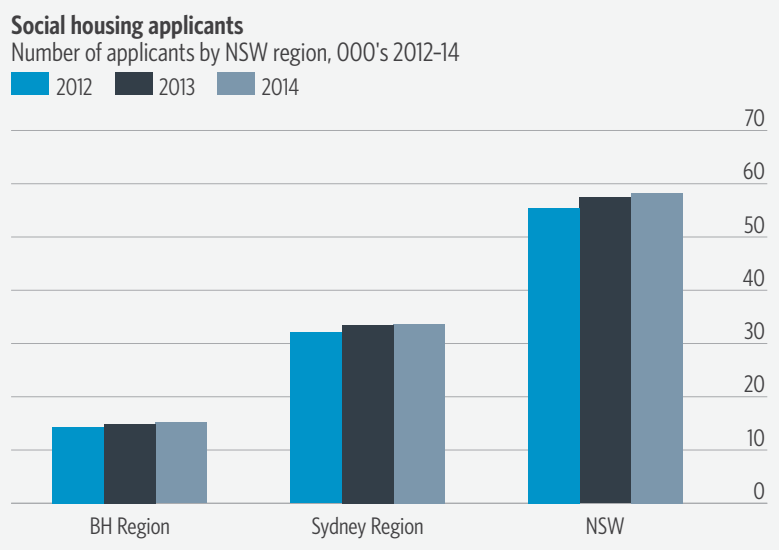


Social Housing Demand

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 59,000 households in 2014. 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[20].

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

Across Bridge Housing's operating region, 15,000 households are waiting for social housing, with an average wait time of between 5 and 10 years.



What We Are Doing

Bridge Housing meets the need for more social housing by allocating dwellings to applicants on the NSW Housing Register, into our mainstream housing program. In 2014–15, we provided secure and affordable accommodation to 281 households, up from 179 households in 2013–14. This was enabled through 208 vacancies created by vacating tenants in our capital, leasehold and fee-for-service programs and the 73 dwellings we added to our portfolio.

Colechin Street, Yagoona

20 NSW Auditor-General, Making the best use of public housing, Audit Office of NSW, July 2013, page 14.

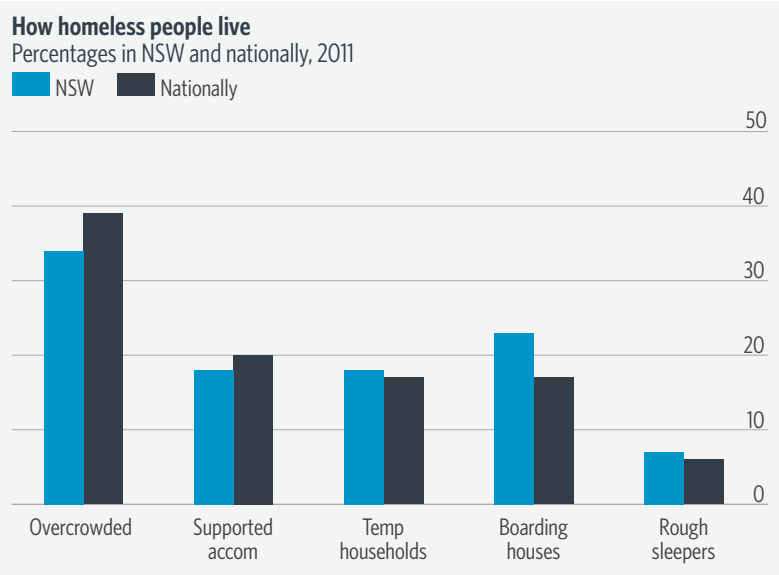
Homelessness

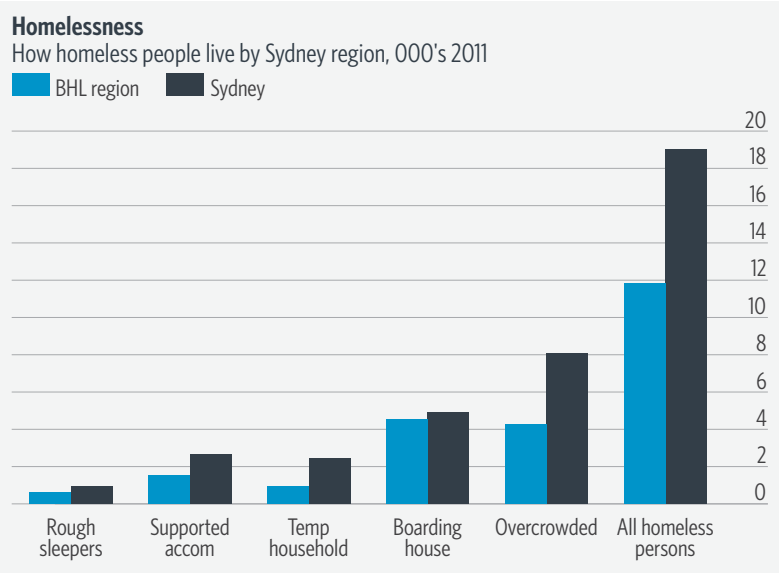
The National Housing Supply Council stated in its Housing Supply and Affordability Issues 2012–13 report that the decreasing affordability of housing was a key cause of homelessness. The most recent homelessness figures, from the 2011 Census, show that the number of people who were homeless or living 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, which is an increase of 5,971 or 27 per cent on the revised 2006 Census figure. The 'How homeless people live' chart shows where homeless people live across NSW and nationally, and indicates that severely overcrowded accommodation is a major factor in homelessness.

The 'Homelessness' chart shows that homelessness is concentrated in the Sydney metropolitan area and predominantly within Bridge Housing's operating area. For example, more than 8,000 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 Supporting Housing Accord) and Platform 70. In 2014–15, we commenced Connect 100, through which we will accommodate a further 15 households. We also use our capital properties and those we lease from the private rental market to provide further housing. This year we provided secure affordable housing for 281 households from Housing Pathways.





Operating Environment 2014–15

Federal and NSW Government policy settings play a significant role in shaping the operating environment of community housing providers. Like other providers, Bridge Housing depends on governments for policy framework, funding, resource allocation, contracting and property supply.

This section of our annual report describes how our operating environment affected Bridge Housing and the community housing sector in 2014–15[21].

Federal Government

Departmental and ministerial changes

The Liberal federal government settled into its second year of power in 2014–15. In broad terms, the imperatives to reduce federal government expenditure, review existing federal–state responsibilities and reduce welfare expenditure remain the same. At the same time there have been a number of ministerial changes, policy changes and new initiatives.

Housing policy and funding remains a function of the Department of Social Services[22], which is accountable to the Minister for Social Services. Scott Morrison replaced Kevin Andrews as Minister in December 2014. Mr Andrews had announced the defunding of a number of national housing and homelessness advocacy bodies, including National Shelter, Homelessness Australia and the Community Housing Federation of Australia.

Mr Morrison had not articulated a housing policy as at 30 June 2015, but the clearest expression of anticipated direction was in a speech made to the Institute of Public Affairs[23] where, while describing the problem of lack of affordable housing, he intimated that the policy prescription was no changes to negative gearing and a possible rearrangement of federal and state responsibilities through the Federalism Review.

Before turning to these it is important to note the reversal of significant changes to income support payments to young and older people announced in the Abbott Government's first federal Budget in 2013-14. These include reversing the tightening of eligibility criteria for young job seekers applying for the Newstart allowance and not proceeding with the age pension indexation changes from a percentage of average salary to CPI. With more than 90 per cent of our tenants and applicants on an income support payment changes may have a significant impact on community housing providers. If a single tenant moves from Disability Support Pension to New Start payment, rent income falls by $76 per week. The McClure Report[24] which is under consideration by the Federal Government with its recommendation to shift more people from disability pensions to the lower Newstart Allowance, may reduce the rental income of providers.

The government released two papers affecting housing affordability and the supply of affordable housing.

The tax discussion paper *ReThink* addresses tax issues regarding housing, particularly the interaction of negative gearing and capital gains tax. A broad range of reports and commentators argue that the interaction of the two is fuelling housing price increases and decreasing affordability. Regrettably the Australian Government has ruled out any discussion on reforming negative gearing and capital gains tax[25].

The *Reform of the Federation Green Paper,* released in June 2015, follows the Government's discussion paper on *Housing and Homelessness* in December 2014, which outlines the current Commonwealth housing policy. The Green Paper canvassed four options for future social housing policy, from maintaining the status quo – a split system – to giving the states and territories full responsibility. There are

21 Our Annual Report 2012 provided a comprehensive history of the community housing sector in NSW since its establishment in 1985. The NSW Federation of Housing Associations, the sector's NSW industry group, also provides comprehensive information on community housing providers in NSW at www.communityhousing.org.au.
22 The 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.
23 'Positive welfare and compassionate conservatism', address to the Institute of Public Affairs, Melbourne, http://scottmorrison.dss.gov.au/speeches/positive-welfare-and-compassionate-conservatism-address-to-the-institute-of-public-affairs-melbourne.
24 A New System for Better Employment and Social Outcomes https://www.dss.gov.au/our-responsibilities/review-of-australias-welfare-system/a-new-system-for-better-employment-and-social-outcomes-full-version-of-the-final-report
25 www.smh.com.au/business/prime-minister-tony-abbott-rules-out-changes-to-negative-gearing-20150416-1mmibf.html.

two significant issues with the framing of the discussion: it assumes that the current funding levels are adequate, and it narrows the framing of the discussion to direct expenditure on housing – including Commonwealth Rent Assistance and direct funding through the National Affordable Housing Agreement. It does not tackle the issue of indirect subsidies through the tax system, such as negative gearing and capital gains tax exemptions, and whether they are effective in delivering affordable housing.

This may prefigure a withdrawal of the Australian Government from direct funding of, and policy interest in, social housing, limiting the role of the Commonwealth to the provision of 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.

The Senate Economics Committee also released its long-awaited final report on the Inquiry into Affordable Housing, on 8 May 2015[26]. The report provides a comprehensive analysis of the state of Australia's housing markets including the overall decline in housing affordability and its associated negative impacts. With more than 40 recommendations, the most important finding of this Senate Inquiry is that the Australian Government should develop a long-term affordable housing plan and appoint a dedicated minister for housing and homelessness to deliver the plan and key recommendations on the role of community housing. Government has rejected most of the recommendations, arguing that they would be dealt with through the processes of tax reform and federation reform.

In response to the growing concern over affordable housing and first-home buyer access to the housing market, the federal government established a House of Representatives Economic Committee Inquiry into Home Ownership in April 2015, due to report in late 2015.

National Regulatory System

There has been little change in the National Regulatory System for Community Housing (NRSCH) (www.nrs.org.au). The NRSCH came into effect in January 2014 to replace the previous state-based community housing regulatory systems with the aim of ensuring regulatory consistency across Australia and reducing the compliance burden for community housing providers wishing to operate across state jurisdictions. All jurisdictions except Victoria and Western Australia joined the NRSCH, and this position continued into 2014–15. The benefit of establishing national performance thresholds for community housing providers lies in defining clearer benchmarks and improving transparency to evaluate and compare provider performance. These benchmarks are 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 NRSCH in June 2014 and underwent its first Compliance assessment in December 2014 under the new regime.

Australian Charities and Not-for-profits Commission

In our *Annual Report 2014* we wrote that the then incoming federal government was committed to abolishing the Australian Charities and Not-for-profits Commission (ACNC), which began operations in December 2012. The ACNC has now been given a reprieve. The then incoming Minister, Scott Morrison, indicated soon after his appointment in December 2014 that abolishing the ACNC was a low priority[27] and in September 2015 indicated that the Commission would continue operating[28].

National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS) (www.ndis.gov.au) is the most significant reform to disability services in the past 30 years. Support is tailored to individual needs. The scheme takes an insurance approach for more stable long-term costs and better outcomes, and aims to maximise choice for people with a disability, and provide better control 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 due to 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 delivering housing for people with disabilities. This includes ensuring a new supply, including adaptable and accessible features by deploying Livable Housing Australia[29] universal design standards, and modifying existing dwellings.

26 Commonwealth of Australia, 'Out of reach? The Australian housing affordability challenge', May 2015, www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Affordable_housing_2013/Report.
27 http://www.probonoaustralia.com.au/news/2015/02/abolition-charity-regulator-low-priority-morrison#
28 http://www.probonoaustralia.com.au/news/2015/09/morrison-fudged-acnc-announcement?utm_source=Pro+Bono+Australia+-+email+updates&utm_campaign=76c235ac26-News_10_09_20159_10_2015&utm_medium=email&utm_term=0_5ee68172fb-76c235ac26-146762817
29 www.livablehousingaustralia.org.au

NSW Government

Overview

In our *Annual Report 2014* we observed that the NSW Government had yet to clearly articulate a broad-based housing policy for low to moderate income households. This year, particularly after the March 2015 state election, the policy landscape is more positive for the community housing sector. In particular, the election campaign saw both parties release statements on affordable housing and the growth of the community housing sector. This was the first time community housing was referred to in the election platforms of either major political party. During the election campaign the Premier announced a billion-dollar social and affordable housing fund[30]. The opposition announced that it would establish a ten-year affordable housing plan for NSW. Community housing was also given a higher political profile when the Opposition Leader Luke Foley committed any future Labor government to transfer title of a further 20,000 public housing dwellings to community housing providers, in his Budget reply speech[31].

New Minister for Social Housing

Brad Hazzard was appointed as the new Minister for the Department of Family and Community Services and Minister for Social Housing following the March 2015 election. He has shown himself to be interested in change and seeking further engagement with community housing providers. The first sign was the Social Housing Forum in May 2015 which brought together not-for-profit, private sector and government stakeholders including Bridge Housing representatives. The forum provided a clear signal that it is not business as usual. The Minister is seeking to change the way social housing is delivered.

He relaunched the joint venture between Bridge Housing and the Land and Housing Corporation public housing redevelopment at Cowper St, Glebe, in May 2015, which had not progressed since 2012.

Minister Hazzard's success as a minister will lie in his ability to develop a comprehensive framework for social and affordable housing reform across the NSW Government.

Policy Context

In our *Annual Report 2014* we drew attention to the NSW Auditor-General's report *Making the Best Use of Public Housing*[32], released in July 2013. This provided a comprehensive assessment of the pressures on public housing delivery and how the absence of a strategic response and clear policy has exacerbated these pressures. After four years, the State Government finally released the *Social Housing in NSW Discussion Paper* in November 2014, inviting responses to assist the NSW Government in developing its social housing directions.

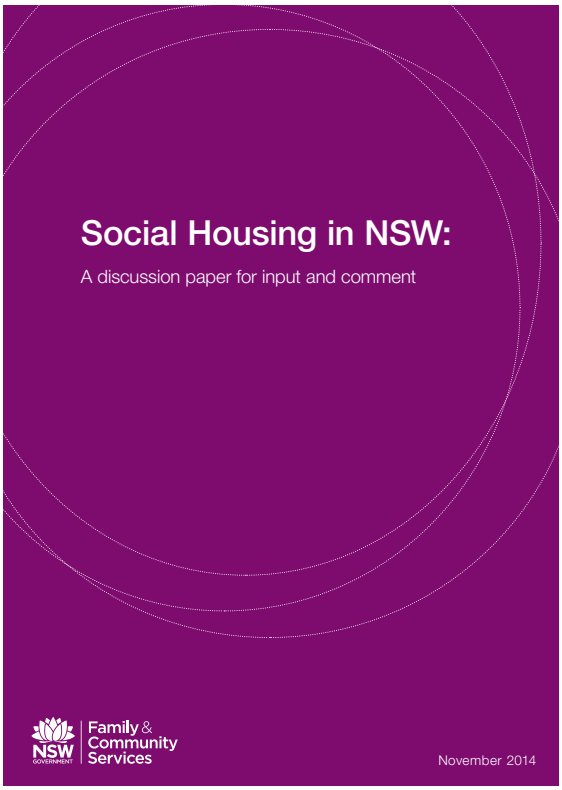
The paper identifies three pillars for the future of social housing. While it has positive aspects, it does not mention the need to increase the supply of social and community housing, and focuses too heavily on assuming that the private rental market will provide a secure and affordable source of affordable housing. While positive about the role of community housing providers, it was silent on whether further dwellings would be transferred to the community housing sector to meet the target of transferring 35 per cent of social housing to the NSW community housing sector[33]. A new Social Housing Policy and a clearer direction for community housing providers is expected in December 2015.

The release of the Social Housing Policy is now critical as it will frame how government responds to other key supply initiatives, the Premiers Social Housing Innovation Initiative and the aforementioned billion-dollar social and affordable housing fund. The former, launched in November 2014, sought innovative proposals for the delivery of social and affordable housing. The latter was announced in the state election campaign with little detail and is currently being worked on by NSW Treasury. What is apparent is that it is not an injection of one billion dollars

John Nicolades at Social Housing Discussion Forum

30 http://www.lukefoley.com.au/budget_reply_2015
31 Audit Office of New South Wales, Making the best use of public housing, 2013, www.audit.nsw.gov.au.
32 Currently, with 29,000 dwellings, the NSW community housing sector has approximately 20 per cent of social housing. To reach the 35 per cent target would require an additional 22,000 dwellings to be transferred.
33 www.smh.com.au/nsw/nsw-state-election-2015/mike-baird-brokers-1-billion-social-and-affordable-housing-deal-20150311-141d9s.html

of investment. The community housing sector, through the New South Wales Federation of Housing Associations (its peak industry body), responded to the initiative by suggesting these funds could be used to set up a community housing financing body to aggregate funds to supply more affordable housing, similar to The Housing Finance Corporation[34] in the United Kingdom. The Australian Housing and Urban Research Institute (AHURI), for example, has undertaken considerable work over a number of years to examine options for housing bonds and attracting institutional investment into affordable housing[35].



The positive aspect of these new directions is the broader interest across government central agencies in the reform of the social housing system and how best to respond to declining housing affordability and clear market failure. For example, the Department of Premier and Cabinet is now taking more interest in housing affordability. The challenge for the NSW Government is how to develop a comprehensive policy framework to deal with declining housing affordability in Sydney and the future role of the community housing sector.

Parliamentary and other Policy Reviews

In addition to the *Social Housing in NSW* discussion paper, two inter-related reviews will affect community housing. These are:

- the NSW Legislative Council's *Inquiry into Social, Public and Affordable Housing*[36], tabled in September 2014
- the NSW Parliament Public Accounts Committee inquiry into *Tenancy Management in Social Housing*[37] completed in November 2014.

The Legislative Council, the upper house of the NSW Parliament, made a number of positive recommendations on community housing in its *Inquiry into Social, Public and Affordable Housing*. These included the transfer of more than 35 per cent of public housing properties to the NSW public housing sector under long-term management contracts beyond the current three years. Consideration of title transfer would be included as part of a second stage, based on performance criteria. Bridge Housing prepared a submission for the review which was quoted extensively in the Legislative Council's final report. The Legislative Council Inquiry included a majority of Labor and cross-bench members and it will be interesting to see the NSW Government's response.

The Public Accounts Committee focused on the cost-effectiveness of current tenancy management arrangements in public housing and the effectiveness of tenancy services. There was some apprehension about this inquiry due to a concern that it may recommend that some or all property management be outsourced to the private sector. However, the inquiry found that there were no reliable measures of performance. This led to a series of recommendations supporting the ongoing research by AHURI[38] into measuring the costs and outcomes of social housing. AHURI's research is directed at establishing a conceptual framework for community housing providers and public housing authorities in measuring the cost of providing social housing, and assessing tenant outcomes. This research will be completed in December 2015 and Bridge Housing, together with a number of other providers and two public housing authorities, is providing performance data and participating in the research. The research findings will be significant as they will provide a comprehensive and comparative analysis of the costs of tenancy management for the first time. This will then provide government with data to help determine whether it should transfer more properties to community housing providers.

NSW Planning System

In our *Annual Report 2014*, we discussed the proposed Planning Act before the NSW Parliament, and how it stripped out the existing, albeit weak, affordable housing provisions in the existing *Environmental*

34 The Housing Finance Corporation www.thfcorp.com
35 Lawson, J., Milligan, V. and Yates, J. (2012) Housing Supply Bonds-a suitable instrument to channel investment towards affordable housing in Australia? AHURI Final Report No. 188. Melbourne: Australian Housing and Urban Research Institute.
Lawson, J., Berry, M., Hamilton, C. and Pawson, H. (2014) Enhancing affordable rental housing investment via an intermediary and guarantee, AHURI Final Report No. 220. Melbourne: Australian Housing and Urban Research Institute.
Milligan, V., Pawson, H., Williams, P. and Yates, J. (2015) Next moves? Expanding affordable rental housing in Australia through institutional investment. Sydney: City Futures Research Centre
36 Inquiry into Social Public and Affordable Housing, www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/12B4DA4578015782CA257D4D00120FFE
37 Inquiry into Tenancy Management in Social Housing, www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/2DFC4FB81A3B2377CA257D94007968B9?open&refnavid=CO4_1
38 Australian Housing and Research Institute (AHURI), Assessing management costs and tenant outcomes in social housing: developing a framework, AHURI Positioning Paper No.160 www.ahuri.edu.au/publications/download.asp?ContentID=ahuri_71025_pp&redirect=true.

Planning and Assessment Act 1979 (EPAA). Following the State Election in March 2015, a new Planning Minister, Rob Stokes, was appointed and it appears that the legislation has now been withdrawn. It is unclear whether governments will strengthen the planning policy levers for affordable housing.

The NSW Government released *A Plan for Growing Sydney*[39] (the Plan) as its new metropolitan strategy. The Plan provides a strategy for how Sydney will accommodate the forecast 1.6 million additional people who will be living in Sydney by 2031, requiring around 664,000 more homes. It provides a strategic framework for ensuring more homes are in places with access to infrastructure, transport, services and jobs. It has six subregional plans, and the Central and West Central[40] regions are within Bridge Housing's operating area. UrbanGrowth NSW, the NSW Government's urban transformation delivery organisation, will play a central role in guiding and delivering the urban development, particularly in those areas designated as Major Urban Transformation Projects[41].

Much of this urban re-development will take place in Bridge Housing's operating region, from the City of Sydney to the City of Blacktown. This includes the Central to Eveleigh Corridor and the Bays Precinct. The Central to Eveleigh Corridor provides urban regeneration opportunities on 80 hectares of government-owned land within the rail corridor at the southern end of Sydney's CBD. The Bays Precinct sits within 2 kilometres of the Sydney CBD and consists of 80 hectares of government-owned land on harbour waterways around Glebe, Balmain and Rozelle.

These represent significant opportunities for government to deliver affordable housing in well located areas that fall within Sydney's Global Economic Arc, a region that will provide significant job growth. The redevelopment will involve density uplift and provide opportunities to use the planning gain, particularly on government sites, to be secured as affordable housing. However, the Plan only provides general directions on how affordable housing will be provided under Goal 2: A city of housing choice, with homes that meet our needs and lifestyles[42]. These include:

- provide affordable housing in government-led urban renewal projects and on government-owned sites to meet the shortfall in affordable housing
- require local councils to include affordable housing in their local housing strategies, to respond to local demand
- work with the community housing sector and the development industry.

The Plan has no regional or subregional targets for affordable housing, as distinct from housing supply, and UrbanGrowth NSW is yet to release its affordable housing strategy for the Urban Transformation Projects.

The NSW Government has announced that it will establish the Greater Sydney Commission, which will be responsible for coordinating and delivering the Plan by bringing together 41 Sydney councils, state agencies, the community and other stakeholders to provide "strong metropolitan governance". Legislation is currently before the NSW Parliament.

Part of Bays Precinct

39 A Plan for Growing Sydney, www.strategy.planning.nsw.gov.au/sydney/the-plan/.
40 Central subregion includes the local government areas of Ashfield, Botany Bay, Burwood, Canada Bay, Leichhardt, Marrickville, Randwick, Strathfield, City of Sydney, Waverley and Woollahra. The West Central subregion is made up of the following local government areas: Auburn, Bankstown, Blacktown, Holroyd, Parramatta and The Hills.
41 This includes Central to Eveleigh, Green Square Town Centre, Parramatta Road and the Bays Precinct, www.urbangrowthnsw.com.au/work/urban-transformation-projects.aspx.
42 A Plan for Growing Sydney pp 62-80

How We Operate

Bridge Housing is a professional organisation governed by a skills based board that bring a wealth of experience across all aspects of our business. Our management team consists of experienced senior executives drawn from government , private and not for profit sectors, managing a diverse workplace of dedicated and enthusiastic staff who operate across tenancy and asset management, community building and engagement, development and finance.

Our Board of Directors

Bridge Housing is governed by a skills-based Board of Directors, 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 on page 60.

On 30 June 2015, John Kell resigned from the Board after serving for six years, to focus on other areas. The Board and management of Bridge Housing would like to thank John for his many years of service.

John was Chairperson of the Eastern Suburbs Rental Housing Association (ESRHA) when it merged with Bridge Housing in 2009, and has since provided a robust legal perspective on Bridge Housing's strategic and operational decisions at the Board level.

At the meeting on 30 June 2015, the Board welcomed Carolyn Scobie to fill the casual vacancy created by John's departure, and Carolyn will stand for election at the AGM in November.

Meet our Directors on page 46.

Our Executive Team

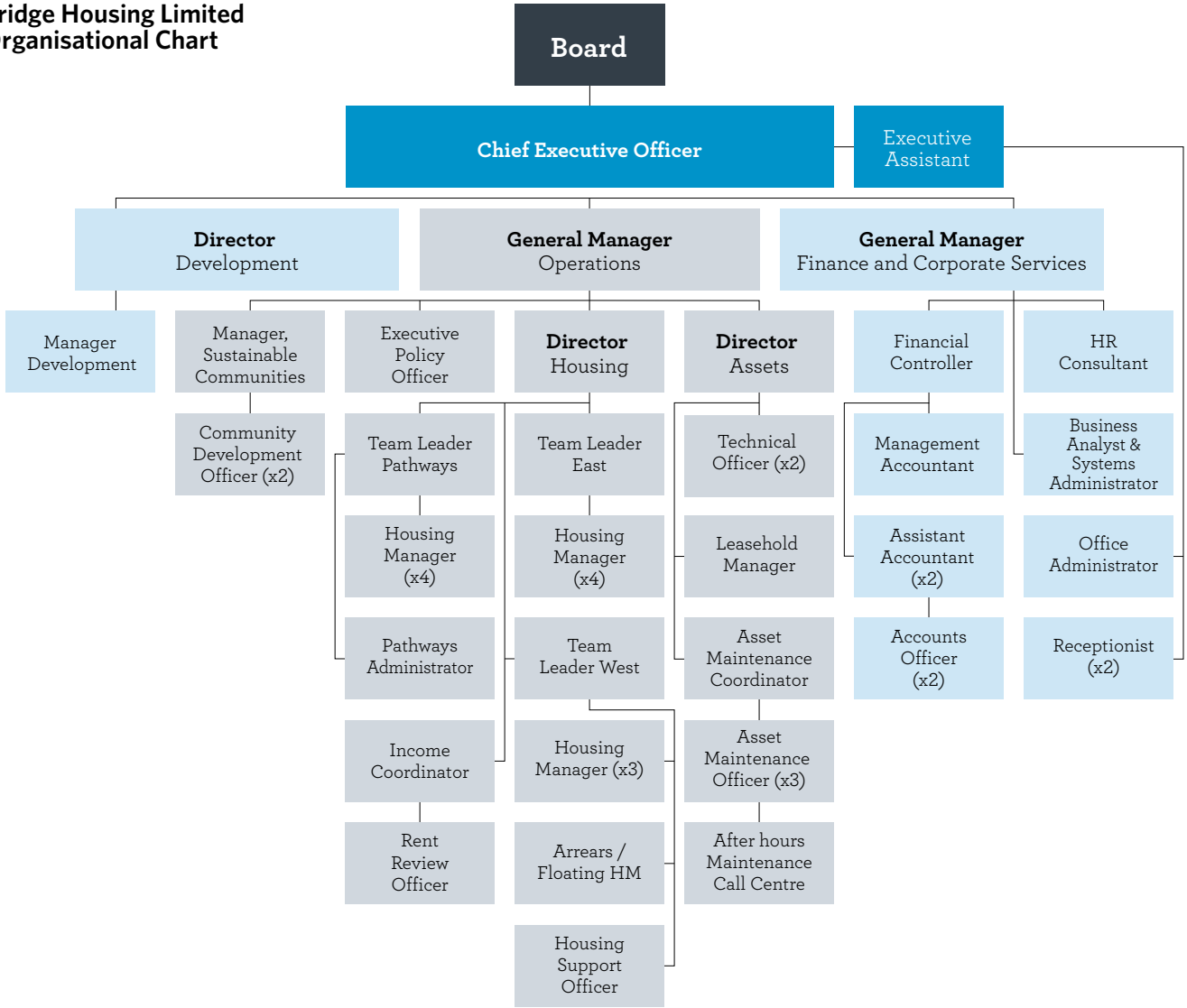
Bridge Housing's executive team consists of the Chief Executive Officer (CEO), General Manager Operations, General Manager Finance and Corporate Services, and Director, Development.

This represents a shift in the way that Bridge Housing operates. See Spotlight 2: Restructure on page 44 for more information on how this executive-level restructure has positioned Bridge Housing for the future.

The Executive is responsible to the Bridge Housing Board of Directors through the CEO and is charged with delivering Bridge Housing's Strategic Plan and Business Plan objectives. Each division of Bridge Housing has primary responsibility and ownership of particular critical success factors. However, the divisions must work together to fulfil our Strategic Plan and Business Plan. See Our Performance on page 22 for a description of how we met our Business Plan 2014–15 critical success factors.

Meet our executive team on page 48.

Bridge Housing Limited Organisational Chart



Spotlight 2: Restructure

This reporting period saw some significant changes within the executive team at Bridge Housing. Hugh Phemister, General Manager, Assets, departed in June 2014 for a role at the Department of Family and Community Services. Shortly after, Rebecca Pinkstone, General Manager, Housing and Communities, started maternity leave. With the capable and valued assistance of Meghan Hibbert, acting in the role of General Manager, Housing and Communities, and Meredith Corrigan, contracted into a newly created Director Assets role until May 2015, Bridge Housing continued to deliver quality services to its clients.

The Opportunity

The departure of Hugh Phemister created an opportunity to review Bridge Housing's operations. While the existing structure had worked effectively for a number of years, the management team decided to thoroughly examine our executive structure to ensure it was appropriate to position the organisation for the next phase of its development.

Some of the issues covered by the review are listed below:

- Bridge Housing's program to improve customer service (see Spotlight 3 on page 58) had raised concerns that managing our two main service areas – Housing and Repairs (Assets) – separately created inefficiencies.
- Employee surveys from the past few years had indicated that staff members were concerned about the lack of career opportunities within the organisation and of the need for improved cross-unit cooperation.
- Development activity increased significantly in 2014–15 (see the Development Report on page 76), requiring additional management focus within Bridge Housing's structure.
- The new strategic planning cycle allowed the management team to review Bridge Housing's structure to ensure it would allow us to successfully implement the Strategic Plan 2015–18.

The New Executive Structure

In April 2015, the Board endorsed the management team's proposal to create the position of General Manager, Operations, with broad management scope and responsibilities. Rebecca Pinkstone was promoted from General Manager, Housing and Communities, to take on this role.

As part of the structural changes, the Housing and Assets teams were brought under the same senior executive, with the aim of enhancing cooperation and focusing on improving customer service. Two new positions were also created: Director, Housing, with responsibility for housing and allocation services; and Director, Assets, responsible for maintenance and repairs. These two positions will enable the General Manager, Operations to also focus on strategy and planning.

At the same time, the formal separation of the Development team from the Assets team was confirmed. The Development team, lead by Christopher Dib, now reports directly to the CEO. This change in reporting supports the greater focus required as Bridge Housing's development activities increase. See the organisation chart on page 43.

The new structure provides additional career opportunities for staff at management level, which is an important component of our strategy to retain talented staff members within the organisation (see Our People on page 51). It also positions Bridge Housing for the future by providing the depth and breadth of management experience to be able to grow the organisation while maintaining our service delivery and business outcomes.

Bridge Housing will realign positions further throughout the organisation in 2015–16.

Our Directors

The Bridge Housing board is a skills based board. Directors are chosen based on their expertise in one or more areas: social housing management, finance, community welfare, property development and procurement, law, social policy development, information technology and HR management.

Vicki Allen

BBus, MBA, DFP, FAICD
Chairman
Director since 2007
Chair since 2009

Skill area: Human resources
Chairman: Human Resources, 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, includes 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 non-executive director of a number of subsidiary entities of BT Financial Group. She holds an MBA from The University of Melbourne as well as a Bachelor of Business from University of Technology Sydney, and is a Fellow of the Australian Institute of Company Directors.

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: Human Resources, Nominations and Marketing Committee

Dick is an experienced senior public servant, having held director general positions in Queensland and NSW (in 1989 and 2003 respectively) including for the Queensland Department of Housing, Local Government and Planning; the 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, and he recently completed a three-year term as Chairman of the Sydney Harbour Foreshore Authority.

Shirley Liew

BBus, MBA, Grad Dip Appl Finance, FCPA, FTIA, MIIA, FAICD
Director since 2009

Skill area: Finance and risk management
Chair: Finance Risk and Audit Committee

Shirley is a professional non-executive director with several 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 25 years experience in finance, assurance, risk and business advisory, and held practice lead partner roles in major chartered accountancy firms. Her current director roles include Director and Chair of the Audit Committee of Lantern Hotels Group Limited, Hunter United Employees Credit Union Limited and Independent audit member of Nepean Blue Mountains Local Health District and NSW Trains.

Carolyn Scobie

MA (Japanese), BA LLB, Grad Dip CSP, GAICD
Director since 2015

Skill area: Legal
Member: Human Resources, Nominations and Marketing Committee

Carolyn has 25 years of legal experience in corporate and commercial property, and is responsible for all aspects of legal risk management for the Goodman Group, an integrated commercial and industrial property group. Prior to Goodman, Carolyn spent three years in the legal profession and six years as in-house counsel with the Japanese construction company, Kumagai Australia Group. Carolyn is a member of the Governance Institute of Australia and a graduate of the Australian Institute of Company Directors.

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 helped manage 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.

John Kell

BA LLB, MEnvStud, GAICD
Director 2009 to 2015

Skill area: Law
Member: Human Resources, Nominations and Marketing Committee

John is a partner at Hicksons Lawyers 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. John resigned from the Board in June 2015.

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 35 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, overseeing its billion-dollar property development program. She is currently Director of Independent Living at UnitingCare Ageing NSW and ACT.

Alan Revell

MBA (Syd.), FCPA, FAICD, FCIS, FGIA, FAIM, FAPI, SMP (Harv.)
Director since 2012

Skill area: Corporate and project funding, management and governance; property finance and structuring; property development; acquisitions, asset and portfolio management.
Member: Finance Risk and Audit Committee

Alan has more than 40 years senior management and board experience in the corporate and property industries. He is a professional Non-Executive Director, is pre-qualified as a NSW Government Independent Chair and Member of Audit and Risk Committees and was Inaugural Chair of a NSW Government sponsored property entity. He is Principal and Chair of a property and corporate advisory consultancy. Alan was Founder, Managing Director and Chairman of the management companies of a publicly listed real estate investment trust; was Managing Director of Lend Lease Investments managing all that company's commercial property in Australia, a director of various other Lend Lease subsidiaries and a director of the General Property Trust (GPT). Previously he was General Manager of Westfield shopping centres, responsible for the management of all that company's Australian assets. A qualified accountant and company secretary, Alan is a graduate of the Harvard School of Business Administration, International Senior Management Program and of the Australian Institute of Company Directors.

Mark Turner

BSc MRICS, GAICD
Director since 2014

Skill area: Property Development, Finance, Real Estate
Member: Asset and Procurement Committee

Mark has more than 30 years experience in real estate funds management in Australia, the UK and Asia. During this time Mark has held senior executive roles including the Head of Funds Management at DEXUS Property Group, fund and asset management roles at Lend Lease and GPT, as well as Chairman of an Asian property investment company. Mark is currently a Director and principal shareholder in a real estate advisory business based in Sydney. He graduated from the university of Portsmouth UK with a Bachelor of Science in Urban Land Administration, is a member of the RICS and a licensed real estate agent in NSW.

Our Executive Team

Bridge Housing's executive is an experienced and dedicated team of professionals that bring a wealth of experience from the private, public and not for profit sectors. The combined experience of the executive team covers public policy, property and tenancy management, community welfare, finance, property development, HR management, information technology management and compliance.

John Nicolades

Chief Executive Officer
BA, BSW, GradDipAppFin

John has led Bridge Housing Limited since 2006, growing the organisation from 650 to 1,716 properties. As CEO, he guides the company's strategic focus.

Prior to joining Bridge Housing, John held senior positions in NSW Government and the community services sector.

John led affordable housing policy development in the NSW Family and Community Services and NSW 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.

Rebecca Pinkstone

General Manager, Operations
BA, MPS

Rebecca joined Bridge Housing in June 2013. Promoted in April 2015 to General Manager, Operations, Rebecca is responsible for Bridge Housing's applicant, tenancy management and fee-for-service functions as well as our community and tenant engagement initiatives, supported housing programs and asset management operations.

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

David Miller

General Manager, Finance and Corporate Services
B.Bus, MBA (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 extensive senior financial, IT and general management experience. He 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 the commercial real estate, property management, property development and residential construction sectors. David has had financial responsibility for budgets of more than $100 million and has extensive experience in developing and managing best-practice corporate services.

Christopher Dib

Development Director,
BComm (Land Economics), CPV

Christopher was appointed Development Manager in April 2013 and promoted to Director, Development in September 2014. He is responsible for delivering Bridge Housing's development projects, and sourcing new development opportunities.

Christopher is a registered property valuer and an Associate of the Australian Property Institute with considerable property development experience. He previously worked for AV Jennings, where he undertook various developments valued at more than $100 million. More recently, Christopher worked for Land and Housing Corporation (LAHC), acquiring and developing 130 social housing properties valued at around $25 million.

Christopher was also responsible for the Boarding House program for Ageing, Disability and Home Care.

Senior management team - David, Rebecca, Christopher and John

Elizabeth, Housing Manager, discussing a tenancy enquiry

Our People

The passion and engagement of our 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 skills, capabilities and experience 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.

Over the last strategic planning period of 2012–15, Bridge Housing systematically implemented a Human Resource Improvement Program beginning with a HR Audit. The program included initiatives to:

- move to electronic personnel record keeping
- review, develop and implement policy
- create Corporate Values
- train staff in equal opportunity in the workplace, and prevent harassment and bullying
- introduce Employee Opinion Surveys
- develop a capability framework
- develop new outcomes-driven position descriptions
- benchmark remuneration and reclassify award-based positions
- implement a remuneration policy and a salary review program
- review employee benefits and develop a Total Rewards Program
- develop an end-to-end recruitment and selection process
- develop and implement a new performance management and development system together with a performance improvement framework
- create a learning and development framework, including online e-learning options
- implement a robust six-month induction program.

A number of these areas are discussed in detail later in this section.

The above program has seen our staff engagement ratings increase from 64 per cent in 2011 to 82 per cent in 2014, which was 12 per cent above the sector average. During 2015, our engagement score decreased to 75 per cent. Although still 4 per cent above the sector average, the engagement score raises a number of areas for us to focus on as we move into our next strategic planning period. This is commented on in more detail later in this section.

Over the same time, staff turnover increased to 16 per cent compared to 11 per cent in 2014.

Staff Profile

The Bridge Housing team comprises 44 dedicated, full-time equivalent (FTE) 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:

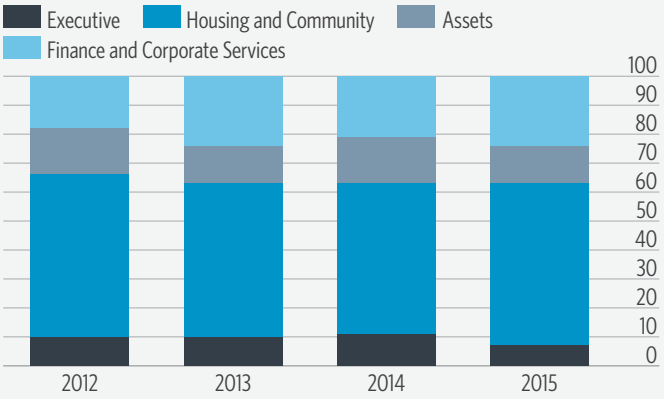
- Operations (housing and asset services)
- Development Services
- Finance and Corporate Services.

Assets was combined with Housing and Community during 2014–15 to form an Operations Division to improve our service delivery and customer service. The Development team was separated from the Assets team.

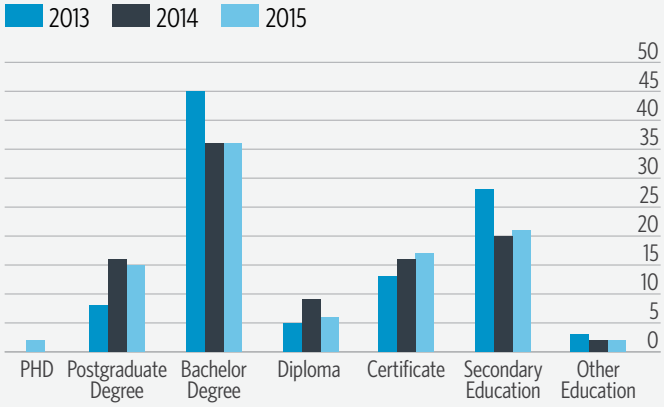
More importantly, our Executive team was restructured to better align our business for future growth and improve service delivery to our clients. The General Manager of Housing and Community took maternity leave during the year and the General Manager, Assets left in June 2014 to take up a senior position with 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 in an acting capacity without affecting our ongoing operations. In addition, these events gave us the opportunity to examine the structure of the business and the Executive team. As a result, we created an Operations Division to better focus our service delivery. Separation of Development into a stand-alone operating division reflects the unique nature and growing importance of this part of our business.

We also appointed two senior middle managers to head up our Housing and Assets service delivery lines. See Spotlight 2 on page 44 for more details on the restructure.

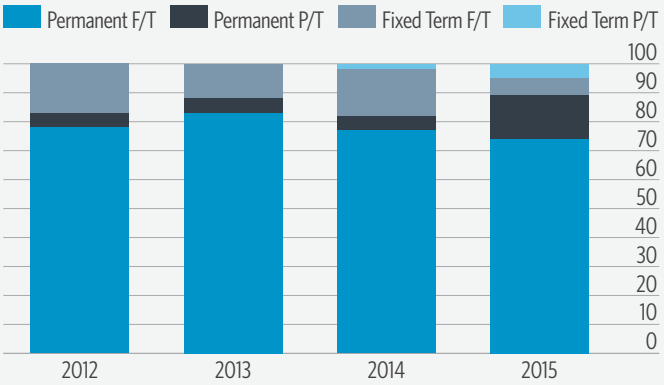
Departments
Employee (percentage), 2012-15



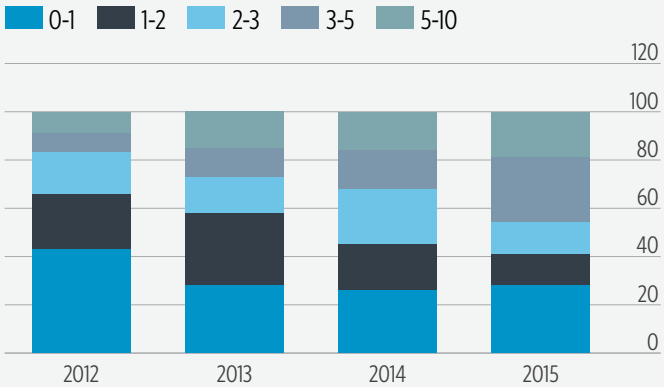
Education
Level achieved (percentage), 2013-15



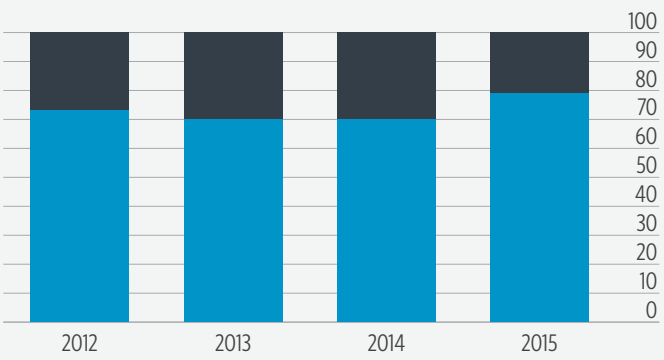
Employment status
Employee contractual status (percentage), 2012-15



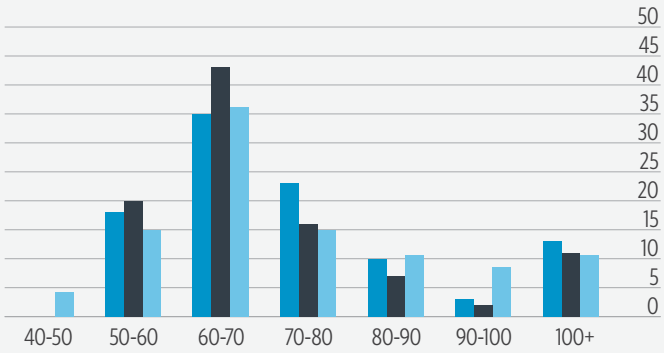
Tenure
Employee length of service by year (percentage), 2012-15



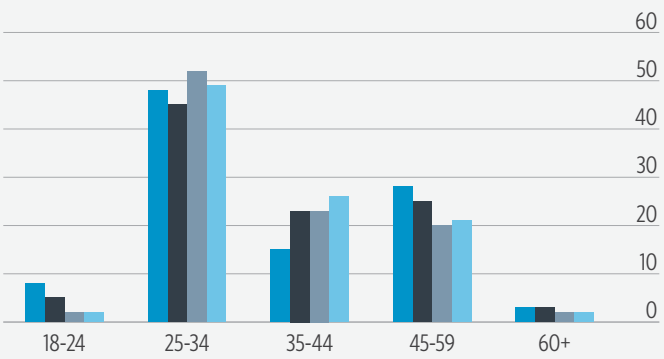
Gender
Employees (percentage), 2012-15



Salary band
Staff salary band (percentage), 2013-2015



Employee age
Employee age distribution (percentage), 2012-15



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 more than 600 projects with over 230 clients, and in 2013–14 benchmarked Bridge Housing's performance for the first time against eight other community housing organisations that also undertook the survey, as well as the broader community services sector.

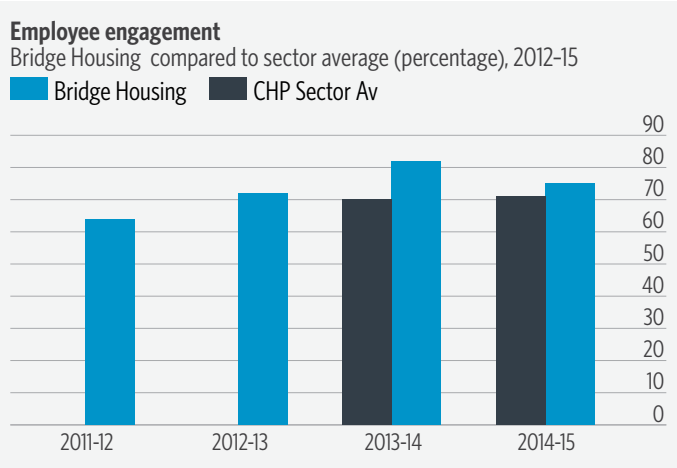
The survey allows us to measure our progress and the impact of our HR strategies by comparing our performance with the broader community and healthcare sector and other community housing providers.

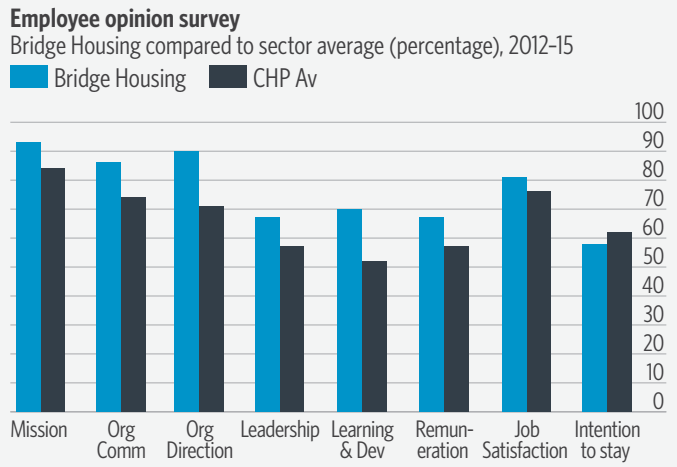
In 2014–15, we conducted our fourth EOS. We received a 100 per cent response rate and achieved 75 per cent employee engagement, down from 82 per cent last year. The 2014–15 engagement score was 4 per cent above the sector average. Engagement levels are a critical indicator as they measure employees' commitment to the organisation, job satisfaction and intention to stay.

This year's results, while pleasing, highlight a number of areas that the business needs to focus on. In addition, the survey was conducted in an environment of some instability and uncertainty with regard to senior management movements, and we believe this transition had some impact on our staff engagement during 2014–15. See Staff Profile on page 51 and Spotlight 2: Restructure on page 44 for further details.

In addition, our strategy to provide staff development opportunities such as acting in more senior roles has created a degree of uncertainty for a number of staff members. During 2014–15, four staff members acted in more senior roles. Many of these opportunities were for long-term appointments – for example, to cover maternity leave. While this allows us to develop staff members to take on higher duties, it also creates some uncertainty for those staff members in regard to their next career move once the opportunity ends. This is the consequence of being a small organisation with limited career opportunities to satisfy a young, intelligent and enthusiastic workforce. This issue will be revisited during 2015–16 as we review our Recruitment and Selection Policy.

Drilling down further into the EOS results shows that we scored above 90 per cent, and significantly above the industry average, for the key business drivers of mission and values, and organisational direction.





Results show us that we should focus on improving:

- facilities
- use of technology
- career opportunities
- recruitment and selection
- processes
- cross-unit cooperation.

Our Business Plan 2015–16 includes initiatives to address concerns in each of these areas.

In addition, in 2014–15 we also participated in the Great Place to Work survey to provide greater insight into the culture of Bridge Housing. The survey provides a 'Trust Index' rating for:

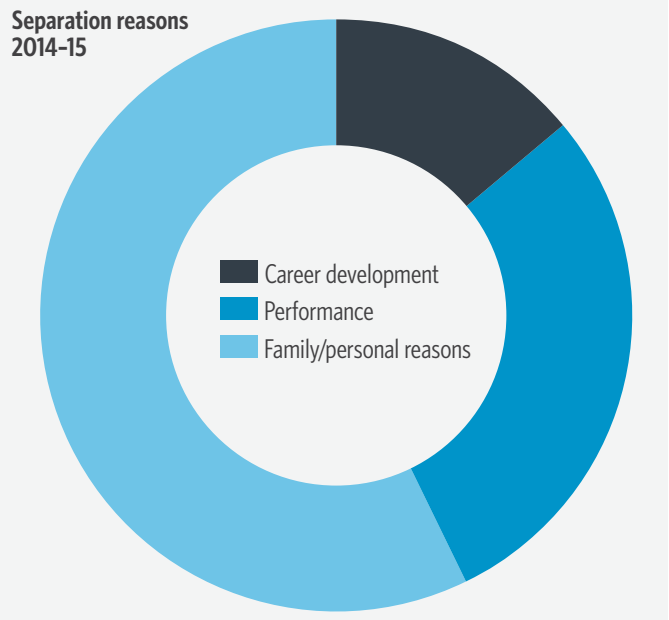
- credibility
- respect
- fairness
- pride
- camaraderie.

Our overall score of 76 per cent was below the Australian average of 82 per cent, although the areas of focus are similar to the themes emerging from the EOS survey. We plan to do further work with Great Place to Work in 2015–16 to better understand these results and develop an action plan for improvement.

Staff Turnover

In 2014–15, our staff turnover was 16 per cent, or about seven of our 44 FTEs, representing an increase from the 11 per cent turnover of 2013–14. This result reflects the implementation of our Human Resources Improvement Plan and ongoing high staff engagement scores. We believe that a certain level of staff turnover is healthy, as new employees bring fresh ideas. We also believe our current turnover is in the expected range.

We undertake a comprehensive exit interview when a staff member leaves. In 2014–15, of the seven staff who left Bridge Housing, most cited personal issues as the main reason given for leaving, which were generally out of our control to influence.



Performance Management

In 2012–13, Bridge Housing implemented a new organisation-wide Performance Management and Development System with an annual Performance Management Process (PMP), which also incorporated monthly one-to-one meetings with staff and their manager to review their performance against KPI's. The process comprises ongoing performance and development planning, and the monitoring and reviewing of staff performance. This has seen an increase in the satisfaction rating of Performance Appraisal in our Staff Engagement Survey from 52 per cent in 2012 to 72 per cent this year.

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 increase through salary grades is 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 in 2013–14 of modules on having difficult conversations and managing performance.

During 2014–15, we replaced our paper-based system with the Cognology online Performance Management and Development System. This system improves processes and efficiency but more importantly provides greater transparency of both the process and results. It electronically tracks monthly one-to-one meetings to make the accumulation of evidence and outcomes for the end-of-year performance review discussion much more transparent to both manager and employee.

We have also included an individual position capability framework in the electronic system. Staff are able to self-assess their current level against the requirements within the capability framework to identify skills and knowledge gaps for their role to help create their development plan.

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, assisted in staff retention and addressed employee concerns about career opportunities revealed in earlier Employee Opinion Surveys.

We remain committed to this critical area of our business and in 2014–15 we expanded the options available to staff to undertake personal and professional development. This saw the launch on 1 April 2015 of our online e-learning Portal, which is supplied through e3Learning.

This portal was initially developed to undertake contractor induction but we extended it to give staff access to:

- compulsory WHS, and bullying and harassment training courses
- a catalogue of general skills courses
- Open University, nationally accredited business certificates and diploma courses.

The purpose of the portal is to:

- enhance our commitment to our employees' ongoing development and education
- offer another learning avenue to increase the amount of training and development offered
- enhance opportunities for career advancement through education and training
- protect our business by upskilling our staff.

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 in more senior roles 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.

We develop a detailed training calendar each year that builds on the outcomes of individual development plans and identifies the training required for staff to help us meet our Strategic Plan and Business Plan objectives.

Asrar, Rent Review Officer, dealing with a rent review query

During 2014–15, staff attended the following training courses, industry forums and events.

Executive	◣ CFO Forums – PowerHousing Australia ◣ CEO Forum – NSW Federation of Housing Associations ◣ Estate Master
Housing and community	◣ Work Effectively in Social Housing – NSW Federation of Housing Associations ◣ Certificate IV in Social Housing – NSW Federation of Housing Associations ◣ Homeless Person Week Practitioner Forum – Australian Housing Institute ◣ Excel (Formulas and Functions) ◣ Housing Appeals Committee Decision Making Training ◣ Finance for Non-Finance Managers – CCE
Assets	◣ Excel Basic ◣ Excel Intermediate ◣ Quality and Safety Management (Lead Auditor) ◣ Diploma of Quality Auditing
Finance	◣ Excel (Formulas and Functions)
Cross-organisation	◣ Health and Safety Induction Course for Workers – Courtenells ◣ Work Effectively with Aboriginal and/or Torres Strait Islander People – David Widders ◣ Fire Warden Training ◣ Leadership Awareness – Saxon Training
Conferences	◣ Housing and Disability Forum – National Disability Insurance Scheme ◣ Partnerships to Support Social Housing Tenants Professional Practitioner Forum ◣ Think Outcomes Conference

Health and Wellbeing Program

Bridge Housing continued to build its Health and Wellbeing Program offered to staff members during 2014–15. 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 nine staff members made use of the program through a combination of face-to-face and telephone counselling.

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 2015–16 program at our Annual Benefits Expo in May 2015, as part of our Total Rewards Program. Our program was modified this year to include the following features.

Fitness training

This year we included private fitness instruction for staff. This was primarily to support staff members participating in the annual Bridge to Bridge Run, although non-runners could also take advantage of the program. See Bridge Housing in the Community on page 96 for further details.

My experience of returning back to Bridge Housing after starting a family was an extremely positive one. I feel lucky that I was able to build a career in an organisation that respects work life balance and has women in senior positions. Since returning to work 12 months ago I have felt that my professional development has been taken seriously and opportunities to progress have been made available to me. – Katie Livingstone, Tenant Participation Officer

Bridge Housing supported my return from maternity leave through part time work and flexible work arrangements such as working from home. I was supported to return to a senior role in the organisation despite my part time status. Bridge Housing is an organisation committed to supporting work and family balance. – Rebecca Pinkstone, General Manager Operations

Team building days

To address some of the issues identified in our Staff Engagement Survey, as well as to have better structure around our volunteering day policy, we have included team building days. These incorporate three structured volunteer days throughout the year. At our Benefits Expo, staff voted on causes they would like to help. All staff members will attend at least one of these days. In addition, we will hold a whole-of-company team building day during 2015–16.

Funded skin cancer checks

We added funded skin checks to our Wellness Program. Skin cancer remains a significant health risk to all Australians and we hope this initiative will encourage staff to have their skin tested annually.

Our staff members continue to enjoy many other 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
- flexible working arrangements, such as part-time hours and leave without pay, which three staff make use of
- annual flu vaccinations
- additional leave above award (birthday leave, three days additional leave over Christmas).

A number of staff also used our flexible return-to-work policy after taking maternity leave. During 2014–15, three staff members returned to work on a part-time basis to enable them to balance childcare and work. This is often a significant hurdle for women re-entering the workforce and this flexible approach allows us to retain experienced and qualified women in the organisation.

Julia, Housing Manager, discussing a Pathways application

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, 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:

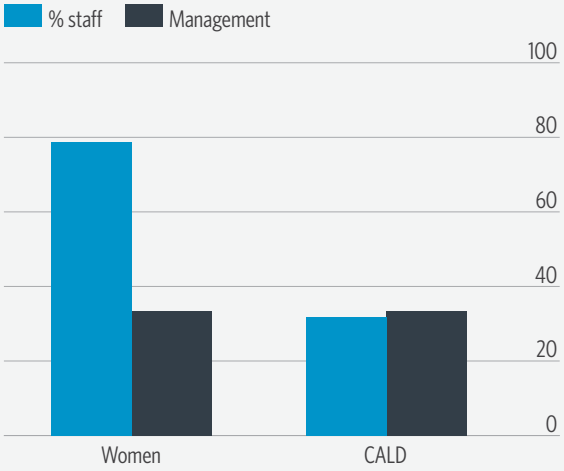
- Fifty per cent of all recruitment candidates for a Board position or a position in the Bridge Housing workforce must be women who meet the position criteria.
- By the end of 2012–13, a minimum of:
  - 40 per cent of Board positions will be held by either gender
  - 40 per cent of positions in the team 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 79 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 50 per cent of roles held by women, and one of the two General Manager positions held by a woman.

In 2015–16, we will establish a Diversity Committee, chaired by the CEO, to develop our diversity policy. We have also joined the Diversity Council of Australia.

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

Diversity
Workforce diversity (percentage), 2014-15



Spotlight 3: Customer Service

Bridge Housing is committed to excellence in customer service. Our aim is to position Bridge Housing as the housing sector's customer service leader, ensuring high-quality, consistent and reliable service that meets the needs of all our customers.

Achieving Excellence

In 2014–15, we continued wide-ranging initiatives to improve customer service. Some key activities are outlined below.

Setting New Standards

In February 2015, we launched our new Bridge Housing Customer Service Standards. The Standards set out our core commitments to our customers, which include ease of contact, providing quality information, professional behaviour, maintaining privacy and prompt service. The Standards also guarantee that there are avenues and processes for both tenants and service providers to shape our services, provide feedback and make appeals. Response times for taking action on matters of direct customer concern are also covered. Further details about the Standards are available at www.bridgehousing.org.au.

The Standards were launched in March 2015 at an event attended by tenants, support providers, government partners and, of course, Bridge Housing staff members. A follow-up mailout ensured all tenants received a copy of the Standards, and Bridge Housing staff attended TAG events to answer questions. The Standards have been professionally translated into key Bridge Housing community languages. All versions are available on the Bridge Housing website and include Google Translate and Read Speak functionality to enable access in more languages and in audio format.

Key to the development of our Standards was direct input from tenants in all stages of design, from ensuring the Standards are relevant and useful to the look and feel of the final Standards document. Building on consultative work begun in 2013, the draft Standards were reviewed twice in 2014 – by the East and West Tenant Advisory Groups – before endorsement by the tenant Your Views consultative panel in February this year. Comments from the Tenant Survey in January 2015 were also included in this process. These included good comments, such as: "I have always found the staff at Bridge Housing helpful and a pleasure to talk with." Other constructive comments were perhaps more helpful, and included: "Do not look for more rules, but more real needs of tenants". This was front of mind as we developed Standards that aimed to make it easier for tenants to contact Bridge Housing and access assistance or information.

In May, Bridge Housing won the NSW Community Housing Award for Excellence in Tenant and Community Engagement 2015, in part because of our inclusive approach to developing our Standards.

Making Customer Feedback Easy

For Bridge Housing, quality customer service includes a commitment to enabling customer feedback and providing a clear and accountable process for tenants to appeal decisions. In 2014, Bridge Housing used the Winter and Spring editions of the tenant newsletter to promote tenant awareness of complaints and appeals processes and reinforce the message that all feedback, including complaints, is welcome. The success of our efforts in this area may be reflected in the 2014 Tenant Satisfaction Survey, which showed an improvement in satisfaction regarding complaints handling, up from 39 per cent in 2013 to 49 per cent in 2014. The benchmark for Tier 1 NSW providers is 47 per cent.

Bridge Housing also reviewed and improved our approach to feedback and appeals in developing the Customer Service Standards. In March this year, we updated our Compliments, Complaints and Appeals Policy and Procedure. Through the new policy and procedure, we:

- made it easier to provide feedback by streamlining the process and increasing the number of ways tenants and customers could make comments or lodge a complaint
- made the process for complaints and appeals fairer and more transparent by reducing internal conflicts of interest, ensuring oversight of all appeals by senior management and more clearly informing tenants of their right to external appeal.

Information on our new policy and procedure, and a streamlined feedback form was combined in a new Compliments, Complaints and Appeals brochure, which was mailed to all tenants. Like the Customer Service Standards, the new policy is available online in a range of languages and

formats. Further improvement in tenant satisfaction in this area is anticipated, and will be tested through the next round of tenant surveys.

Enhanced Communication Capability

It is essential that our tenants and other customers are able to contact us quickly and easily. We understood that it was not always easy to get through to us, so we reviewed our communications pathways and revamped our phone technology and system to better enable all our customers to reach us when they need to. We also redesigned our web page to make our site easier to navigate and allow people to use Google Translate and Read Speak to access information in a range of languages and in audio format. At the same time, we reviewed our published information to make sure it is up to date.

We also launched a brighter, more contemporary 'look' for Bridge Housing, which we incorporated into the new website and our revamped reception area to make visiting Bridge Housing more enjoyable, both online and in person.

Ongoing Performance Monitoring

To help us track our customer service performance, Bridge Housing contracts one of Australia's leading customer service monitoring organisations, Customer Service Benchmarking Australia (CSBA). Using a mystery shopping approach, CSBA undertakes assessments, identifies areas for improvement and rates Bridge Housing on the quality of our customer service via telephone, email and in person. Results from the previous year's benchmarking report fed into this year's initiatives to improve our communication technology and customer service, especially relating to ease of contact and staff training. In addition to updating our phone system, key responses included introducing phone rosters for the Housing team and professional training for all staff members.

In May, we started a new round of mystery shopping. Findings showed considerable improvement in phone and face-to-face customer service, with Bridge Housing moving from the 'dissatisfied' to the 'satisfied' customer service quadrant of CSBA's Customer Service grids.

Bridge Housing is now ranked third out of the 12 housing providers surveyed by CSBA for telephone service, significantly outperforming the housing sector average. The telephone-based result reflects significant improvement in people's capacity to contact us and the quality of service then provided.

Bridge Housing performed strongly across the range of indicators for face-to-face customer service in 2015. As with telephone customer service, we were easily contactable, with our average wait for customers half that of the previous year, at just over two minutes. We also achieved a high rate of enquiry resolution. While comparisons with other surveyed housing sector organisations were not available, Bridge Housing rated just behind the average for customer service in the similar local government sector.

According to the benchmark survey, our email-based service requires significant improvement in the coming year, with performance rated in the 'dissatisfied' quadrant of the CSBA Customer Service grid. While we were reasonably easy to contact by email, the quality of our response requires attention, both in resolving enquiries and our standard of writing.

In 2015–16, we will continue to analyse our customer service data, identifying our service strengths and weaknesses to inform our next round of customer service improvements.

Customer Service Leadership Group

Our Governance

Our Governance Principles are based on the eight ASX Corporate Governance Principles and Recommendations. As foreshadowed in the Annual Report 2014, this year we are measuring Bridge Housing's governance practices against the third edition, issued by the ASX Corporate Governance Council in 2014.

Governance Principles

The Corporate Governance 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. As a not-for-profit charity, Bridge Housing has no obligation to adopt these principles. However, as a leading community housing provider, we voluntarily follow the principles to reflect our commitment to good corporate governance.

In the *Annual Report 2014*, we reported on the areas identified by the Walton Group's independent review of the Board's operations as key areas for improvement. In 2014–15, we addressed each of them, as outlined in the table (right).

Recommended area of focus	What we did
Board recruitment and succession	This recommendation dealt with the introduction of a tenure clause to limit the period of a directorship to 10 years or three three-year terms. While this is not required by ASX Corporate Governance Principles, the Board feels that this balances experience, refreshes the Board and helps to ensure Directors' independence. The tenure clauses were passed at the annual general meeting (AGM) in November 2014.
Increasing the profile and marketing of Bridge Housing, with more engagement by Directors to enhance the reputation of Bridge Housing	Bridge Housing developed and began implementing a Communications and Marketing Strategy in 2014–15. This involves a stakeholder analysis and the increased use of social media. The Human Resources and Nominations Committee also became responsible for marketing, and its charter and title was amended to reflect these new responsibilities.
Committee reporting to the Board	Committee reporting to the Board has been enhanced by making committee meeting minutes available at the Board meeting immediately following the committee meeting.
Knowledge management through improved review of policies and procedures	Bridge Housing put together a policy library listing all policies of the organisation and relevant review dates for our policy review cycle. The policies requiring Board approval are identified in the policy library.

Bridge Housing's actions in conforming to the aims of the ASX Corporate Governance 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 authorities and balance of responsibilities between the Board and management
- select and retain the CEO 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 meets every second month and has established three standing subcommittees – the Finance, Risk and Audit Committee; the Asset and Procurement Committee; and the Human Resources, Nominations and Marketing 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 Directors conduct regular reviews of their own performance as a Board. The 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 (AICD) within the first year of their directorship.

What we did this year

As noted above, in 2014–15 Bridge Housing implemented the recommendations from the independent Walton review. In addition, Mark Turner completed the Company Directors Course through the AICD in May and June 2015.

Bridge Housing Board at the 2014 AGM

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.

To provide effective governance and direction to Bridge Housing, the Board will seek and appoint Directors who meet the skill categories, 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 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 is available at 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 the 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 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 of either gender. As at June 2015, 50 per cent of Directors and 40 per cent of the Executive team were female. However, we recognise that diversity goes beyond gender and incorporates culture. We had hoped to establish a Bridge Housing Diversity Council in 2014–15, chaired by the CEO, to help drive a comprehensive company Diversity Strategy. This has been delayed and the council will now be formed in 2015–16. Bridge Housing will call on its experience as a member of the Diversity Council of Australia to help develop this strategy.

What we did this year

With John Kell's resignation from the Board, we searched for a replacement Director. We used the skills matrix to confirm that the legal expertise that would be lost with John's departure would be a key consideration in selecting his replacement. The Board interviewed four candidates and appointed Carolyn Scobie in line with the casual vacancy provision in the Bridge Housing Constitution. See Our Directors on page 46 for details of Carolyn's experience.

3. Promote ethical and responsible decision making

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

- Code of Conduct for Directors
- Code of Ethics for Directors and Staff
- Fraud and Corruption Policy
- Gift Policy
- Managing Conflict of Interest Policy
- Register of Interests
- Statement of Business Ethics
- Tenants' Rights Statement
- Whistle Blower Policy.

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 at www.bridgehousing.org.au.

What we did this year

During the year we undertook a Fraud and Corruption Risk Assessment, building on our Fraud and Corruption Prevention Plan which was developed in 2013-14. This identified a number of improvements to our risk mitigation strategies which will be implemented in 2015-16.

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 external and internal audit functions are effective
- ensure Bridge Housing's insurance coverage is adequate.

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 90, 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 2014–15, internal audit focused on responsive maintenance, developments and project management, and IT security controls. The outcomes of the internal audit are detailed in the Finance and Corporate Services Report on page 80.

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 for the 2013–14 external audit. BDO was reappointed to undertake the 2014–15 audit.

What we did this year

There were no specific actions for 2014–15, although we have agreed to tender our Internal Audit Services during 2015-16.

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 that the information is factual and clearly and objectively expressed.

How we do this

Bridge Housing is not subject to the ASX Continuous Disclosure rules but adopts the 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 been externally reviewed and validated 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 National Regulatory System for Community Housing, specifically the 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 their 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 2014–15. Our Media Policy delegates media comments to the CEO or Chairman.

What we did this year

Bridge Housing received a Gold Award for its Annual Report 2014 in the Australasian Reporting Awards, the third year in a row that the Annual Report has achieved this distinction. We also received the award for Excellence in Governance and Organisational Management at the 2015 NSW Awards for Excellence in Community Housing, the second consecutive award in this category.

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 allow them to effectively exercise 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 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.

What we did this year

There were no specific actions this year.

7. Recognise and manage risk

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

How we do this

Bridge Housing has a comprehensive Risk Management Plan that identifies internal and external risks. It identifies and manages risks that may hinder us in or stop us from fulfilling 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 Board formally approves the Risk Management Plan annually, with the status and mitigation actions of high-rated risks reported quarterly to the Board by the management team. The Risk Management Plan 2014–15 is reported in the Finance and Corporate Services Report on page 80.

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 fourth internal audit in 2014–15.

What we did this year

The increased development activity undertaken by Bridge Housing has prompted additional risk management processes in that area. Each development has a Development Management Committee that oversees the progress on a monthly basis. Updates on each project are

Bridge Housing members at the 2014 AGM

reported to the Board at each meeting, and are discussed at the Assets and Procurement Committee meetings.

To further mitigate the risk associated with moving Bridge Housing further into the development arena, the Board requested that the Development Management Committees be independently chaired by an expert in the field. This will provide an additional level of expertise and a fresh perspective to the committee meetings. Tina Tang of Jattca Property Solutions agreed to take on the role of independent Chair from July 2015.

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 CEO.

How we do this

Bridge Housing directors serve on a voluntary basis and do not receive payment for their services. Directors are reimbursed for expenses related to Board activities including travel, meals and accommodation.

As noted in principle 1, 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 AICD.

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.

What we did this year

We scheduled an external salary review for the Senior Executive team for 2015–16.

Meeting of directors 2014–15

During the financial year, six Board meetings were held in addition to subcommittee meetings. In December 2014, Mark Turner joined the Board. In April 2015, the subcommittee composition was adjusted slightly so that each Director only served on one subcommittee. In June 2015, Carolyn Scobie joined the Board, but did not join the Human Resources, Nominations and Marketing Committee until August 2015.

Attendance by each director during the year is shown in the table below.

	Board meetings		Human Resources, Nominations and Marketing Committee		Assets and Procurement Committee		Finance, Risk and Audit Committee	
	A	B	A	B	A	B	A	B
Vicki Allen	6	6	6	6	–		–	
John Kell	6	6	6	6	–		–	
Shirley Liew	6	4	–		–		6	5
Gary Milligan	6	6	–		6	6	–	
Dick Persson, AM	6	6	6	5	–		–	
Alan Revell	6	5	–		4	4	6	6
Carolyn Scobie	1	1	–		–		–	
Mark Turner	4	4	–		2	2	–	
Helen Wood	6	6	–		6	5	–	

Chair of meeting Eligible to attend

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

Operations Report

This is the first Operations report for Bridge Housing following the reorganisation of the Executive team. The Operations team is Bridge Housing's major customer service team, now combining responsibility for delivering tenancy management services; providing advice and assistance on allocations and accessing housing; asset management services; and leading Bridge Housing's community building and tenant engagement initiatives.

This section of the Annual Report:

- presents the Operations team highlights for 2014–15
- reports on how the Operations team has delivered on its critical success factors
- provides an overview of the key activities undertaken during the year
- outlines our objectives for 2015–16.

Highlights of 2014–15

In 2014–15, the Operations team:

- led the development and implementation of Bridge Housing's Customer Service Standards
- organised mystery shoppers to assess our customer service objectively
- reviewed and tendered for new asset maintenance contracts
- introduced a new Compliments, Complaints and Appeals Policy and Procedure and electronic management system (see Spotlight 3: Customer Service on page 58)
- implemented Year 1 of our Building Bridges community engagement strategy (see Spotlight 4: Building Bridges on page 74)
- developed a strategic framework for our future housing and support partnerships and established new partnerships as a result of the Going Home Staying Home reforms
- completed our Platform 70 program for rough sleepers, having housed more than 107 people over the life of the initiative

NSW Community Housing Conference Awards Dinner

- began new partnerships under Connect 100 for homeless people, housing 11 new tenants
- received four industry awards:
  - Winner of the 'Leading Asset Management' category in the 2015 Australasian Housing Institute Professional Excellence in Housing Awards (NSW/ACT)
  - Highly Commended in the 'Portfolio Management' category of the 2015 NSW Awards for Excellence in Community Housing
  - Winner in the 'Excellence in Community Engagement' category for Building Bridges and the Customer Service Standards in the 2015 NSW Awards for Excellence in Community Housing
  - Team Award for Leading Tenants Engagement Practice (NSW) in the 2015 Australasian Housing Institute Professional Excellence in Housing Awards (NSW/ACT)
- co-ordinated the transfer of 63 new properties to Bridge Housing's management to complete the Canterbury-Bankstown New Supply Tender and 18 properties as part of the Telopea Tender
- tenanted 11 new properties in partnership with the Sydney Olympic Park Authority (SOPA)
- achieved an overall satisfaction level of 86 per cent for our responsive maintenance service and an overall rating of 75 per cent for our maintenance services in the 2014 Tenant Survey
- achieved an overall rating of 81 per cent satisfaction for Housing Services.

Operations management team – Helen, Rebecca and Michael

Critical Success Factors

The Operations team played a key role in delivering the following critical success factors for fulfilling the goals in our Strategic Plan 2012–15 and Business Plan 2014–15.

Deliver quality homes and services to our residents

Through our proactive tenancy and asset management we ensure our properties are safe and secure, and provide a platform for tenants to engage in their broader community.

Enable strategic portfolio growth

The Operations team's job is to support strategic portfolio growth that delivers quality homes and services. They contribute to this objective by negotiating and managing new fee-for-service arrangements for affordable housing and developing partnerships to grow our portfolio under management.

The team is also responsible for allocating properties in a timely manner and overseeing the large numbers of management transfers across our leasehold portfolio. These transfers are primarily driven by the constrained rental market and increases in rental prices.

Ensure business sustainability

Operations also worked closely with Finance and Corporate Services to help achieve the critical success factor of 'ensuring business sustainability'.

They ensured the organisation's arrears, vacancies and voids were kept to a minimum to reduce revenue loss, and reviewed rents every six months to ensure our residents were paying the correct rent.

The introduction of a new position to manage complex tenancies with high arrears has had major benefits, with tenant debt levels dropping during the year and greater numbers of at-risk tenants receiving appropriate support services.

Business Plan 2014–15

The Operations team played a key role in helping us meet the critical success factors laid out in our Business Plan 2014–15, as shown below.

Measure	How did we do?	
Strategically grow the portfolio to meet affordable housing needs in the community	**Key:** completed in progress not completed	
Deliver 63 dwellings in Canterbury-Bankstown		63 properties from the Canterbury-Bankstown New Supply Tender were transferred to Bridge Housing in 2014–15
Manage the transfer of 18 dwellings in Telopea		18 properties in Telopea were transferred to Bridge Housing in 2014–15
Win one new tender from the Property Transfer Program		No tender opportunities were available
Implement a management agreement with Sydney Olympic Park Authority		Executed agreement, with 11 properties under management
Seek business opportunities through the National Disability Insurance Scheme (NDIS) and management of affordable housing (fee-for-service)		Developed NDIS strategy paper; deferred fee-for-service strategy paper until 2015–16
Deliver quality homes and services to our residents		
Implement Year 1 of the Building Bridges Strategy		Began all projects, with slight delays in two projects
Lead in developing Customer Service Standards		Launched Customer Service Standards and trained new staff in customer service
Review our supported partner arrangements		Completed review and developed new Service Level Agreement
Improve satisfaction with complaints and appeals processes		Launched new policy and procedure, and implemented electronic management system
Ensure business sustainability		
Keep arrears at or below the regulator's benchmark		Arrears of 1.9 per cent, below the benchmark of 2.5 per cent
Keep voids and vacancies at or below the sector benchmark		Voids and vacancies were in line with last year but still slightly above the benchmark
Implement an action plan to improve the management of leasehold program		Reviewed leasehold program and specific role created
Achieve tenant satisfaction with asset maintenance services of at least 75 per cent		Achieved 75 per cent satisfaction with maintenance services in the 2014 Tenant Survey
Deliver Asset Maintenance Program 2014–15 and develop the 2015–16 program		Delivered 2014–15 program on budget and put in place 2015–16 program
Complete tender for new planned maintenance contract		Completed tender, with new contracts to commence in 2015–16
Implement an audit strategy for responsive maintenance		Implemented audit strategy, with other changes to be introduced in line with new contracts

Delivering Quality Services to Applicants and Tenants

The Operations team engages directly with our tenants through our application and allocation services, tenancy management services, rent review, asset management services, and community building and engagement work.

This year the team led the delivery of our Customer Service Standards, which were developed in partnership with staff and tenants. They aim to drive improvements in our service delivery, enable greater transparency and accountability for the service levels our residents and applicants should expect, and embed a service culture at Bridge Housing.

For further detail on our Customer Service Standards, see Spotlight 3 on page 58.

Applying for housing

Demand for affordable housing, including social housing, far exceeds supply in NSW. Around 59,500 people are registered on Housing Pathways, the common NSW Housing Register (waiting list). The Bridge Housing Pathways team assesses applications for social housing assistance and allocates Bridge Housing properties to applicants from the NSW Housing Register. The team also assesses applications for and allocations to our affordable housing properties.

During 2014–15, the Pathways team assessed 525 applications for social housing assistance – an average of 44 applications per month. This has increased by 14 per cent in the past year and demonstrates the increasing need for affordable housing in Sydney.

The Pathways team completed 118 allocations into Bridge Housing's property portfolio during 2014–15, an average of 10 allocations per month. Allocations are prioritised in line with the Bridge Housing Allocations Policy to ensure current tenants of Bridge Housing and clients from the NSW Housing Register are provided with suitable housing based on their household needs.

Bridge Housing also participates in managing affordable housing developments within Sydney, specifically for Sydney Olympic Park Authority (SOPA) and Waverley Council and in our own developments at Eveleigh and Wiley Park. In addition, we manage privately owned affordable housing, secured through the Affordable Housing SEPP, at Strathfield, Leichhardt and Canterbury. These are fee-for-service arrangements with private developers to provide alternative affordable housing options for very low, low and moderate income earners who may not meet the eligibility requirements for the NSW Social Housing Register. This service is provided in line with the NSW Affordable Housing Ministerial Guidelines.

Managing tenancies

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

Our housing managers play a critical role in providing flexible and responsive tenancy management services. They are often the first point of contact for tenant enquiries or when issues arise in a tenancy.

Housing managers work in partnership with support services to sustain tenancies, particularly for clients with complex needs or behaviours that may place their tenancy at risk. They work individually and at a neighbourhood level to address nuisance and annoyance issues, conduct property inspections and tenant welfare checks, and work to build connections between neighbours through our annual program of block meetings.

In 2014–15, Bridge Housing established a phone roster for the Housing Team to enhance our customer service to tenants. The roster enables tenants to contact a housing manager to have their enquiry resolved on the spot. Tenants still have the option of contacting their housing manager directly, but the roster helped us to address small issues quickly before they escalate.

This year we also introduced a new Floating Housing Manager/Arrears role to manage high arrears and support housing managers in addressing tenant debt. This role has seen our arrears significantly decrease from 3 per cent to 1.9 per cent, which is lower than the industry benchmark. It has also meant that we have a permanent member of staff to cover staff leave, ensuring consistency in housing management for our tenants.

Rent review

Rent reviews are an important function of a community housing provider, as collecting rent is the basis of organisational sustainability. Our biannual rent review is a resource-intensive process involving about 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 2014–2015, we increased our gross rent by approximately $479,274 per annum, with a net increase of approximately $229,495[43].

We frequently review the efficiency of rent reviews and continuously seek improvements to simplify the process for tenants. As a result of improvements, Bridge Housing received fewer appeals, queries and complaints throughout the rent review period, with an overall improvement in tenant satisfaction. Over the past year, the number of tenants who supplied information for the rent review before the due date increased by 12 per cent over the previous year. With the right allocation of resources, Bridge Housing can proactively and efficiently approach each rent review, offering a high level of customer service and a streamlined process.

Bridge Housing has become a sector leader in undertaking rent reviews.

43 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 cut to the rental subsidy received by Bridge Housing from Family and Community Services. The rate of subsidy loss is proportionate to the rent increase.

Housing the Homeless

Bridge Housing is committed to assisting the most vulnerable people to access and sustain social housing.

Platform 70

Under Platform 70, our successful street-to-home program, we helped people to move from rough sleeping in the inner-city suburb of Woolloomooloo into private rental accommodation with support provided by NEAMI National.

Of the 107 people housed through the initiative:

- 87 were housed through Bridge Housing Limited
- 11 were housed through Metro Housing
- five were housed through St George Community Housing
- one was housed through North Coast Community Housing
- two were housed through Hume Community Housing
- one was housed through Link Housing.

Bridge Housing itself has a tenancy sustainment rate – that is, tenants still living in their property – of 81 per cent under the Platform 70 program. This is a significant achievement for a program housing long-term rough sleepers, some of whom had lived on the streets for more than 20 years.

Connect 100

In 2014–15, the NSW Department of Family and Community Services (FACS) announced a new three-year homelessness initiative called Connect 100. The initiative aims to address the drift of homeless people into the inner city to access services, by providing a rapid housing response that returns them to their community of origin. The City of Sydney has provided funding for 25 additional spaces for clients with a connection to the inner city who will need a housing response in this location.

Bridge Housing has committed to housing 15 homeless people under the initiative and by 30 June 2015, we had provided homes for nine homeless people. We are partnering with a number of organisations that provide support to sustain tenancies, including St Vincent de Paul, Mission Australia, NEAMI and Moving Out Moving On – Domestic Violence NSW.

Community building and engagement

Bridge Housing is committed to achieving effective community engagement by recognising the importance of involving our tenants, residents and wider communities 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.

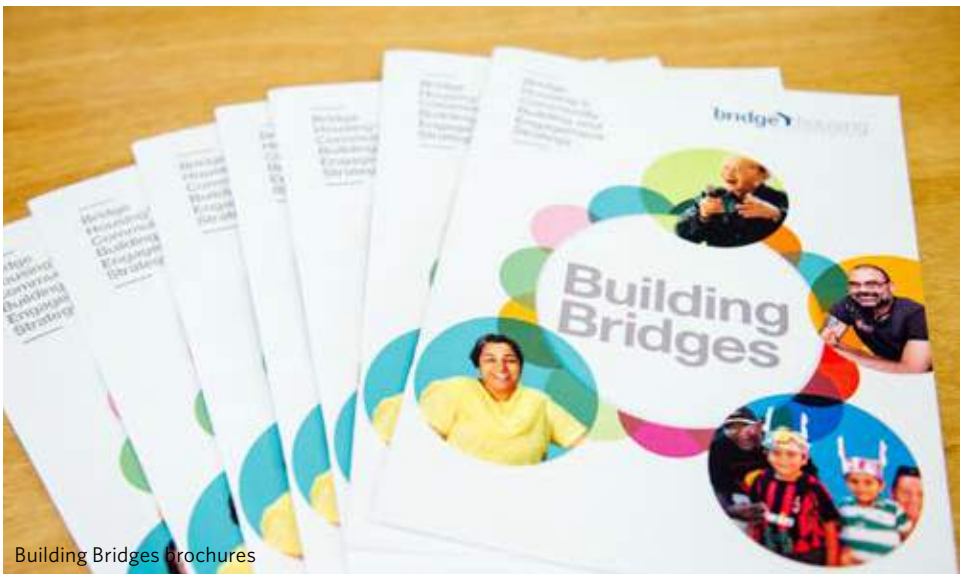
The development of our Building Bridges[44] strategy provides a clear direction for our community building and engagement activities. Building Bridges is a three-year strategy delivered through nine new community building initiatives across the organisation.

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.

The deep engagement approach we have undertaken to develop and implement the strategy was recognised with two industry awards from the NSW Community Housing Federation. Bridge Housing has successfully completed Year 1 of the strategy. Further information can be found in Spotlight 4 on page 74.



Building Bridges brochures

44 Building Bridges is available at www.bridgehousing.org.au/files/news/july_2014_building_bridges/building_bridges_2014_2.pdf.

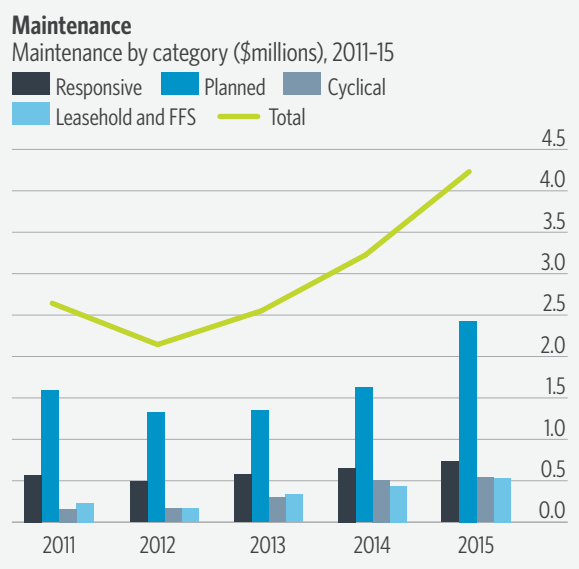
Maintaining Homes

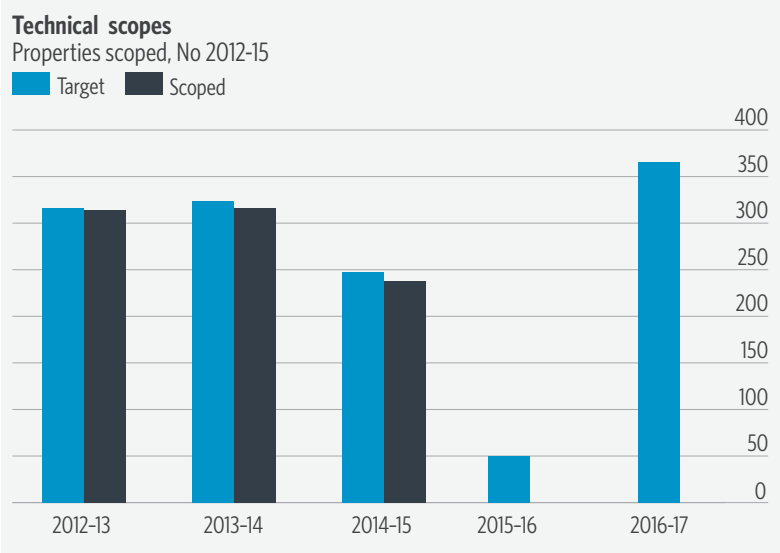
The Assets team is responsible for delivering Bridge Housing's planned, responsive and cyclical maintenance programs. These asset programs are designed to ensure that our properties are safe, clean, habitable and meet tenant needs.

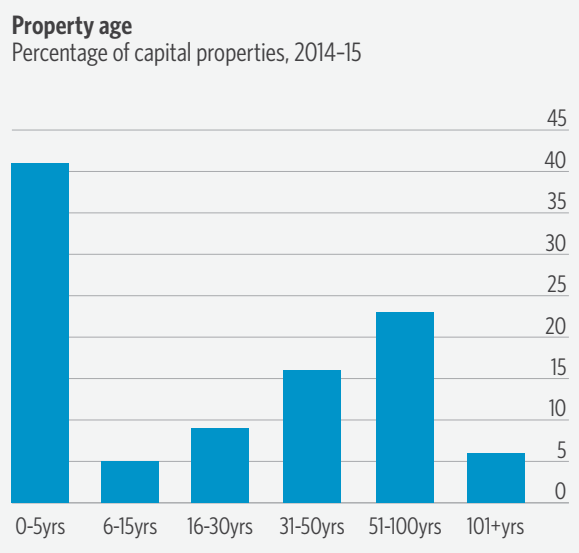
Planned maintenance

Bridge Housing has a diverse portfolio of properties, with 30 per cent 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 regulatory standards[45]. We do this by completing a property audit/condition report (technical scopes) every three to four years.

During 2014–15, we continued our technical scoping program that forms the basis of our 20-year Asset Maintenance Program forecasting model. This year we scoped 238 of our NBESP properties that were transferred to Bridge Housing in 2010–2012 and subsequently vested.



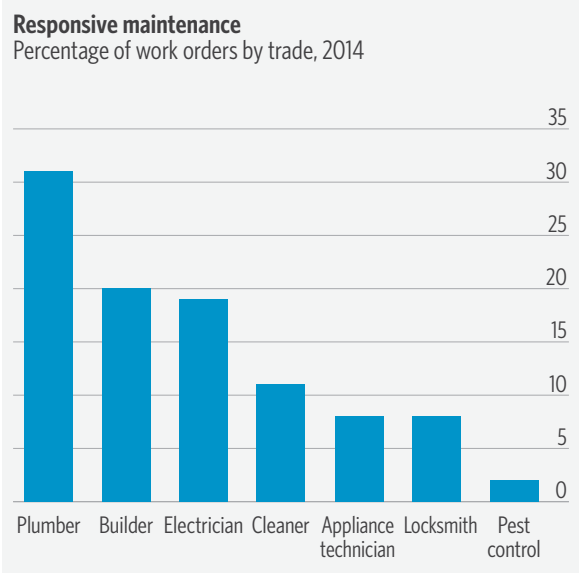




In 2014–15, we completed planned maintenance to the value of $2.43 million on 418 properties, including common areas. The majority of this expenditure was undertaken to resolve backlog maintenance identified through our technical scoping program, works to ensure that our vacant properties are of an appropriate standard, and upgrades to common areas on Balmain and Coogee estates.

Responsive maintenance and cyclical maintenance

In 2014–15, we completed responsive maintenance to the value of $716,000 on 818 properties, including common areas. Our responsive maintenance works are undertaken to resolve immediate issues that arise in the management of properties or to address failure of items such as toilets and hot water systems. In 2014–15, the majority of this work comprised plumbing works (33 per cent), handyman/builder works (18 per cent) and electrical works (10 per cent), with smaller expenditure on items such as cleaning (9 per cent), repairing appliances (9 per cent) and locksmiths (5 per cent).



45 The NRSCH requires ≥ 70 per cent of all community housing assets managed by the provider to 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.

In 2014–15, we completed cyclical maintenance services to the value of $536,000 on 579 properties, including common areas. Cyclical maintenance is carried out on an agreed cycle – which can be annually or at other intervals. Our major cyclical maintenance works included cleaning, lawns and grounds maintenance, fire safety, technical scoping and termite/pest control, with smaller amounts spent on lift safety, roof and gutter repairs, and hydraulic services programs.

Leasehold maintenance

In 2014–15, we completed maintenance to the value of $247,000 on 233 leasehold properties. Our leasehold maintenance expenditure incorporates costs associated with the end of tenancy and handback of properties to private owners and real estate agents, including handback compensation, repairs, maintenance works and removals.

We also managed a further 1,301 responsive maintenance work requests for leasehold properties in 2014–15, where work was undertaken by the private landlords' contractors.

Land and Housing Corporation property assessment survey

In addition to our technical scoping program, LAHC audits Bridge Housing properties through its Property Assessment Survey (PAS) program. The LAHC PAS program is designed to assess the condition of all LAHC-owned properties (more than 134,000), incorporating properties head-leased to community housing providers.

The LAHC began its latest PAS program in 2012 as part of a three-year rolling program, with one-third of the community housing managed portfolio to be assessed each year over a three-year period.

PAS inspectors have now visited more than 6,000 community housing managed properties, statewide, with property condition benchmarking information released to community housing providers in December 2014.

Audits have been carried out on 588 of the 642 properties Bridge Housing leases from LAHC, with the results showing:

- 96 per cent of our properties were categorised as 'well maintained' (69 per cent) or 'maintained' (27 per cent)
- 4 per cent of properties were categorised as non-compliant (subsequently brought up to standard).

These outstanding results provide independent evidence our current maintenance programs are effectively maintaining our properties to a very good overall standard in compliance with regulatory standards and the *Residential Tenancies Act 2010* (NSW).

Assessing our Service Delivery

Bridge Housing strives to continually improve our performance by seeking tenant feedback on our service delivery. This includes surveying tenants through our repairs and maintenance survey and through the Tenant Survey conducted by the NSW Federation of Housing Associations.

Tenant Survey

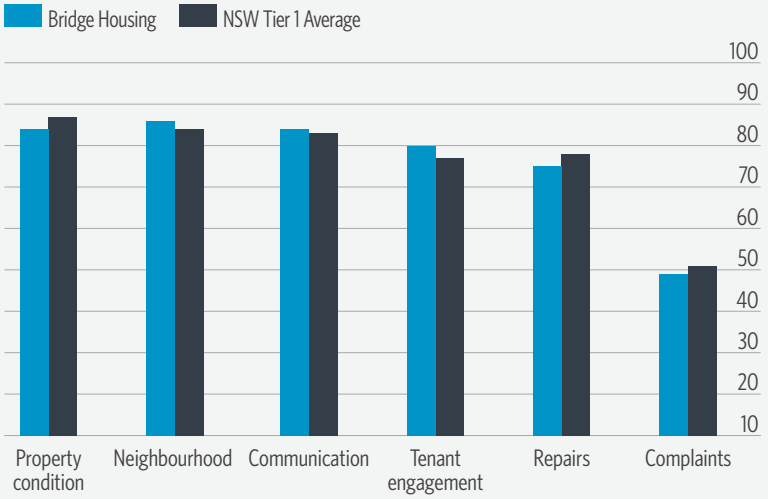
We have undertaken an annual Tenant Survey since 2006 to measure satisfaction and identify areas for service improvement across all areas of the business.

This year, 41 per cent of our residents took the time to fill in the survey and let us know what they thought of Bridge Housing and its services. This has maintained the significant improvement from 30 per cent to 40 per cent from 2012 to 2013. The survey was undertaken in January and February 2015 by the NSW Federation of Housing Associations (the Federation). Their analysis concludes that while results indicate a high level of satisfaction with Bridge Housing service delivery overall, there are some downward trends that require further analysis and a targeted approach.

Upward trends and key highlights include:

- maintenance of a high response rate of 41 per cent, which is significantly more than the sector benchmark of 34 per cent
- improvement in overall satisfaction with complaints handling from 39 per cent in 2013 to 49 per cent against a NSW sector benchmark of 47 per cent in 2014
- excellent results related to the location of the home, suitability of the home to tenants' circumstances, transport and services available in the area, the neighbourhood as a place to live and the safety of the home – ranging from 86 to 91 per cent
- very good satisfaction rates when it comes to value for money, at 84 per cent; communication, at 84 per cent; and tenant engagement, at 80 per cent.

Tenant satisfaction
Comparison with average percentage, 2015



Downward trends were observed in overall satisfaction with Housing Services, from 84 per cent in 2014 to 81 per cent in 2015. Satisfaction with repairs and property condition declined slightly since last year.

Repairs and Maintenance Survey

Bridge Housing distributes a repairs and maintenance satisfaction survey to all tenants who live in homes where works have been undertaken in the period. In 2014–15, 86 per cent of tenants stated they were satisfied with the service that had been provided by Bridge Housing, slightly down from 87 per cent in 2013–14. This result is based on a return rate of 11 per cent.

The survey acts as a supplementary audit and augments our annual Tenant Survey through monitoring satisfaction with quality of work, responsiveness of service request and contractor performance. We also tested the validity of the paper survey in 2014–15 by completing 196 telephone surveys, with a response rate of 40 per cent. These also indicated that 85 per cent of respondents were satisfied with our responsive maintenance service.

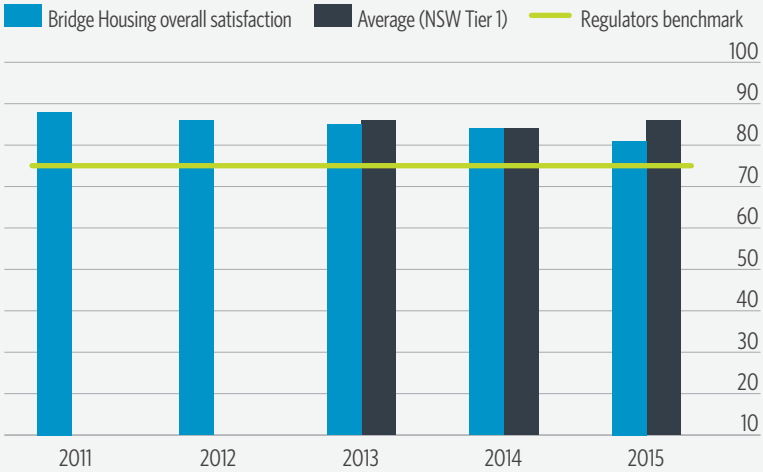
Bridge Housing remains committed to working with tenants to mitigate these downward trends and is currently working on improving customer service (see Spotlight 3 on page 58); continuing to implement initiatives in partnership with tenants and the community under Building Bridges (see Spotlight 4 on page 74); and improved maintenance services through the implementation of new maintenance contracts.

2015–16 Operations Objectives

Aside from maintaining high-quality applicant, tenancy and asset management functions, in the next financial year the Operations team aims to:

- implement the new maintenance contract for planned and responsive maintenance services so our homes are maintained at standard and within budget, meet tenant needs and ensure our maintenance contracts employ people from disadvantaged groups to improve economic outcomes for our community
- implement Year 2 of Building Bridges, our community building and engagement strategy
- review our Tenant Survey and benchmarking approach
- implement the Housing and Support Project to ensure Bridge Housing has strong procedures and business processes in place to sustain tenancies for high-needs tenants and those with complex needs
- embed the Customer Service Standards across the organisation to ensure our services are delivered with fairness, respect and sensitivity
- develop and review the range of housing and asset policies and procedures to support clear, transparent decision making and quality service delivery
- establish an auditing regime to ensure service quality
- identify one environmentally sustainable design initiative to commence in 2016–17, to be implemented through the Home Energy Action Program to improve environmental sustainability in our properties and lower costs for our tenants
- update our Strategic Asset Management Plan 2013–22 to ensure it is still fit for purpose
- develop a Community Housing Leasing Program (CHLP) Policy and Procedure to ensure the portfolio provides safe and secure housing for our tenants and is financially viable
- develop a Translations Protocol to guide our communication with culturally and linguistically diverse communities
- achieve 80 per cent, or higher, satisfaction levels for asset maintenance and housing services in the Annual Tenant Survey.

Tenant satisfaction
Overall satisfaction as a percentage, 2011-15



Spotlight 4: Building Bridges One Year On

Over 2014–15, as part of Building Bridges – Bridge Housing's Community Building and Engagement Strategy – we worked with tenants and community partners to deliver a number of new initiatives and build on existing activities.

Working together to support successful tenancies

Stickybeak Tours

A partnership with Family and Community Services (FACS), Junction Neighbourhood Centre and the Sydney Story Factory saw 25 tenants from Bridge Housing and FACS participating in tours of the Randwick and Botany LGAs to meet service providers and discover all the nooks and crannies of their local area. Volunteers from the Sydney Story Factory gathered tenant stories and impressions along the way.

Hand Up

We have established partnerships with Legal Aid NSW and the Good Shepherd Financial Counselling Service to develop strategies to assist tenants in addressing the underlying issues leading to rental arrears.

Tenants on Sticky Beak Tour

Local Links

The Housing and Community teams have been working together to make sure housing managers have the information and resources to support tenants in need. We regularly attend more than 10 inter-agency meetings across our operating area and participate in community hubs. We have agreed to work with seven local councils to improve the sharing of information about our services. We have reframed our property inspections to incorporate a Tenant Wellbeing Check to ensure that tenants are linked to local services and support agencies appropriate to their needs.

Good Neighbours

The Housing and Community teams have developed new policies and procedures relating to the way we deliver Block meetings. Block meetings bring groups of Bridge Housing tenants together to meet each other and collectively address issues of concern in their neighbourhood. The meetings have improved our ability to proactively address tenant issues and concerns, and have contributed to greater neighbourhood harmony.

Working together to give tenants a real say in the way we do things

Our tenants have been busy this year – nearly 10 per cent have participated in at least one tenant event.

Tenant involvement in Operations and Planning

The Aboriginal and Torres Strait Islander Tenants Advisory Group (ATTAG) now has 16 members, with a core group of around seven people. The group has worked with Bridge Housing on our National Aboriginal and Islanders Day Observance Committee celebrations, Aboriginal employment, Welcome to Country protocols and customer service for Aboriginal people, and have participated in a Cultural Awareness Workshop.

The Tenants Advisory Group (TAG) has participated in leadership workshops and an Evaluation Workshop. They have created new leadership roles including a Social Coordinator position, and TAG Ambassadors who have put up their hands to attend Block meetings to talk about the TAG. TAG members now represent about 7 per cent of households.

Bridge Housing has introduced a Tenant Conferences and Seminars Subsidy to enable tenant attendance at housing conferences and seminars. Over the last 12 months, tenants have attended the Shelter NSW conference, the Indigenous Housing Professional Practise Seminar and the Community Housing Conference. One tenant presented at a Health Network Seminar and three tenants won awards at the Redfern Waterloo Volunteer Awards.

Tenants have been involved in our recruitment process through the Your Views Panel, which provides feedback on policy and procedures and recently provided comments on the interview guides we use for interviewing prospective staff members.

Twenty-nine tenants participated in a strategic planning workshop to have input into the Bridge Housing Strategic Plan 2015–18.

Bridge Housing Communication Strategy

Bridge Housing has developed a new tenant newsletter – *Our Place* – designed with tenants and with input from a tenant volunteer who assists with articles and editing. We also have a new-look website, a Twitter account and a Facebook page.

Tenants at 2014 End of Year Event

Working together to increase access to opportunities for tenants, their families and household members

Streets Ahead

Bridge Housing has developed new maintenance contract criteria that encourage contractors to employ people from disadvantaged groups. We are also developing a Procurement Policy that will set targets for the use of social enterprises in our purchasing activities.

Our Place Green Space

Bridge Housing launched our Community Garden Guidelines with input from tenants at the Camperdown Garden Club. Tenants established two new gardens in partnership with the Community Greening Program at Camperdown and Chippendale.

Work has started on the Tenants Talk Design project, through which tenants will talk to our Development team about building design so that we can develop responsive designs that more effectively meet tenant needs.

Working together to strengthen neighbourhood and community connections

Big Ideas Grants

In June 2015, 12 tenants attended a workshop presented by Maddad, an African Drumming group, to launch the Big Ideas Grants Guidelines. We hope to report on some successful tenant projects in next year's Annual Report.

bridge housing linking people to a better future

Our Place
SPRING 2015

INSIDE

Safe and Affordable Loans 2
Pathways to Training, Education & Employment 3
Save the date! 4
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What's On Near You 5

Welcome to the Good Money Edition

Anti-Poverty week is being held nationally from 11-17 October 2015 and aims to raise awareness of issues of poverty and hardship in Australia and overseas (www.antipovertyweek.org.au). To coincide with Anti-Poverty week, Bridge Housing is raising awareness of what we like to call "Good Money". Good Money means having the information to make empowered financial decisions.

The other side of this story is learning how to avoid bad debt. We've been noticing an increase lately in the number of payday lenders advertising on major TV channels, have you?

Payday lenders offer to lend small amounts of money quickly with little documentation required. The problem for many people is that this convenient access to money is based on high interest rates. ASIC has further information on their website at **www.moneysmart.gov.au/borrowing-and-credit/small-amount-loans**.

Luckily, you can avoid paying high interest rates if you do your research. This issue we feature information about safe and affordable loans provided by Good Shepherd Microfinance and the National Australia Bank – see page 2. We also have:

- a tenant's perspective
- a range of free and cheap services for you and your family
- Bridge Housing's new in-house financial counselling service, Money Matters.

Big Ideas Grants Initiative

In August, we hosted 29 tenants for an information session about our new Grants program, Big Ideas Grants! We are now working with tenants who are very eager to get their projects off the ground.

Through this initiative, tenants or household members can apply for small grants from Bridge Housing of up to $500 or $1000 with a community partner, to undertake projects that will bring people together in their neighbourhoods and communities.

If you have any big ideas that you would like to talk to us about give Emmanuel a call on **8324 0800** or email **e.smith-aspros@bridgehousing.org.au** or download a copy of the guidelines from our website at **www.bridgehousing.org.au**.

General Enquiries – 02 8324 0800
customerservice@bridgehousing.org.au

Repairs – 02 8324 0886
repairs@bridgehousing.org.au

Housing Pathways Applications
02 8324 0890
pathways@bridgehousing.org.au

Housing Team & Tenancies
02 8324 0885
customerservice@bridgehousing.org.au

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Our Place newsletter

Big Ideas Grants launch

Development Report

The Development team is responsible for managing and delivering Bridge Housing's property acquisitions and development to increase Bridge Housing's Property portfolio of affordable housing. In the *2014 Annual Report* the Development team reported under the Assets Division. Following the management restructure in May 2015 this is our first Development Report.

This section of the Annual Report:

- presents highlights for 2014-15
- reports on how the team delivered on its critical success factors
- provides an overview of activities undertaken during the year
- outlines our objectives for 2015-16.

Highlights of 2014-15

- Received planning approval for the development of 65 affordable housing dwellings at Bunya Estate, Bungarribee. Construction commenced in June 2015.
- Received planning approval and construction tender for the redevelopment of the New Generation Boarding House, to provide nine studio apartments at Ashfield. Construction to commence in August 2015.
- Secured Land and Housing Corporation (LAHC) Tender to purchase land at Parramatta to develop 38 apartments, to be delivered by October 2016.
- NSW Government recommencement of the Cowper St, Glebe redevelopment to deliver social, affordable and private housing. Bridge Housing will work with LAHC to deliver 153 social housing units for seniors.
- Transferred to our managment the last group of 63 properties through Family and Community Services' (FACS) 2012–14 New Supply Program covering the Canterbury/Bankstown local government areas (LGAs).
- Signed MOU with Waverley Council to jointly purchase affordable housing in the Waverley LGA.

Critical Success Factors

The Development team plays a key role in delivering the following Critical success factors in Our Strategic Plan 2012-15 and Business Plan 2014-15:

- Strategic Portfolio growth to meet affordable housing need in the community
- Business sustainability.

Strategic Portfolio Growth

Bridge Housing builds its property portfolio through management transfers of property from LAHC, such as the Canterbury/Bankstown New Supply Program, and using its financial resources and borrowing capacity to undertake property development. Where properties are to be transferred to Bridge Housing we take an active part in the construction governance – Project Control Group – to ensure the properties are built to specification to ensure that they are handed over smoothly and reduce any legacy issues, particularly for long term maintenance.

Bridge Housing has a commitment to meet affordable housing leveraging targets through the Nation Building program. This requires the Development team to find and secure development sites, manage the property development and construction process and deliver the projects in a timely manner and within agreed financial benchmarks.

Business Sustainability

Property development exposes Bridge Housing to significant financial risk, which it manages carefully. This occurs through close co-operation between the Finance and Development teams. This begins with project feasibility analysis and financial modelling of the impacts on overall corporate results and extends to ongoing management of individual projects. Project costs are managed by the Development and Finance teams and reported against project budgets. Developments work closely with Finance to monitor and report on forecast costs to complete.

Business Plan 2014–15

Measure	How did we do?	
Strategic portfolio growth to meet affordable housing needs in the community	**Key:** completed in progress not completed	
Deliver 65 dwellings in Bunya Estate		Construction commenced on 65 dwellings with 34 pre sales to be delivered in April 2016
Develop nine properties at Ashfield		Construction of nine units at Ashfield to be delivered in February 2016
Transfer the final 63 properties from Canterbury/ Bankstown New Supply Program		63 properties transferred with all 123 properties under Bridge Housing management
Develop NRAS 4 Strategy to use unallocated incentives		Won select tender to purchase Parramatta site from the Land and Housing Corporation to deliver 38 units NSW Government announcement recommencement of Cowper St, Glebe, saving 153 NRAS 4 incentives
Provide additional dwellings through Affordable Housing SEPP		Secured developer contributions of $1,092,000 for purchase of dwellings in Waverley LGA
Win one new Property Transfer Program tender		NSW Government did not release tender
Win one HNSW Estate Tender		NSW Government did not release tender

Managing portfolio growth

In last year's annual report we reported on the successful acquisition of a number of key sites. This included our

- Successful tender to purchase 65 Affordable Housing sites in UrbanGrowth NSW's Bunya subdivision at Blacktown
- purchase of site in Victoria Street, Ashfield to convert an old residential flat building into nine studio apartments.

In 2014-15 we successfully tendered to purchase a LAHC site at the corner of Collett Parade and James Ruse Drive, Parramatta to redevelop three sites with old fibro cottages into 38 units.

Bunya

Blacktown Council approved the Development Application in May 2015. Construction commenced in June 2015 , with the first of the 65 dwellings reaching the slab complete stage. The project was officially launched at a ground-breaking ceremony attended by the Member for Riverstone, Kevin Conolly, (representing the Minister for Family and Community Services), the Member for Blacktown, John Robertson, and representatives from UrbanGrowth NSW.

Bridge Housing has partnered with an experienced contract home builder, Clarendon Homes, to build the quality dwellings. The development will cost $24 million and is supported by the NRAS subsidies transferred from the Seven Hills project.

Thirty-one of the homes will be affordable housing in perpetuity and the other 34 homes will be sold to private investors and managed as affordable housing by Bridge Housing for 10 years. We achieved pre- sales within 2 weeks of launch, thus mitigating a significant risk for Bridge Housing, as the sale proceeds will be used to fund the delivery of additional affordable housing.

Ground breaking at Bunya

The dwellings will provide much-needed housing for families in western Sydney and compliment Bridge Housing's expanding Western Sydney property portfolio. Construction is scheduled to be completed by June 2016. You can view the construction of one of the sites through a time lapse camera at https://vimeo.com/140730368

Ashfield

Ashfield

Ashfield Council approved Bridge Housing's application to convert the existing residential flat building into a New Age boarding house at the Ashfield Council meeting held on the 9 December 2014. The Development Application took 3 months to approve. Ashfield Councillors were very supportive of the application, which will see nine new self contained units delivered in the first half of 2016. Bridge Housing also secured nine NRAS subsidies, which were redirected from the Seven Hills project and a $775,000 grant from FACS to assist in the funding of this development.

A select building tender for the refurbishment works was issued and subsequently awarded to Raycon Constructions following a rigorous tender assessment. Construction will commence in the third quarter 2015 and is expected to be completed in February 2016.

Parramatta

Bridge Housing successfully won a LAHC tender to purchase three contiguous residential sites in Parramatta.

Bunya under construction

The property is located on the corner of Collett Parade and James Ruse Drive and is within 3.5km of the Parramatta CBD. It comprises three former FACS home sites that will be redeveloped as 38 affordable housing units.

The acquisition of this site will allow Bridge Housing to redirect a further 36 NRAS subsidies from the Seven Hills project which would have been lost to the sector and provide much needed affordable housing in a high demand area on the door step of NSW's second largest city and close to the Western Sydney University.

The Development Application was lodged with Parramatta Council in February 2015, with the application subsequently approved by the Sydney West Joint Regional Planning Panel for 38 affordable housing units in July 2015. The development will contain a mix of studio, 1 and 2 bedroom dwellings within a 4 level lift access building and will provide 25 parking spaces and additional storage for each unit within the basement level.

The tender to appoint the builder was issued in late June 2015, with construction forecast to commence in October 2015 and and be completed by October 2016.

The building has been designed to meet Liveable Housing Australia's Silver standard, with a minimum of 6 units meeting the Gold standard, providing a higher level of access for people with disability.

Cowper St, Glebe

Bridge Housing won a competitive tender in 2010 to work with the NSW LAHC to develop and build 153 social housing homes for seniors at the Cowper Street Glebe site, forming part of the planned estate redevelopment. It was expected the development would be completed by end of 2013 and provide 153 social housing, 90 affordable housing and 247 private housing dwellings. This development was delayed as a result of the the previously reported delays to vesting arrangements, although the new Minister for Social Housing, Brad Hazzard, has reinvigorated the NSW Government's commitment to commence works on the site.

Bridge Housing CEO John Nicolades joined the Minister for Social Housing the Hon Brad Hazzard and the Lord Mayor of Sydney Clover Moore on 14 June at Cowper St for the announcement of the project recommencement which is now expected to be completed by June 2018. On completion

Artist's impression, Collett Parade, Parramatta

Artists impression - Cowper St, Glebe

it is expected that the social housing site will be vested to Bridge Housing. In turn we will inject $10m into funding the construction costs.

New Supply Program

The remaining 63 properties forming part of the Canterbury/ Bankstown New Supply program and 18 properties in the Telopea New Supply Program were completed and handed over to Bridge Housing in 2014-15. Bridge Housing worked closely with the LAHC to ensure the properties were handed over to a high standard of quality. The defects liability period (DLP) for all but three of the properties has ended with no major defects reported to date. The remainder of the properties will continue to be monitored and a final defects inspection will be completed with the builder and representatives from LAHC prior to the expiry of the defects liability period.

Waverley Council

In 2013-14 Bridge Housing secured $1,092,000 in developer contributions to purchase affordable housing in the Waverly local government area, one of the highest cost housing markets in Sydney. The funds were secured through the Affordable Rental Housing (2009) State Environmental Planning Policy, administered by the NSW Department of Planning.

Building on our relationship with Waverly Council since 2005, through managing its social and affordable housing program of 84 properties we sought a partnership to maximise the use of our funds. This involves using the development contributions and Waverley Council's affordable housing reserve of $4 million. The combined capacity would provide the ability to deliver more affordable housing in this area. An MOU was signed in February 2015 and over the period 5 properties were inspected, however it has been difficult to compete in an overheated housing market, either being outbid at auction or seeing properties sold prior to auction.

In 2015-16 we are seeking to streamline our respective approval processes so we can bid on properties without breaching probity requirements. In the context of NSW Council amalgamations and with Randwick Council, the adjoining LGA, wishing to join with Waverley Council, we are seeking approval from the Department of Planning to utilise funds within the Randwick LGA.

Development management team – Jacqui and Christopher

Finance and Corporate Services Report

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. The team played a key role in helping us meet the critical success factors laid out in our Business Plan 2014–15.

This section of the Annual Report:

- presents highlights of 2014–15
- reviews 2014–15 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 2015–16 objectives.

The 2014–15 Financial Summary section on page 88 reports on our financial position, including our financial performance for 2011–15.

Highlights of 2014–15

The highlight for the Finance and Corporate Services team during 2014–15 was the establishment of debt facilities to support our growth objectives. This was a major initiative to transition the business from a property and tenancy management organisation to an integrated service provider that is leveraging its balance sheet and financial capacity to increase the supply of affordable housing. The establishment of debt facilities changes the nature and risk profile of the business and this is commented on further in this report. The debt-raising initiative is highlighted in Spotlight 5 on page 94.

In addition, during 2014–15 the Finance and Corporate Services team:

- reviewed and updated our Business Continuity Plan (BCP)
- implemented an online complaints and appeals system to improve the capture of this information
- developed and implemented new Lone Worker Policies and Procedures supported by a GPS tracking application, Stay Safe
- began planning the implementation of an Electronic Document Records Management System (EDRMS)
- developed and implemented a Work Health and Safety (WHS) Management System for our contractors, including online induction and compliance management using the Cm3 contractor compliance management system
- completed the fourth year of our Internal Audit Program
- reviewed and updated the Fraud Risk Assessment and developed an action plan to improve our fraud control strategies
- implemented e-learning modules for staff members providing both compulsory training in WHS, and bullying and harassment, as well as a range of optional staff development courses
- developed and implemented a new website
- developed and implemented a social media strategy
- implemented an online performance management and development system
- met most financial and operational key performance indicators (KPIs).

Critical Success Factors

The Finance and Corporate Services team played a key role in delivering the following critical success factors in our Strategic Plan 2012–15 and Business Plan 2014–15:

- ensuring business sustainability
- developing our people
- enhancing our reputation and extending our relationships.

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

Measure	How did we do?	
Ensure business sustainability	**Key:** completed in progress not completed	
Deliver an operating surplus of $790,000		Achieved an operational surplus of $796,892 strengthening Bridge Housing's balance sheet. Most key financial ratios and other metrics were within benchmark
Secure debt facilities to fund the current development pipeline and provide for future growth and delivery of our NBESP (National Building Economic Stimulus Plan) leveraging targets		Established a debt facility with NAB, with financial close in December 2014
Develop the Strategic Plan 2015–18		Strategic Plan 2015–18 formally adopted at the June 2015 Board meeting
Undertake scenario planning to determine the appropriate longer-term structure of Bridge Housing and possible future accommodation requirements		Completed scenario modelling but, with an absence of NSW Government policy direction, this initiative has been rolled over into 2015–16
Continue to build our technology platform to improve business efficiency and processes		Implemented a number of initiatives during the year, including: • creating Compliments, Complaints and Appeals System • launching new website • reconfiguring the Voids Module • improving reporting • progressing Electronic Document Records Management System • increasing the use of mobile technology, including inspection forms and Stay Safe application
Continue to improve our budgeting, forecasting and reporting systems and processes		Improved our 20-year forecasting model, including independent validation of outcomes through modelling for our debt raising; with ongoing improvements to reporting, especially with regard to managing arrears and cash flow
Expand the use of our risk and compliance software, including developing a Compliments, Complaints and Appeals module		Developed new Appeals and Complaints procedures, supported through the development of an online Compliments, Complaints and Appeals module within the CompliSpace risk and compliance program
Review and develop a strategy for the ongoing internal audit program		Extended the Internal Audit Program by one year, to allow a new three-year Audit Plan do be developed in 2015-16 to mirror Strategic Plan 2015-18
Develop our people		
Finalise implementation of key Work Health and Safety initiatives relating to contractor compliance and lone workers		Completed key initiatives, including: • creating new Lone Worker policies and procedures • conducting online contractor inductions • implementing the Cm3 contractor compliance system
Develop an ongoing HR strategy to build on the previous HR improvement plan		Restructured the Executive team. Implemented an : • online performance and development management system • e-learning modules
Enhance our reputation and extend our relationships		
Implement recommendations from the Communications review, including developing a new website		Implemented a number of key recommendations, including launching a new website and developing a Social Media Strategy

Internal Audit Program

Bridge Housing appointed RSM Bird Cameron in 2011 to develop and execute an Internal Audit Plan for 2011–14 to independently identify the strengths and weaknesses of our internal operating systems, policies and processes, and recommend actions for improvement.

In 2014–15, the Board decided to extend this program for a fourth year to allow for the development of a new three-year Internal Audit Plan in 2015–16 to mirror the next three-year Strategic Plan, for 2015–18. During 2014–15, the internal audit reviewed responsive maintenance, development and project management, and IT controls.

Responsive maintenance

Responsive maintenance comprises requests for work from house occupants and/or Bridge Housing personnel responsible for house inspections. The audit work involved a follow-up review of recommendations in the Internal Audit Report 2013–14 and a review of key controls and testing.

A more detailed review of responsive maintenance was undertaken in 2013–14, which highlighted a number of process and procedural weaknesses and made a number of recommendations for improvement. The follow-up audit in 2014–15 checked if the recommended control improvements had been effectively implemented.

It was pleasing to note that the Internal Audit identified that these previous weaknesses had been addressed. The summary finding in the report was:

"The outcome of this review was that no major findings were identified, and there are no recommendations for improvement. We acknowledge that isolated instances occurred where not all elements of documentation was completed, but that these were relatively minor, and will always arise in the environment that BHL [Bridge Housing Limited] operates in. Overall, we were pleased with the level of diligence being displayed and the monitoring of activities in the Responsive Maintenance areas."

The overall risk rating dropped from Moderate in 2013–14 to Low in 2014–15.

Development and project management

The review assessed and reported on:

- development planning
- development project execution and management
- development contract management.

The summary finding in the report was:

"Our testing determined that the processes being followed are thorough and subject to an effective oversight process. Overall, we were pleased with the level of diligence being displayed and the monitoring of activities in the Development/ Project Management areas."

The overall risk rating from the Internal Audit was Very Low. Given this is a high-risk area of business operations for Bridge Housing, this is a pleasing outcome and reflects the strong governance process that has been put in place for managing development projects. See Our Governance on page 60 for details of how this is being managed.

General IT controls

The review assessed and reported on the review of:

- policies and procedures
- system testing and validation procedures and change management
- service level agreements
- incident management
- backup and recovery
- physical access controls
- user access rights.

The summary finding in the report was:

"The IT General Control review has resulted in a number of findings and recommendations that are consistent with an organisation with limited IT specialist resources dealing with a range of external service providers."

Overall, the findings were in line with expectations but a number of areas were identified as High Risk. These will be addressed during 2015–16 as none pose an immediate risk to the business and mainly deal with process and documentation improvements.

Key areas for improvement are:

- contractual obligations and SLAs for IT suppliers
- documentation of change management processes
- incident management
- documentation of disaster recovery testing
- physical access security
- system logging reporting.

Risk Management Plan 2014–15

During 2014–15, we built upon our previous Risk Management plans, which comply with AS/NZS ISO 31000:2009, and we continued to use CompliSpace, our online enterprise risk management and compliance system.

Bridge Housing faces key risks associated with the transition from pure housing management to also undertaking property procurement, development and 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.

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 risk. 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 an executive member of staff to manage.

We developed the Risk Management Plan 2014–15 based on the Executive Management team's review of our external and internal operating environments and the Risk Management Plan 2013–14 (including the Risk Register). We re-evaluated existing risks, introduced new risks in the Risk Register and re-rated other risks, having regard to our Strategic Plan 2012–15 and Business Plan 2014–15.

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 annually as part of our annual business planning process
- allocated more frequent reviews for some individual risks based on the nature of the associated risk.

Following is commentary on areas of operation identified as high-risk.

Risk	Comment or action
Policy development and integration	We have undertaken a detailed review of all policies and established a central Policy Library that clearly identifies the date for review and responsibility. A number of key policies were developed or refined during the year, including: ◣ Complaints and Appeals ◣ Lone Worker ◣ Arrears Management ◣ Contractors Code of Conduct ◣ Management Transfer ◣ Rent ◣ Treasury ◣ Water Charge ◣ Vacant possession. We have also identified a number of key policies to be reviewed in 2015–16 and have employed a dedicated resource for this purpose.
Succession planning	During 2014–15, we restructured the business (see Spotlight 2 on page 44) which has allowed us to develop a deeper management structure with the ability to manage succession efficiently at a number of levels. We also completed our Leadership Development program to provide staff members with the skills to move into higher management roles, as well as having four staff members acting in higher roles during the course of the year.
Financial viability	Following our Parramatta tender win in December 2014 we have now modelled a new baseline scenario incorporating our commitments for Bunya, Cowper St, Ashfield and Parramatta to provide a sound basis to model any further opportunities. We have also extensively modelled our business for the purpose of raising debt finance. This modelling has been reviewed by NAB. Our 20-year forecast has now been updated in conjunction with the development of the Strategic Plan 2015–18 and our 2015–16 budget.
Maintenance contractors	The National Safety Council of Australia has reviewed our contractor compliance system and developed best-practice processes and documentation. We have also implemented an outsourced compliance management system as well as an online induction system. We will put in place contractor performance standards and measures as part of the new multi-trade contract implementation during 2015–16.
Property transfers	We took no action on this during 2014–15 although we are aware of the maintenance risk inherent in any future property transfer program and will consider this as part of any tender response.
Property development capability	In addition to employing an experienced Development Director we also employed a full-time, experienced Development Manager to assist with the Ashfield and Parramatta projects, and have access to and regular use of an experienced development manager to assist with Bunya. We have partnered with an experienced builder for the Bunya development. We have also developed a robust governance process that has been audited by our internal auditor. See Our Governance on page 60 for further details.
Community objections	We develop a community engagement strategy for each development to manage any community objections. This proved particularly effective with the Parramatta project, where we faced a number of community objections. See the Development Report on page 76 for more details on this project.
Change of government policy	There is ongoing uncertainty in terms of a social housing policy framework at both state and federal level. However, we continue to lobby governments at all levels, including making submissions on the State Government's Social Housing in NSW policy discussion paper. Since the March 2015 State election, there appears to be some commitment to both investment in social housing through the Premier's Innovation Initiative and the announcement of the billion-dollar Social Housing Fund, as well as a commitment to the community housing sector. We continue to monitor developments and lobby to mitigate risk in terms of changes to government policy. At a federal level, the major issue is the shape of changes to the income support system through the McClure Report budget changes, in particular the transfer of individuals from Disability Support Pension to NewStart. Our scenario planning helps us to understand the impact of some of these possibilities. See Operating Environment on page 37 and the Housing Affordability section on page 32 for more details.
Government budget cuts	The above applies to risks inherent in budget cuts, but we have taken no specific action at this stage.

Work Health and Safety

Bridge Housing is committed to providing a safe and positive workplace for our staff, those contracted to perform work on our behalf and visitors to our premises. Bridge Housing acknowledges that staff well-being has a major affect on the performance of duties, and we regard our work health and safety (WHS) responsibilities to be of utmost importance.

All Bridge Housing managers and employees, as well as contractors and visitors, have a shared responsibility to contribute to the health and safety of all persons in the workplace. The promotion and maintenance of WHS and the dissemination of WHS information is primarily the responsibility of management.

Management at all levels, in consultation with employees, is responsible for developing, implementing and continually reviewing Bridge Housing's Workplace Safety Program.

During 2014–15, Bridge Housing, through its WHS Committee, implemented its 2014–15 Work Health and Safety Action Plan. The plan focused on two key areas.

1. Development and implementation of Lone Worker policies and procedures

Our staff members often work alone and visit clients who are dealing with many issues. This area of our business was identified as providing the highest risk to both our staff and contractors.

Based on National Safety Council work from 2013–14, we developed robust procedures for staff to follow during lone visits. The following principles underpin these procedures:

- To secure the safety, health and welfare of all, staff should aim to identify any potential risks or hazards prior to undertaking lone work. This includes reviewing tenant and property files to identify any real or potential tenancy management, property management or neighbourhood issues.
- Ensure all staff are informed of risks by keeping accurate file notes and records.
- Put controls in place to reduce the risk. All staff must follow the lone worker procedures, including the use of the StaySafe app when working in locations other than Bridge Housing head office.
- Train and support staff in using the Lone Worker policy and procedures.
- Ensure staff have the necessary equipment and tools to conduct lone work. This includes equipping work cars with first aid kits, and making sure these kits are available for use by staff using their own cars when conducting technical, property or site inspections.
- Be proactive if an incident occurs. WHS procedures will be followed as required by WorkCover NSW, and Bridge Housing's Employee Assistance Program is available for all staff members.

Work Health and Safety Committee – David, Christina, John and Rose Ann

2. Implementation of a Contractor Management System

During 2014–15, we refined work undertaken by the National Safety Council in 2013–14 and updated our Contractor Management System. The system will be fully implemented with the awarding of new multi-trade contracts in 2015–16.

This included implementing an online induction system for contractors together with the Cm3 contractor compliance management system.

We have also implemented e3Learning to provide the following online e-learning modules:

- WHS fundamentals (all staff)
- Duty of care for managers and supervisors (line managers)
- Manual tasks for workers (reception and administration staff)
- Working from heights (asset technical staff)
- WHS harmonisation (Safety Committee).

These modules were designated as mandatory training for appropriate staff members.

The WHS Committee comprises two employees as well as two management representatives: the CEO and the General Manager Finance and Corporate Services. Staff elect the employee representatives, who act as the designated health and safety representatives, as required by the *Work Health and Safety Act 2011 No 10*. The committee met four times in 2014–15 and carried out four workplace inspections, which identified no WHS issues in the workplace. The Committee prepares a WHS report for the Board each quarter.

We maintained an excellent WHS record during the year, with no reportable incidents or lost work hours. Staff are encouraged to report identified risks, near misses and incidents through our Compliance Management System. Once reported, the system requires the notification to be acknowledged and actioned.

Information Technology

Bridge Housing implemented its Information Management System (SDM), in February 2013. It is now well embedded, providing an integrated tenancy, asset and financial management system and reporting. In 2014–15 our attention turned to continuous improvement and developing our Electronic Document Records Management System (EDRMS).

Installing the EDRMS is a major IT project that will provide the internal business infrastructure and systems required for long-term growth. It requires a major change management focus across the organisation and will be completed in 2016–17.

This project will take place over several stages to:

- develop a Records Management Framework
- develop a system requirements brief
- select a system
- configure and implement the selected system
- develop user documentation and train users.

During 2014–15, a records management framework was developed and a brief for system requirements completed, with other stages to be undertaken during 2015–16.

Other initiatives in 2014–15 included:

Website

Our new website was launched in early March 2015.

The site:

- reflects our new corporate branding
- is more user friendly and includes new transactional features, such as quick links to key pages for tenants
- better communicates our core business, development activities and partnership projects to government, the private sector and NGO stakeholders
- includes social media sharing tools, an e-news subscription feature and video content.

The site has been designed and built using modern responsive design techniques to ensure that it works well across a variety of devices. It also meets the Web Content Accessibility Guidelines (WCAG) 2.0 AA standard of accessibility[46] making it as accessible as possible to tenants, clients and stakeholders.

To protect confidential tenant information an SSL Certificate from GeoTrust Inc has been installed on our web server and all data is encrypted.

Website analytics and informal feedback for the first four months of operation to 30 June 2015 revealed that the site is well used by local audiences, with a particular focus on people seeking affordable housing and those interested in Bridge Housing's new housing developments.

Voids and vacancies

During 2014–15, we revised our Voids and Vacancy procedures. We simplified SDM's configuration and updated data fields and reporting to support these new procedures. This change has redefined the categorisation of unoccupied

46 For further information on Web Content Accessibility Guidelines,see https://en.wikipedia.org/wiki/Web_Content_Accessibility_Guidelines

properties. While this change does not affect the total number of days a property would be shown to be unoccupied, it does change the allocation between vacant and void classifications and therefore affects year-on-year comparisons of benchmarks for these categories. The new process and reporting methodology more accurately reflects the nature of the occupancy and aligns to benchmark reporting for both the National Regulatory System and NSW Government Performance Reporting.

Compliance management system

During the year we updated our Compliments, Complaints and Appeals policy and procedure. This was a direct response to feedback from our 2014 Tenant Survey. To support this new process we have updated our Compliance Management System to record, manage and report on Compliments, Complaints and Appeals online. This provides much greater transparency and more accountability in managing complaints and appeals, and allows regular recognition of compliments from stakeholders for individual staff members.

StaySafe

StaySafe is a GPS tracker app that notifies us by email or text message if a staff member does not check in safely after working or travelling alone, providing the exact GPS location so help can be provided quickly if needed. This app was launched to all staff members on 1 April 2015 as a part of the launch of our new Lone Worker Policy and Procedures.

Stay safe screen shot

e-learning Portal

On 1 April 2015, we launched a new e-learning portal which provides online staff training. This was primarily developed for contractor induction but we have extended it to give our staff access to a range of electronic learning opportunities. See Our People on page 51 for more details.

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 improving our HR offering and refining our HR policies and procedures, enhancing our Total Rewards Program and improving our Training and Development Program.

Regardless of these initiatives, our staff engagement decreased from 82 per cent in 2014 to 75 per cent in 2015. We detail our HR initiatives in Our People on page 51 together with details on our Staff Engagement Survey results and actions being taken.

2015-16 Finance and Corporate Services Objectives

Our Finance and Corporate Services objectives for 2015–16 are:

- achieve an EBITDA (earnings before interest, taxes, depreciation and amortisation) of $1.267 million, to meet short- and long-term goals and objectives outlined in the Business Plan 2015–16
- expand our debt facilities to fund the development pipeline and provide for future growth
- develop the next three-year Internal Audit Plan, for 2016–18
- establish compliance and reporting systems to meet National Rental Affordability System (NRAS) requirements
- undertake scenario planning to determine appropriate longer-term structure and resource requirements
- continue to build our technology platform to improve business efficiency and processes
- continue to improve our budgeting, forecasting and reporting systems and processes, including development of dashboard reporting
- finalise the implementation of key WHS initiatives relating to contractor compliance in conjunction with new multi-trade supplier contracts
- develop an ongoing HR strategy to build on the previous HR improvement plan and address issues identified in the staff engagement surveys
- review existing roles and responsibilities and realign the organisational structure to meet long-term business objectives.

Finance and Corporate Services Management Team – David and Becky

Financial Summary 2014-15

Bridge Housing recorded an operating surplus before depreciation of $796,892 in 2014-15, compared to $1.37 million in 2013-14, including a one-off $500,000 donation. Our operating surplus is shown in the Financial Results graph on page 89. The net profit for the year is affected by a one-off impairment charge of $1.3 million due to the decline in the recoverable amount for the property at 3 Pembroke St, Ashfield.

Financial Position

Revenue

Total revenue decreased by $0.7 million in 2014–15 due to a number of factors, including:

- a one-off donation of $500,000, received in 2013–14
- a one-off government grant of $775,000, received in 2013–14 to fund maintenance expenditure on capital properties.

The revenue breakdown for 2011–15 is shown in the Revenue chart on page 89.

Expenses

Expenses increased by $2.1 million in 2014–15, mainly due to:

- a $1.3 million one-off impairment charge as noted above
- an additional $800,000 in repairs and maintenance to improve the standard of our properties, primarily funded through the NSW Government maintenance grant noted above.

The expenses breakdown for 2011–15 is shown in the Expenditure chart on page 89.

Economic dependency

Bridge Housing relies 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.

Bridge Housing's net assets increased from $90.7 million to $101 million during 2014–15. Movements are as follows:

- Cash decreased by $4.1 million, from $11.3 million in 2013–14 to $7.2 million, reflecting investment in development projects.
- The value of other assets increased by $8.5 million as a result of investments in development projects of both debt and equity.
- Non-current assets increased by $10.1 million, from $80.7 million in 2013–14 to $90.8 million, through the revaluation of our property portfolio.
- Current liabilities decreased by $1.2 million, from $3.5 million in 2013–14 to $2.3 million.
- Non-current liabilities increased by $4.9 million, from $100,000 million to $5 million, primarily as a result of debt draw down to fund development projects.

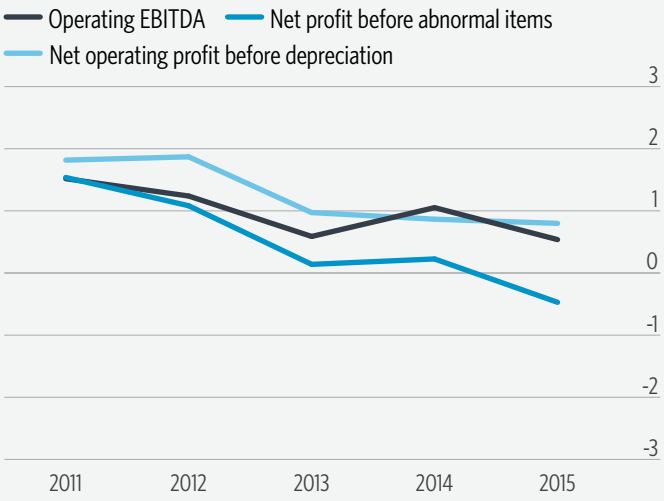
Financial Performance 2011–15

A five-year comparative analysis of our financial performance, including our 2014–15 results, is available on page 92. This is an extract from our audited Financial Report 2015, available at www.bridgehousing.org.au or by phoning the Bridge Housing office on 02 8324 0800 or emailing customerservice@bridgehousing.org.au.

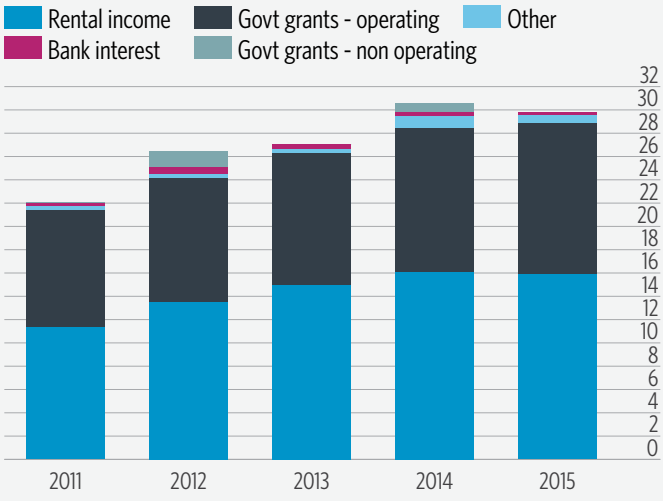
Our 2011–15 report card

We've analysed Bridge Housing's key financial and operational ratios against KPIs over five years to 30 June 2015. The trend analysis shows that we performed well against our financial and non-financial KPIs during 2014–15. The number of days for our voids and vacants is consistent with last year but still slightly above benchmark due to a change in methodology, as detailed on page 85. We believe the current approach more accurately reflects the outcome. Also of note is the significant reduction in arrears, which continues to trend down and is well below the Regulator's benchmark of 2.5 per cent.

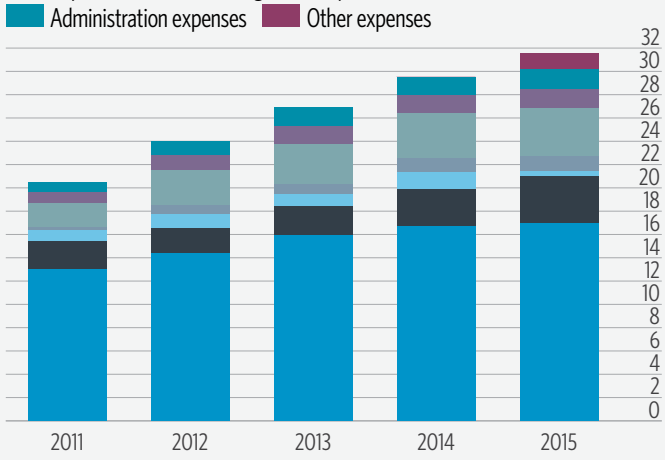
Financial results
(millions), 2011-15



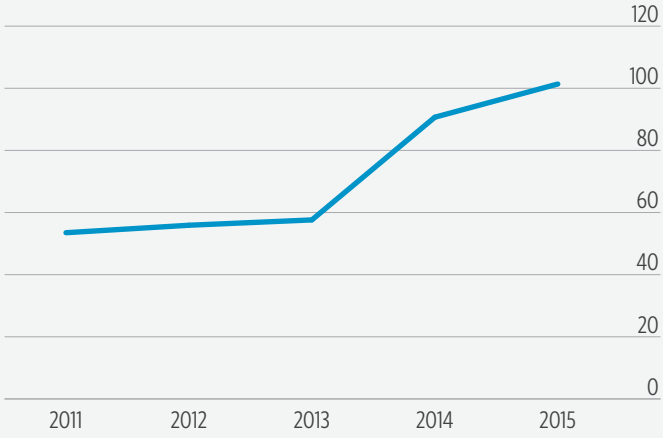
Revenue
Revenue composition (millions), 2011-15



Expenditure
Expenditure composition (millions), 2011-15



Equity
Total equity (millions) 2011-15



Our Five-Year Report Card

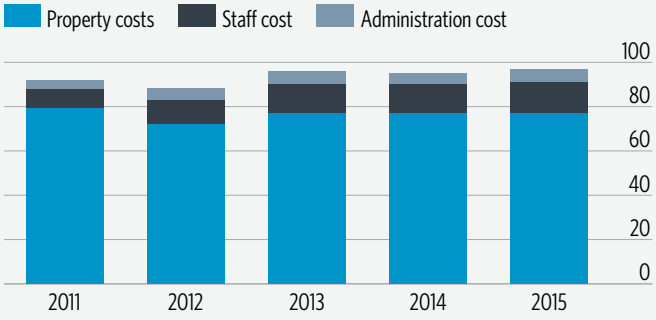
Key performance indicators five year analysis	Benchmark	2011	2012	2013	2014	2015
Tenant satisfaction						
Overall satisfaction with the organisation	75%	88%	86%	85%	84%	81%
Service development						
Total number of housing properties		1,474	1,552	1,628	1,649	1,716
Finance management						
Staff cost as a percentage of total revenue		9.2%	11.3%	13.0%	12.7%	13.8%
Property costs as a percentage of total revenue		78.7%	72.0%	77.4%	75.0%	77.3%
Administration cost as a percentage of total revenue		3.7%	4.6%	6.0%	5.3%	6.2%
Profitability ratio - operating EBITDA/operating revenue		7.0%	5.1%	2.2%	3.6%	1.8%
Liquidity ratio - current assets/current liabilities		2.6	3.5	3.8	3.8	4.0
Cash flow ratio - operating cash inflows/operating cash outflows		1.2	1.1	1.0	1.1	1.0
Interest cover ratio - operating EBITDA/interest expense	2%	52	67	0	0	0
Loan to value ratio	35%	N/A	N/A	N/A	N/A	5.4
Return on assets - EBITDA/assets		2.6%	4.3%	1.0%	1.9%	0.5%
Cash at end of year		$11.4m	$10.6m	$10.7m	$11.3m	$7.2m
Net profit		$1.6m	$2.4m	$0.1m	$1.0m	-$1.8m
Reserve for future planned maintenance		2.2	2.2	0.0	0.0	0.0
Housing management						
Arrears	2.5%*	1.8%	1.6%	2.3%	3.0%	1.9%
Market rent loss via void	2.5%*	1.2%	1.2%	0.6%	0.7%	1.0%
Market rent loss via vacancy	2.5%*	1.4%	1.2%	0.7%	0.4%	0.6%
Void days	28 days*	35	28	21	31	30
Vacant days	14 days*	15	17	18	16	17
Number of tenants exiting the service because of possession order enforcement		6	5	23	19	15
Eviction rate[47]	10%*	N/A	N/A	14.0%	9.4%	7.5%
Human resources						
Staff engagement		N/A	64%	72%	82%	75%
Ratio of staff to lettable properties		1:49	1:46	1:41	1:39	1:39
Staff turnover		32%	35%	15%	11%	16%
Number of full time equivalent staff		30	34	40	42	44

47 As per NRS definition – tenants evicted as a percentage of the total tenancy exits.
* Benchmarks established by the National Regulatory System for Community Housing(NRSCH). See Registration Return Guide, www.nrsch.gov.au.

Key Financial Viability Measures

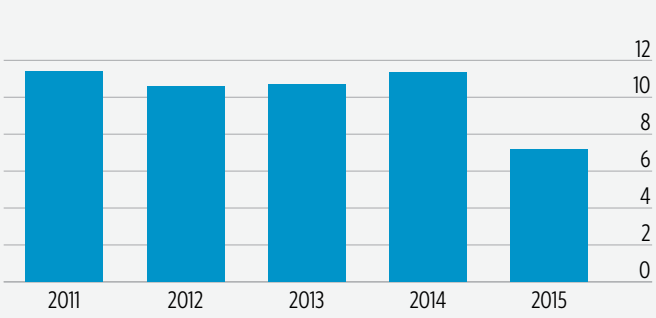
The following graphs highlight the key measures that demonstrate the financial health and sustainability of our business.

Cost structure
Costs as a per cent of revenue, 2011-15



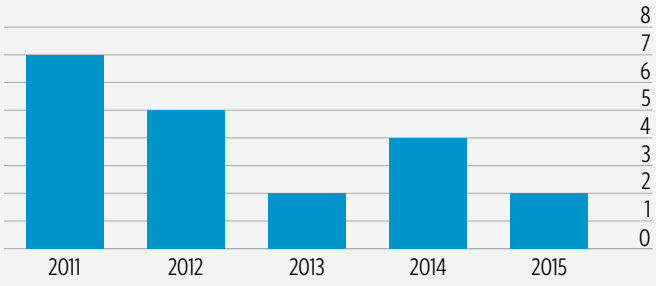
Our cost structure remains reasonably consistent with that of the 2013–14 financial year, although it has increased slightly as a percentage of revenue overall. We expect this ratio to decrease over coming years, reflecting our investment in staffing and other costs in supporting future growth.

Cash balance
End of year cash balance ($ millions), 2011-15



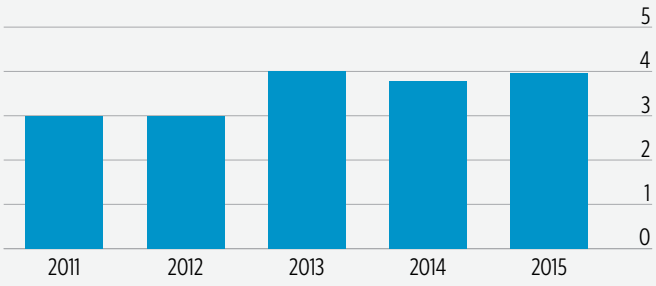
Our cash balance at 30 June 2015 was $7.2 million. This is a decrease of $4.1 million on the previous year's results and reflects the equity investment in various developments. Bridge Housing has secured debt facilities to continue to fund development projects and we continue to maintain a strong cash position to deliver affordable housing to low and moderate income earners.

Profitability ratio
EBITDA/operating revenue, 2011-15



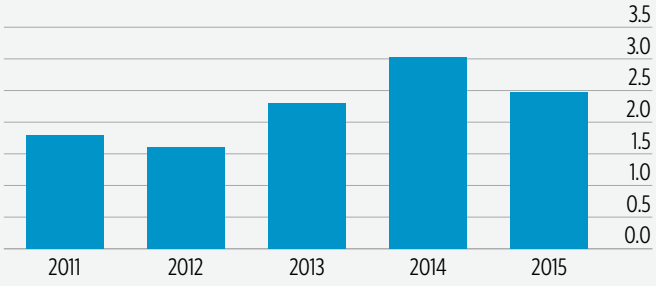
This ratio measures earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of operating revenue. The percentage decreased this year but will start to grow over future years[48].

Liquidity ratio
Current assets/current liabilities, 2011-15



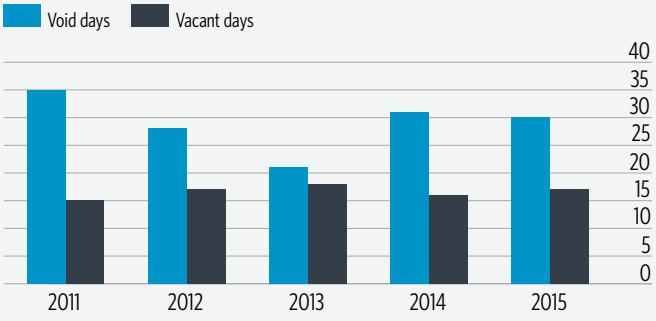
The working capital (liquidity) ratio measures Bridge Housing's ability to repay its short-term debt using short-term assets. Bridge Housing's liquidity ratio at 30 June 2015 was 4 per cent, which indicates our strong capacity to meeting short-term financial commitments.

Arrears
Rent arrears as per cent of revenue, 2011-15



This ratio measures our rental arrears as a percentage of operating revenue. The ratio has decreased to 2 per cent, down from 3 per cent last year, and is well below the industry benchmark of 2.5 per cent.

Voids and vacants
Average days void and vacant, 2011-15



Average void days refers to the number of days on average that our properties are unavailable for letting due to maintenance work requirements. Average vacancy days refers to the average number of days a property is vacant once it is available for letting. Both of these are in line with last year but slightly above benchmark.

48 The profitability ratio is distorted because one-third of our income is generated through the Community Housing Leasing Program, which is a cost recovery, i.e. it generates no EBITDA but significantly increases the revenue line, thus distorting the EBITDA percentage.

Our Five-Year Finance Performance

Five-year financial results at a glance (In '000 AUD)		2011	2012	2013	2014	2015
How much we...	**Where does all the money come from?**	$'000	$'000	$'000	$'000	$'000
Charged tenants for living in the properties	Rents	11,314	13,520	14,954	16,095	15,876
Received from government	Non-operating grants received such as SEPP10, capital grants	55	1,321	0	775	0
Received from government	Operating grants received	10,073	10,575	11,284	12,354	12,987
Received from investment of surplus funds	Interest	328	649	384	314	308
Received from other activities	Fees for service, water usage recharge, tenant reimbursement	315	352	426	1,002	633
Received from government	Other contributions - properties vested	43,400	0	0	24,490	0
Total revenue (excluding other contributions)		**22,085**	**26,418**	**27,048**	**30,540**	**29,804**
Where does all the money go?						
Spent renting properties	Rents paid	-13,012	-14,401	-15,920	-16,702	-16,977
Spent on property rates and utilities	Rates and utilities	-1,017	-1,307	-1,482	-1,534	-1,566
Spent on maintaining the properties	Maintenance	-2,410	-2,144	-2,552	-3,226	-4,007
Spent on other property expenses	Insurance and other property expenses	-934	-1,177	-980	-1,450	-497
Allocated on other property expenses	Depreciation	-279	-787	-833	-1,140	-1,271
Spent on administration expenses	Administration and overhead expenses	-817	-1,215	-1,629	-1,611	-1,837
Spent on salary and related costs	Management expenses	-2,024	-2,983	-3,513	-3,876	-4,120
Spent on other activities	Loss on disposal/impairment of assets	0	0	0	0	-1,341
Total expenditure		**-20,492**	**-24,015**	**-26,909**	**-29,539**	**-31,616**
Have kept to help with future activity	**Surplus for the year**	1,592	2,404	139	1,001	-1,812
Have retained of previous years' surpluses	Retained profits brought forward	51,911	53,504	57,484	89,683	103,182
Have transferred to reserve for PMP	Transfer to reserve for planned maintenance program	-2,233	-2,233	0	0	0
Have transferred to reserve for property revaluations	Transfer to assets revaluation reserve	0	0	-1,577	-9,148	-21,647
Have transferred to reserve for property development	Transfer to other reserve for property development	-2,098	-2,120	0	0	0
Have retained to help with future activity	Retained profits carried forward	49,172	51,555	56,046	81,537	79,723
Balance sheet						
Were owed by our tenants and others	Debtors	2,663	3,226	3,301	1,772	1,803
Had in the bank	Cash assets	11,437	10,610	10,734	11,332	7,175
Had paid for property, furniture and equipment	Property, plant and equipment	45,394	46,106	47,377	81,212	99,733
Owed to members and others	Liabilities	-5,989	-4,035	-3,788	-3,632	-7,342
Net assets		**53,504**	**55,907**	**57,623**	**90,685**	**101,369**
Have retained to provide for future planned maintenance program	Reserve	2,233	2,233	0	0	0
Have retained to provide for assets	Assets revaluation reserve	0	0	1,577	9,148	21,647
Have retained to provide for future property development	Other reserve	2,098	2,120	0	0	0
Have retained for future activities	Retained profits	49,172	51,555	56,046	81,537	79,723
Total equity		**53,504**	**55,907**	**57,623**	**90,685**	**101,369**

Our comprehensive Financial Report 2015 is available on the CD with this Annual Report and at www.bridgehousing.org.au

Finance team – Rowena, Amber and Rebecca

Spotlight 5: Debt Raising

Bridge Housing made a significant transition in 2014–15 as the company prepared for its first significant debt raising to finance its mix of social and affordable housing developments at the Bunya Estate in Bungarribee, Ashfield, and in Parramatta. These developments will deliver 112 homes by 2016, meeting our Nation Building leveraging target of 75 homes well ahead of schedule.

While Bridge Housing's General Manager, Finance and Corporate Services, and the then General Manager, Assets have considerable private sector experience, it was considered important that they continue to focus on Bridge Housing's operations and, together with the Finance Risk and Audit Committee, have time to assess and review proposals.

As such, Bridge Housing's strategy was to tender for a corporate debt facility in June 2014 and engage the services of Pacific Capital, an experienced financial adviser and arranger with substantial expertise in arranging funding for property development.

Bridge Housing had spent considerable time developing a robust and detailed 20-year financial forecast model to assist in projecting and managing our financial risk. The model had been extensively reviewed by a number of the major banks over the last few years as we prepared to transition from a property and tenancy manager to also take on development opportunities.

We were therefore able to quickly model our financial projections in a form that the bank required and prepare a detailed tender (information memorandum) for distribution in a select tender process to five banks. James Kelly, Director Pacific Capital, said, "The detail of Bridge Housing's financial model as well as the support and knowledge received from the Bridge Housing finance and property teams allowed us to prepare a comprehensive information pack to present the opportunity to prospective bank lenders. We believe this resulted in Bridge Housing obtaining the most competitive terms available in the market for a facility of this type."

From this tender process, the Bridge Housing Board selected National Australia Bank (NAB) as our preferred supplier in September 2014 with an initial $18 million, five-year corporate debt facility to fund both our Bunya and Ashfield developments.

The debt facility agreement was negotiated in two months and executed on 19 December 2014. Alan Blake, Director NAB Corporate, said, "NAB is committed to building prosperous communities. By investing in the organisations and industries that tie communities together and supporting initiatives focused on financial and social inclusion, we can help communities to thrive. NAB is extremely proud to partner with Bridge Housing and we look forward to providing the financial support needed for the company to continue to grow and make a real difference in the community."

Bridge Housing's CEO John Nicolades said, "The structure and security arrangement of the debt facility provides maximum flexibility to easily increase the size of the facility to provide additional funding when required for new projects."

National Australia Bank representatives with General Manager, Finance and Corporate Services

This strategy was tested shortly after the completion of the debt facility agreement (financial close) when we successfully tendered to acquire a site from NSW Land and Housing Corporation (LAHC) on the corner of James Ruse Drive and Collett Parade, North Parramatta. This acquisition will allow us to redevelop three fibro cottages into a new 38-dwelling unit complex. The development requires an additional $7 million of debt finance. As a result, we have negotiated an increase in the debt facility to $25 million. It is expected that the facility will increase to $35 million to fund the transfer of the Cowper St, Glebe, social housing development to Bridge Housing once completed by LAHC in June 2018.

Bridge Housing recognises that taking on debt introduces additional risk to the organisation, so management and the Board have made a detailed analysis of the interest rate risk and have hedged (fixed the interest rate) a significant proportion of the debt for 10 years. This provides certainty of cash flows from these projects and mirrors the 10-year commitment and cash flow support from the National Rental Affordability Scheme (NRAS) on these projects.

The availability of NRAS funds – totalling more than $8 million over 10 years – was critical to the success of these projects. These funds have made the delivery and, more importantly, the maintenance of these affordable housing projects possible. It was critical to both the bank and the Board to ensure that the cash flows generated from the projects could adequately service the debt commitments. NRAS funds have made this possible and will allow us to deliver a mix of both affordable and social housing in high-need areas.

Bridge Housing in the Community

Bridge Housing staff engage with the communities in which we live and work in different ways. We are proud to support the good work of other organisations who contribute to the well-being of our communities, and collaboratively engage with stakeholders who can have a profound effect on the future direction of the housing sector.

2014 Bridge Run

In September 2014, 16 Bridge Housing staff members entered the Bridge Run – two of whom did the half marathon. This annual run goes from North Sydney to the Botanic Gardens and is organised by Blackmores to raise funds for not-for-profit organisations. Running under the banner of the Bridge Housing Harriers, they raised $3,232 for The Indigenous Marathon Project Foundation.

The Indigenous Marathon Project uses the marathon as a vehicle to promote healthy lifestyles to Aboriginal and Torres Strait Islander peoples. People of all ages and abilities can run, and it has tremendous power to instil a sense of personal accomplishment as individuals push beyond what they thought possible. The project selects a group of young men and women to complete the New York City Marathon each year, with just six months of training. These runners are trained to become healthy lifestyle leaders by completing a Certificate IV in Leisure and Health with a focus on Indigenous healthy lifestyle. This qualification is then used to promote community health and exercise initiatives including the Deadly Fun Run Series.

Cancer Council Morning Tea

Bridge Housing has participated in the national Cancer Council's Australia's Biggest Morning Tea fundraiser every year since 2008. This year's event was organised by Housing Manager Elizabeth Frangieh, and Bridge Housing staff raised $2,148 to help fund the work of the Cancer Council.

2014 street count

The City of Sydney conducts biannual street counts of rough sleepers in the heart of the city as part of its Homelessness Strategy. The aim is to collect up-to-date information about the numbers 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 such as Platform 70, Bridge Housing staff volunteered for the sixth consecutive time in the early hours of the morning in August 2014 to help the City of Sydney collect the data it needs. Bridge Housing staff volunteered again in February 2015, but were not needed as there were already enough volunteers. Bridge Housing remains committed to this important task and will be volunteering again.

Other fundraising and community activities

Bridge Housing partnered with Redfern Community Centre to present a flag-raising ceremony for NAIDOC week 2014. Staff also attended a tenant-led initiative that brought them together with members of the Stolen Generation in a powerful and moving event that brought home the reality of lived experiences for Aboriginal communities.

Along with matching funds from Bridge Housing, staff donated $5,000 to the Food Distribution Network and held a clothing drive for the clothing charity Clothesline for Anti-Poverty Week. Bridge Housing staff

Bridge Run 2014

and tenants also participated in events for Mental Health Week 2014. We also attended the Yabun Festival in January 2015.

Services to Our Industry

Membership

Bridge Housing plays an active role in the community housing industry as 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 Chairperson of the NSW Federation of Housing Associations (NSW FHA) in February 2014, and has been the NSW delegate to the Community Housing Federation Australia (CHFA) since 2014. In March 2015, following the Federal Government's decision to defund CHFA, the housing associations formed a new organisation, the Community Housing Industry Association (CHIA). John is the NSW FHA representative for CHIA. Bridge Housing has continued to provide meeting facilities for the NSW branch of the Australasian Housing Institute.

Sponsorship

During 2014-15, Bridge Housing supported Shelter New South Wales by sponsoring their 2015 conference Housing Wellbeing and the City ($2,000), and the NSW Federation of Housing Associations by sponsoring their 2015 conference Setting New Directions as a Conference Partner ($6,000). This sponsorship contributes to advancing and expanding the important conversations around how the community housing and social housing sector can continually improve their services and operations, working towards better outcomes for clients and the sector as a whole.

Presentations

Title	Presenter	Date	Conference/seminar
Community Engagement and the Poetic Principle – How to engage tenants and organisations in creating change	Francesca Cathie	May 2015	Presenter – NSW Community Housing Conference
How community housing will meet the Housing Affordability Challenge	John Nicolades	May 2015	Panel member – Plenary Session NSW Community Housing Conference
Measuring the cost of social housing	John Nicolades	May 2015	Masterclass facilitator – NSW Community Housing Conference
McKinsey Global Affordability Report	John Nicolades	May 2015	Panellist – Committee of Sydney

Media

Bridge Housing's media presence remained steady in 2014–15 through the continued implementation of our Communications Strategy. Examples of our media coverage are listed below.

Pro Bono News	August 2014	Featured in an article titled 'Former Politician Donates to Housing NFP'
The Sydney Morning Herald	August 2014	Featured in an article titled '$500,000 gift for homeless'
	June 2015	Featured in an article titled 'Glebe housing development offers 495 public and private units', www.smh.com.au/nsw/glebe-housing-development-offers-495-public-and-private-units-20150614-ghnls9.html
ABC TV News	June 2015	News item on the development of social housing in Glebe – Glebe development promises low cost housing for struggling workers, www.abc.net.au/news/2015-06-14/glebe-development-promises-low-cost-housing-for/6545172

Meeting our State Members

In April 2015, following the March 2015 state election, the CEO commenced a series of meetings with all 15 state Members of Parliament within our operating region. Our state Members represent each of the major political parties in NSW: Liberal, Labor and Greens. The purpose of the meetings was to introduce Bridge Housing, discuss the role of the community housing sector, discuss the respective housing policies and help promote bipartisan support for more affordable housing. The meetings have been very productive in assisting local Members appreciate the diversity of community housing operations and initiating some positive policy discussions.

Facts and Figures

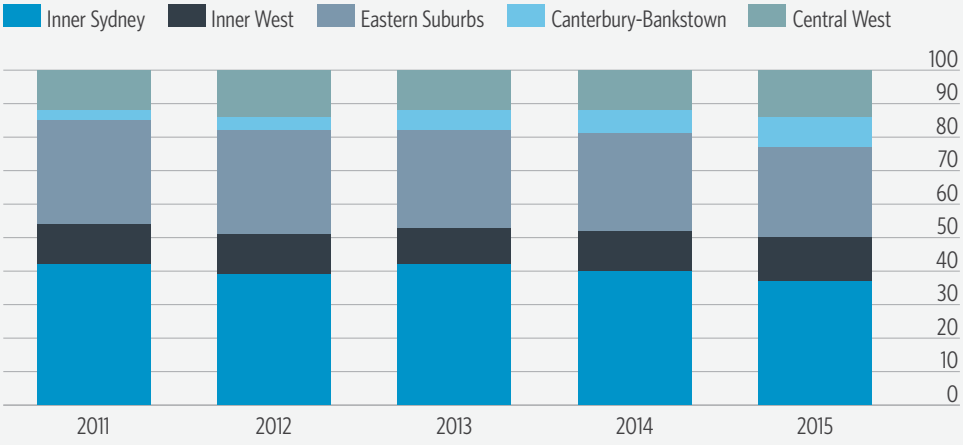
This section of the Annual Report shows the changing profile of Bridge Housing since 2011 by examining our property portfolio, tenancies and the diversity of our tenants.

Properties

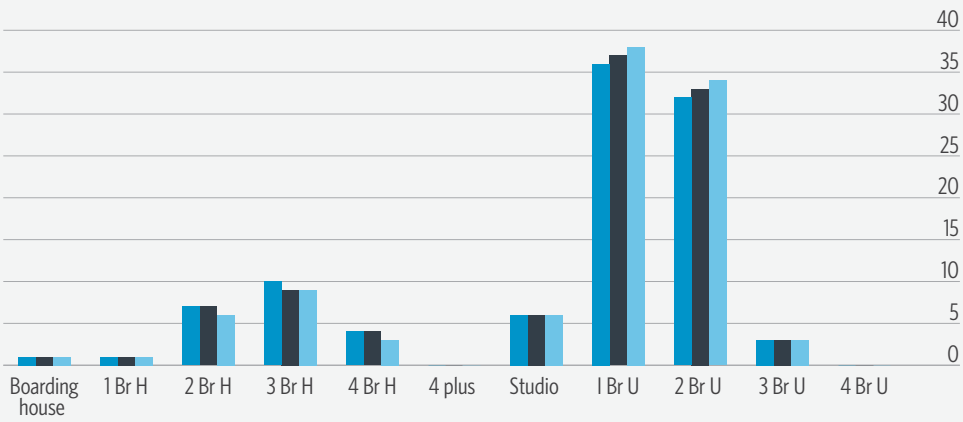
How many?

Bridge Housing's property portfolio increased from 1,649 to 1,716 properties in 2014–15. The additional properties came primarily from the transfer of the remaining properties in the Canterbury and Bankstown, and Telopea New Supply programs as well as additional fee-for-service (FFS) properties including those of the Sydney Olympic Park Authority. This has slightly increased the percentage of capital properties in the portfolio.

Property location
Percentage of properties by Sydney metropolitan region, 2011–15



Property type
Percentage of properties by dwelling type and number of bedrooms, 2013–15



We lease capital properties from the Department of Family and Community Services on recurrent three-year leases. Also included in our capital property portfolio are 243 properties vested to us under the National Building Economic Stimulus Plan (NBESP). We manage FFS 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 (including the Parramatta local government area) 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.

Tenancies

Who we house

The majority of our tenancies are single-person households (58 per cent). The second-largest tenant group is sole-parent households (14 per cent). Couples with and without children make up 13 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

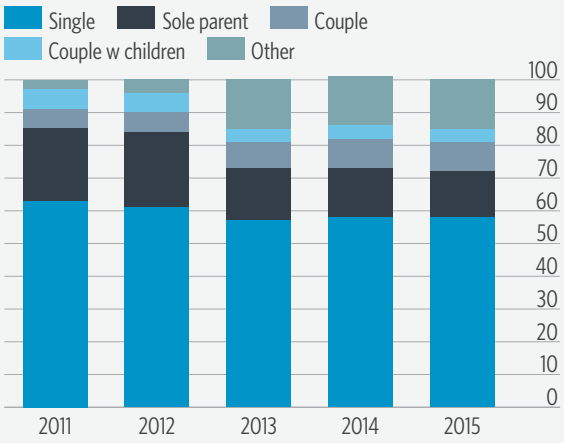
We accommodated 281 new tenants in 2014–15 through vacancies and additions to our property portfolio. There were 83 tenants living in our capital properties, 20 accommodated by our fee-for-service program and 74 by our leasehold program. This shows the importance of vacancies in creating additional housing opportunities for people on our waiting list.

Internal transfers – that is, 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 by making under-occupied properties available for households with more members.

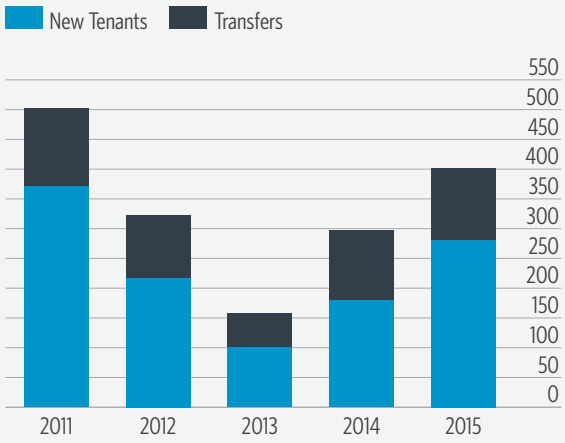
How long tenants stay

Bridge Housing provides long-term secure accommodation for low and moderate income households in regions with low rental and purchase affordability. Thirty-three per cent of our tenants have been with Bridge Housing for more than five years and 64 per cent for more than two years.

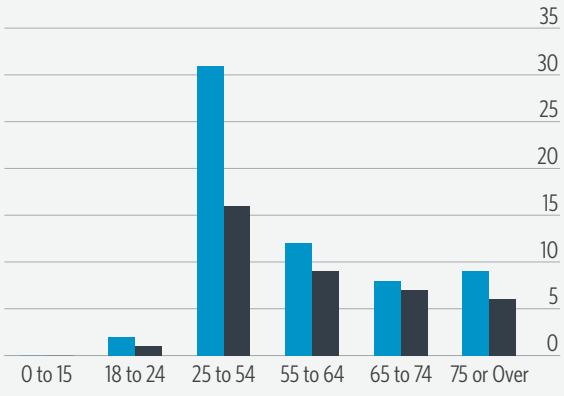
Household composition
Household type (percentage), 2011–15



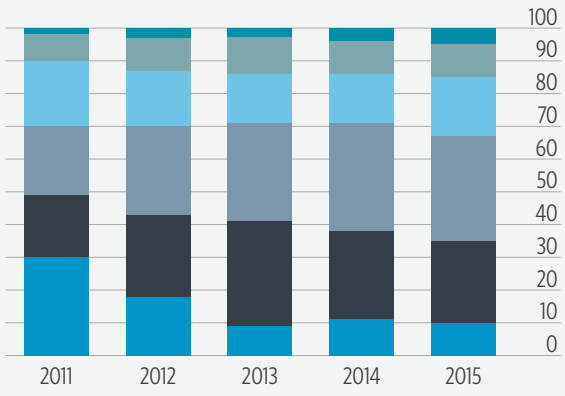
New tenancies
Number of new tenancies and transfers, 2011–15



Gender and age
Head tenant by age and gender (percentage), 2015



Tenancy
Percentage of tenancies by duration in years, 2011–15



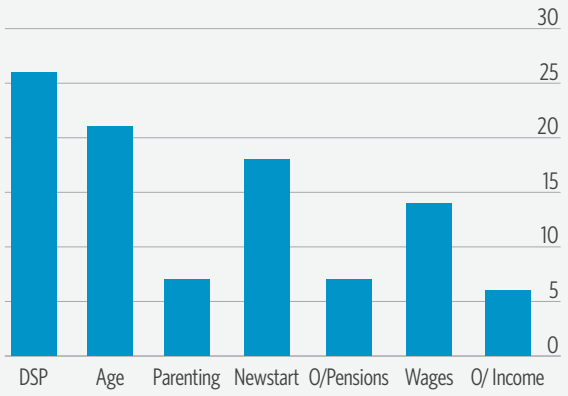
Income

Bridge Housing tenants are predominantly Centrelink beneficiaries (86 per cent). They mainly receive income from the Age Pension (21 per cent), Disability Support Pension (26 per cent), Newstart Allowance (18 per cent) and Parenting Payment (7 per cent). Wage earners account for 14 per cent of our tenants, many of whom are in our affordable housing programs.

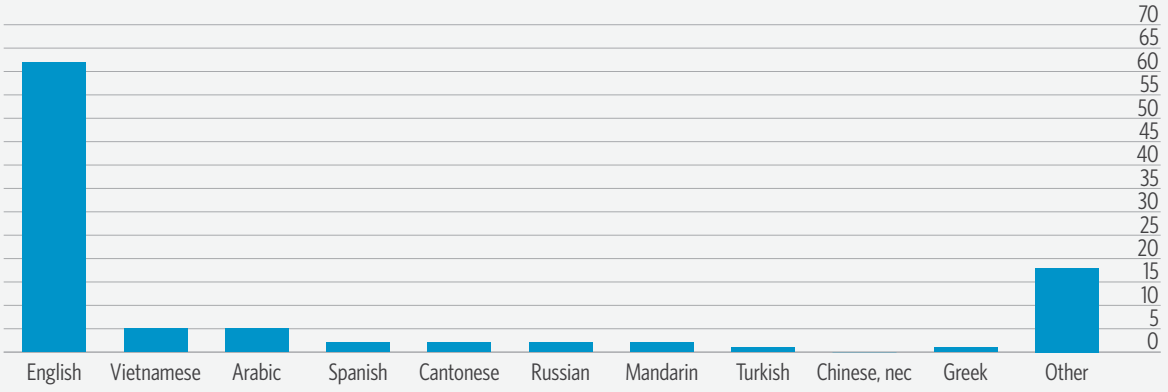
Language and cultural identification

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

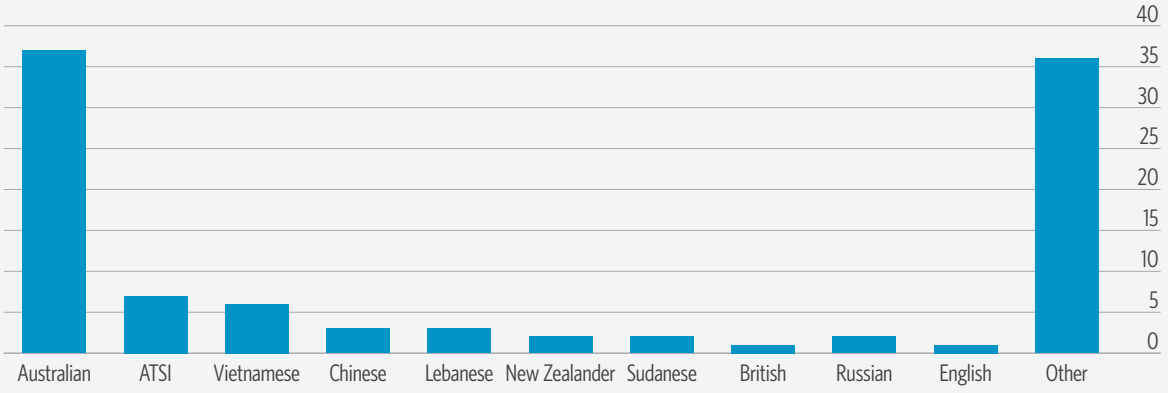
Income
Tenant income source (percentage), 2015



Language
Preferred language (percentage), 2015



Cultural identification
Tenant ethnicity (percentage), 2015



Acknowledging Our Partners

We would like to thank the people and organisations who have assisted us in 2015.

Thank You

Our support partners 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.

Community, Homes and Place and the Land and Housing Corporation in the Department of Family and Community Services for contracting properties and other housing services to Bridge Housing.

Elton Consulting for facilitating our Strategic Planning process for 2015-18 and Business Planning process for 2015-16.

Pamela Pryor, Julia Nunes, Kim Ryan, and Clive Matthews (Chair and Leadership Team - Bridge Housing's Tenant Advisory Group).

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

Donors to the Bridge Run 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.
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	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: When a person does not have suitable accommodation alternatives they are considered homeless if their current living arrangement: ◣ is in a dwelling that is inadequate; or ◣ has no tenure, or if their initial tenure is short and not extendible; or ◣ does not allow them to have control of, and access to space for social relations. For further information, visit Homelessness Australia www.homelessnessaustralia.org.au
Housing Pathways	Housing Pathways is a single statewide waiting list. It combines the waiting lists of Family and Community Services and participating community housing providers and replaces the separate lists previously maintained. All new applications are logged on the NSW Housing Register (www.housingpathways.nsw.gov.au).
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.
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	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. The Council was abolished in May 2014

National Rental Affordability Scheme (NRAS)	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. The Scheme was abolished in May 2014
Property Transfer Program	A Family and Community Services 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.
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 www.planning.nsw.gov.au.
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

AGM	Annual General Meeting
AICD	Australian Institute of Company Directors
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
CEO	Chief Executive Officer
CHLP	Community Housing Leasehold Program
CLERP 9	Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004
CoS	Committee of Sydney
DA	Development application
EBITDA	Earnings before interest, tax, depreciation and amortisation
EOS	Employee Opinion Survey
ESRHA	Eastern Suburbs Rental Housing Association
FACS	Family and Community Services
HNSW	Housing NSW
HPA	Home Purchase Assistance
ICT	Information and communication technology
IPART	NSW Independent Pricing and Regulatory Tribunal
JTAP	Joint Tenancy Accommodation Program
KPI	Key performance indicator
LGA	Local government area
LAHC	Land and Housing Corporation
NBESP	Nation Building Economic Stimulus Package
NRAS	National Rental Affordability Scheme
NSWFHA	NSW Federation of Housing Associations
SEPP	State Environmental Planning Policy
TAG	Tenant Advisory Group

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Maintain your privacy and personal information

Provide avenues for you to shape our services

Have a clear and accessible feedback and appeals process

Treat you with courtesy and respect

Deal with matters promptly

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