

Bridge Housing Limited

Minutes of the Annual General Meeting
Held on Wednesday 23 November 2016
Commencing at 11:00am
Redfern Community Centre
29 Hugo Street
Redfern 2016

Attendance:

Members (directors):

Mark Turner, Gary Milligan, Dick Persson AM, Carolyn Scobie, Shirley Liew, and Graham Monk.

Non-members (Officers):

John Nicolades (Company Secretary), Rebecca Pinkstone, David Miller, and Adam West (Returning Officer).

Members (tenants):

Evguenia Abramova
Miguel Angel Alonso
Abdel-Rahim Alsayed
Dipika Bhatt
Christine Blakeney
Raymond Braddick
Isaac Cepeda
Dominic Guerin
Zorica Lackovic
Jalal Hajar
Richael Thomas
Han Van Der Zanden
Mitiana Taveska
Hansuk Lee
Michael Solomon
Alan Weinstein

Michael Lamey
Frida Makarovska
Mark Nutting
Julia Nunes
Annamma Ponnudurai
Pamela Pryor
Noelene Quinn
Janice Sutherland
Georgina Wood
Stephen Thompson
Lorna Zappa
Graham Meritt
Lorraine Tonks
Chao Tang
Lee Smith
John Ripamanti

Tenants (non-members):

Shilo Barker
Claudette Woodley
Gordon Hardy

Other non members (eg Support Providers, Partner and Government agencies):

Name

Craig Chung
Morgan Childers
Sally Loulach
Tanya Mihailuk
Laurie Matthews
Teegan Bell

Organisation

Councillor – City of Sydney
Catholic Care
FACS
MP for Granville
Caretakers Cottage
YWCA

Karen Connor
Jessica Groom
Sharlene Harkness
Ian Hooper
Shane Jakupiec
James Kelly
Leisa Simmons
Jackie Sailor
Michael Zanardo
Stephen Suttie
Kate Timmins
Nhung Vu
David White
Maggy Yeum

FACS
WAGEC
B Miles
BDO
Neami National
Pacific Capital
Waverley Council
Waverley Council
Studio Zanardo
Neami National
B Miles
Launchpad
Tenant Participation Resource Service 1
FACS

Bridge Housing Staff:

Julie Cleary
Julia Medley
Emma Fang
Ana-Maria Nieto
Ha Nguyen
Francesca Cathie
Krystal Moores
Effie Warren
Michelle Dobson
David Miller
Rose-Ann Agana
Cameron Haywood
Christopher Dib
Jonathon Armstrong
Megan Caldwell
Michael Elhassan
Katie Organ
Reece Plunkett
Andrew Stone
Enrique Lalan
Maree Clancy
John Nicolades

Rebecca Scripps
Ally Moodie
Sharon Collinge
Agnes Walshe
Rebecca Pinkstone
Janine Heagney
Helen Tighe
Becky Chan
Asrar Ahmed
Amber Yao
Rupika Srinivasan
Aarti Singh-Otuhiva
Florida Yap
Sage Lukacs
Kate Matthew
Ariana Vumbaca
Tayla Heming
ShammaRose Kerehoma
Sweet Ayuson
Jessica Pearson
Jennifer Beresford
Aimee Rahman
Monica Salama

Apologies Received:

- Brad Hazzard – NSW Minister for Family and Community Services and Minister for Social Housing
- Monica Barone – CEO of City of Sydney
- Senator Douglas Cameron – Shadow Minister for Housing and Homelessness and Shadow Minister for Skills and Apprenticeships
- Alex Greenwich – NSW Member for Sydney
- Clive Matthews
- Julia Finn – NSW Member for Granville

1. Welcome by Chairman, Mark Turner

Mark Turner, Chairman, welcomed members and guests to the 2016 AGM. As a quorum was present the meeting was declared open at 11:04 am.

2. Welcome to Country

Mark Turner welcomed Uncle Ray Davison to welcome us to country. Uncle Ray is a representative of the Metropolitan Local Aboriginal Land Council and a Gadigal elder.

3. Acknowledgement of members, guests, partners agencies and Parliament members attending:

- Laurie Matthews – (Caretakers Cottage)
- Tanya Mihailuk – (Member for Bankstown , Shadow Minister for Family and Community Services, Shadow Minister for Social Housing, Shadow Minister for Mental Health, Shadow Minister for Medical Research)
- Jenny Leong – (MP for Newtown)
- Alan Blake – (NAB)
- Jackie Sailor - (Waverly Council)
- Leisa Simmons - (Waverly Council)
- Chris Bratchford - (Executive, Mission Australia Housing)
- Adam West – (Returning Officer and Member of NSW Federation of Housing Associations)
- Michael Zanardo - (Studio Zanardo)

4. Introducing the Board Directors of Bridge Housing:

Individual Board Directors were introduced, as well as CEO and Company Secretary, John Nicolades, and Senior Managers David Miller and Rebecca Pinkstone. The Chairman also welcomed Members and guests present at the meeting.

Proxies

Sixteen (16) valid Proxy appointments were received from members that appointed the Chairman.

5. Confirmation of the Annual General Meeting Minutes held 25 November 2015.

The draft minutes of the Annual General Meeting held 25 November 2015 was presented to members.

The following errors were noted:

- Zorica Lackovic, a tenant's name, was spelled incorrectly in the minutes but tenant advised that there is no need for correction

No further amendments were advised.

Motion: Minutes of the Annual General Meeting held 25 November 2015 to be approved

Members approved the minutes of the Annual General Meeting held 25 November 2015 and motion carried with majority.

6. Chairman's Report

Mark Turner, Bridge Housing Limited Chairman presented the Chairman's Report for 2015-16. The Chairman's report is also available in the 2016 Annual report.

Highlights of 2015-2016:

- Successful completion of the first year of Strategic Plan 2015-18.
- Portfolio to grow from 1,700 to 2,000 properties by 2018, providing secure and affordable housing for up to 3,800 people.
- First development cycle completed, adding 112 social and affordable housing properties by December 2016 though Bunya, Ashfield and 38 units in Parramatta by 2017.
- Strong sector growth through Future Directions and the Social and Affordable Housing Fund.
- Future growth for Bridge Housing to come through tenders for Communities Plus and the Social and Affordable Housing Fund.
- Further opportunities will come through the Social Housing Management Transfer program of 18,000 properties. All initiatives and options will be considered by the board.

-
- Bridge Housing won two national Australasian Housing Institute awards.
 - Continued to develop service innovation through the Hand Up Program, which helps to turn around failing tenancies.

Policy Environment:

- The Federal Government's NRAS program was an important component of delivering Bridge Housing's development projects at Bunya, Ashfield and Parramatta. 37,000 new properties by 2017.
- The State Government's Future Directions program is welcome, but insufficient to maintain current social housing levels. The challenge is to attract more institutional support and investments.
- On the NSW government level, only 9,000 additional dwellings over ten years which is not enough for the number of people on the waiting list which exceeds 60,000.
- Bridge Housing would like to see the Social and Affordable Housing Fund leveraged for longer term benefit, additional investment in social and affordable housing, and stronger inclusionary zoning provisions through the planning system.
- Increase in Sydney's population to 1.6 million by 2030. Some 664,000 dwellings are required to meet this population growth, or 33,000 dwellings per annum. To meet existing and future social and affordable housing need, 100,000 new dwellings are required. The market, while necessary, is inadequate, as it is not delivering affordable or social housing.

Effective Governance:

- Bridge Housing continuously improve our governance culture and practices, including maintaining diversity targets on the Board and winning it's fourth *Australasian Reporting Awards* Gold Award for our 2015 Annual Report.
- During the 2015-16 year, Vicki Allan and Alan Revell both resigned from the Board, and the Chairman thanked both for their service and contribution to Bridge Housing's growth and sustainability.
- Helen Wood resigned from the Board in October 2016, and the Chairman thanked her for her 14 years of service.
- Welcome Graham Monk to replace Alan Revell. He will bring all his accounting experience to assist the board through future development cycles.
- The 2016-17 year will see a Board review to determine the best skill set to take forward into the new operating environment shaped by the Future Directions program.

Acknowledgments:

- The Chairman thanked Pam Pryor and Clive Matthews and the tenants who assist with the Tenant Advisory Group meetings.
- Acknowledgment of all the Aboriginal and Torres Strait Islander tenants who attend the Aboriginal Tenant Advisory Group and are assisting in developing the Bridge Housing's Reconciliation Action Plan.
- The Chairman thanked the Bridge Housing CEO John Nicolades, the leadership team, and the Bridge Housing staff for their dedication in ensuring the delivery of high quality housing services.

Questions from attendees to the Chairman:

Question from Bridge Housing Member, Lee Smith: In the Business Plan, what is the increase aimed in relation to numbers of tenants?

Response from the Chairman: The increase is in tenants' number from 1,700 to 2,800.

Question from Bridge Housing Member, Lee Smith: The terms social housing and affordable housing appear to be used interchangeably. What is the difference?

Response from the Chairman: Social housing tenants pay 25% of their income plus 100% of Commonwealth Rent Assistance. With affordable housing, tenants pay 25% below the market rent.

Question from Bridge Housing Member, Lee Smith: Where is the new site of affordable housing?

Response from the Chairman: Bungarribee.

Motion: That the Chairman's Report for 2015-16 be approved

Members approved the Chairman's Report for 2015-16 and motion carried.

7. Chief Executive Officer's Report – Review of 2015-16 Achievements:

John Nicolades, Bridge Housing Limited Chief Executive Officer thanked Mark Turner for his acknowledgements to the Bridge Housing team and presented the meeting with a more detailed view of the key achievements in this financial year. He also welcomed guests with various languages to express the diverse community of Bridge Housing. The CEO's Report is available in the 2016 Annual Report. The following key highlights were noted:

The Bumper Year:

- John highlighted that this is the first year of the three year strategic plan 2015-18.
- The critical success factors of the strategic plan were explained. It includes Portfolio Growth, Quality Service Delivery, Managing Assets, Business Sustainability and finance liability, developing our people and increasing our Profile.
- Bridge Housing managed more than 1,760 social and affordable housing properties during the year, assisting 3,000 people with safe and secure housing.
- On Monday 21 November, Minister Hazzard formally launched the Bunya project, which provides affordable and secure housing to 65 families and 250 people, including 150 children.

Portfolio Growth:

- We added 112 units to the portfolio – 65 affordable rental dwellings at Bungarribee, 9 studio units at Ashfield dedicated to older women in partnership with YWCA, and 38 units at Parramatta to be delivered in December 2016.
- Additional growth over the next three years is expected to come from:
 - Cowper Street, Glebe – 153 social housing dwellings by June 2018
 - Communities Plus at Seven Hills – 45 social and affordable housing units by 2019
 - Sydney Olympic Park Authority (SOPA) – up to 50 units by 2017
 - Canada Bay affordable housing management contract Dwellings were successful.
- We secured \$25m in debt from National Australia Bank to help finance our development program.

High Quality Services:

- We continued to focus on delivering high quality services to our residents and applicants
 - Launched the first online rent statement in the sector.
 - Introduced new service innovation through our unique Hand Up program which is aimed at sustaining tenancies.
 - Extended our support partnerships, including new partnerships with Caretakers Cottage and YWCA to support older women at Ashfield.
 - Second year of Building Bridges.
 - Orbit Program for young tenants.
 - High quality services for tenant engagement.

Managing Our Assets:

- We implemented a new head contractor model for repairs and maintenance, and put out a tender for our ground maintenance services.
- We completed planned maintenance on 96 properties, dealt with 3,700 responsive maintenance work orders, and provided over \$2.5m in cyclical maintenance services.
- We won our first Australasian Housing Institute Award for Professional Excellence in Asset Management with high level of tenant satisfaction up to 90%.

Business Sustainability:

- We maintained good performance across our operational and finance key performance indicators
 - Operating profit of \$1.1m is up from last year.
 - Cash balance remains strong at \$8.3m.
 - Arrears performance at 1.3% is a significant improvement on last year's 1.9%.
 - The low arrears portfolio indicates that 98% of tenants are paying on time and that housing tenants are like everybody else.
- Voids at 27 days and vacancies at 16 days were slightly outside of the benchmark.
- We continued our focus on developing strong business systems and process, including upgrading our IT capacity, introducing a fully functioning rent calculator, and commencing a procurement process for a digital records management system.
- Our risk management plan was revised to strengthen controls over debt management, and controls associated with development and construction.
- PKF were appointed as our new internal auditor and work for 2015-16 focussed on financial reporting, forecasting, financial modelling and debt funding. PKF found that our controls were adequate, and recommendations dealt with only with low level risks.

Developing our People:

- In our fifth employee survey, we recorded an engagement level of 74%. A lower intention to stay score reflected the difficulties in providing career opportunities in a small organisation, and we had a higher than average staff turnover.
- We introduced volunteer days as part of the team building initiatives.

Increasing our Profile:

- This year saw a substantial increase in social media engagement, and we launched our corporate e-newsletter, Bridge Business.
- We maintained an active presence in our community through the 2015 Bridge Run, the 2015 Street Count, NAIDOC Week, and fundraising for the Cancer Council Morning Tea.
- We started work on preparing Bridge Housing for growth and the property transfer to balance service delivery.

John thanked the Bridge Housing team for their hard work and commitment.

Motion: That the Chief Executive Officer's Report for 2015-16 be accepted.

Members approved the Executive Officer's Report for 2015-16 and motion carried.

Questions from Attendees:

Question from Alan Whyte: Even though Bridge Housing offers a great remuneration package, staff turnover is increasing. Why is that? Does this indicate a failure within the organisation to maintain its staff? And what is the plan to overcome this?

Response from the Chief Executive Officer: This is due to various reasons which include, but are not limited to, the lack of opportunities within the organisation due to its size, staff returning overseas, stress of the job, pursuing career goals and the cultural fit. Bridge Housing measures the effects of these staff changes through:

- No significant impact on service delivery
- How quickly staff adapt
- The input that new staff provide to refresh and improve service
- Robust exit interviews to identify any issues and potential improvements.

Question from Bridge Housing Member, Graham Merritt: As a tenant, can I tender to become one of the grounds contractors?

Response from the Chief Executive Officer: As far as the process is concerned yes you can, but the tender for grounds and maintenance is already closed. The CEO encouraged Mr Merritt to speak with the General Manager Operations regarding future opportunities.

8. Finance, Risk & Audit Committee Report

Shirley Liew, Chair of the Finance, Risk and Audit Committee, presented the Report. The 2016 Financial Report is available on the Bridge Housing website. The key achievements highlighted were:

- Bridge Housing is in a strong financial position.
- We expanded our corporate debt facilities to fund our development program – Bungarribee, Ashfield and Parramatta. We re-tendered internal audit services and appointed PKF as internal auditor for 3 years to plan for strategic risks.
- We maintained our strong governance and audit regime.
- The 2015-16 performance is in line with budget and long term financial forecast is strong.
- Bridge Housing's Operating Profit (EBITDA) of \$1.1m, is significantly up on last year's result (\$535k), on a like-for-like basis and generally in line with budget.
- Our cash balance remains strong at \$8.3m (last year \$7.2m) after investment in development projects.
- Debt increased to \$16.9m, up from \$4.9m last year, to fund our 3 development projects (Bunya, Ashfield and Parramatta).
- Net assets increased by 4% to \$105m primarily as a result of the increase in the value of our owned assets.
- Arrears continued to improve, decreasing from 1.9% to 1.3%, as a result of continued focus on arrears management.
- Vacancies and voids have also both improved significantly from last year, and are generally in line with benchmark.
- Operating revenues increased by 2.2% with operating costs increasing by 0.6%.
- Major source of income is rent (55%) with Government grants making up 43%.
- Major areas of expenditure include:
 - Rents Paid – 54%
 - Maintenance Costs – 10%
 - Management Expenses – 13% (Salary and on costs) with economic dependence on government subsidies, grants and rental income.
- Revenue increased by \$0.5m or 1.8% primarily as a result of increases in rental income.
- Operating expenses increased by \$200k or 0.6% excluding one off non cash items.
- Net assets increased by \$4m to \$105m primarily as a result of the increase in value of owned properties (our 5 years trend with increase in portfolios).
- Bridge Housing has maintained a strong balance sheet and strong cash position as we have continued to invest in new developments.
- External Audit – unqualified audit report and no adverse findings.
- Internal Audit – internal audit program retendered and PKF appointed for three years.
- 3 year audit plan developed and year one of the plan is completed. The audit focused on financial reporting, forecasting, financial modelling and debt funding. Key findings included:
 - Policies and controls currently in place are largely considered appropriate
 - Three recommendations identified for management consideration all with a low rating
 - Developed and implemented a more robust incident reporting framework.

Motion: The Bridge Housing Limited Financial Accounts for 2015-16 be accepted.

Members approved the Bridge Housing Limited Financial Accounts for 2015-16

9. Election of New Directors

Adam West, from the NSW Federation of Housing Associations, acted as the Returning Officer for the Board election. Our constitution requires there be a re-election of two Directors, in association with the company's Annual General Meeting for 2016. The two Directors who retired in accordance with the scheduled set out in the Constitution are:

- Helen Wood
- Gary Milligan

Helen Wood formally resigned from the Board on 25 October 2016 did not re-nominate. Gary Milligan re-nominated to indicate that he wished to stand for re-election. As there were no other candidates for the position, the Returning Officer declared Gary elected unopposed under clause 8.8 in the constitution.

There was one appointment to a casual vacancy since the last AGM. Graham Monk was appointed in April 2016. Directors appointed to the Board since the last AGM must be formally elected at the next AGM under clause 8.9 of the constitution.

As there was no other candidate for the position, the Returning officer declared Graham elected unopposed.

10. Close of Meeting

The Chairman thanked all for their attendance, congratulated the new board members and declared the meeting closed at 12:15 pm and invited attendees to join the directors and Bridge Housing Limited staff to stay for the guest speaker, Heather Nesbitt of the Greater Sydney Commission, and then for refreshments and an opportunity to meet the Bridge Housing Team Members.

Minutes of Annual General meeting held 23 November 2016 confirmed correct

Chairman _____ Date: _____
