





Bridge Housing Team



# BRIDGE HOUSING LIMITED ANNUAL REPORT 2013

## CONTENTS

About This Report	2
Our Vision, Mission and Values	2
Our Strategic Plan, Our Services	3
Highlights 2012-13	4
Bridge Housing Profile	6
Program Descriptions	9
Chairman's Report	11
CEO's Report	13
<b>Spotlight 1:</b> Housing Supply and Affordability for Low-Income Households	17
Our Performance 2012-13	20
Operating Environment 2012-13	30
How We Operate	33
Housing and Community Report	38
<b>Spotlight 2:</b> Housing Management Team	41
<b>Spotlight 3:</b> Gordon's Story	46
<b>Spotlight 4:</b> Tenant Advisory Group	52
Assets Report	54
<b>Spotlight 5:</b> The Camperdown Development	58
Finance and Corporate Services Report	60
2012-13 Financial Summary	66
Our People	72
<b>Spotlight 6:</b> Dipika's Story	78
Bridge Housing In The Community	79
Our Governance	81
Facts and Figures	86
Acknowledging Our Partners	90
Glossary and Abbreviations	91

## ABOUT THIS REPORT

The Bridge Housing Limited Annual Report provides key stakeholders with a summary of our operational and financial performance during 2012-13.

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

To assess how well we are performing, our outcomes for 2012-13 are measured against the targets set in our Strategic Plan 2012-15, and detailed further in our Business Plan 2012-13.

### OUR AUDIENCE

This report is primarily aimed at the following stakeholders:

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

### ACKNOWLEDGEMENT

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

### OUR VISION

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

### OUR MISSION

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

### OUR VALUES

#### **Socially responsible**

We are a socially responsible organisation, committed to social inclusion and improving the lives of the people and communities we support.

#### **People-focused**

We are a people-focused organisation. We keep our applicants' and residents' needs at the core of all activity and decisions, empathise with their concerns, and deliver our services with fairness, respect and sensitivity. We value and support our employees, to enable them to perform at their best and achieve their full potential.

#### **Committed and passionate**

We are committed and passionate, and put our hearts and minds into our work. We value and encourage innovation and continually seek to improve our performance.

#### **Relationship-builders**

We build relationships based on trust and respect, to create positive outcomes for the people and communities we serve.

#### **Professional, and act with integrity**

We act with professionalism and integrity. We take responsibility for our decisions and actions and provide a consistent high-quality service. Our decisions are based on sound judgement and our culture engenders good governance, transparency and honesty.

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#### **Bridge Housing Limited**

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## OUR STRATEGIC PLAN

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

The critical success factors for the Strategic Plan 2012-15 are:

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

In this report, we measure our performance against our Business Plan objectives for 2012-13, which are aligned with our three-year Strategic Plan 2012-15. A copy of the Strategic Plan is available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).

## OUR SERVICES

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

Our housing services include:

- owning 164 properties
- managing 667 properties owned by the NSW Land and Housing Corporation (the public housing authority)
- leasing 637 properties from the private rental market
- managing 102 properties on behalf of other organisations and individuals
- acquiring and developing properties
- providing responsive and planned maintenance services on a property portfolio valued at \$346 million.<sup>1</sup>

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



<sup>1</sup> This is based on an average value of \$350,000 per property multiplied by the number of Bridge Housing properties, properties managed on behalf of the NSW Land and Housing Corporation and fee-for-service properties – a total of 991 properties. Leasehold properties are excluded.

## HIGHLIGHTS 2012-13

### Achievements

In 2012-13, we increased our property portfolio from 1,547 to 1,628 dwellings, by:

- managing the handover of a complex of 27 one-bedroom units on Parramatta Rd, Camperdown
- securing the first development of 128 new-build properties at Arilla Avenue in the Canterbury and Bankstown local government authority (LGA), to be delivered through Housing NSW's New Supply Program in 2012-14
- negotiating the management of seven affordable housing properties, secured through the State Environmental Planning Policy (SEPP) No 70-Affordable Housing
- successfully re-tendering for the management of 80 units in Waverley Council's Social and Affordable Housing Program
- increasing our leasehold portfolio by securing 70 properties for our Platform 70 Street to Home project.

In addition to this achievement we have:

- achieved our target to provide 70 rough sleepers with secure housing through Platform 70, in partnership with Naemi (an organisation committed to improving mental health and wellbeing in the community)
- had funding for Platform 70 extended for 2013-14, to provide housing for a further 30 rough sleepers
- achieved an overall satisfaction rating of 85 per cent in the Tenant Survey 2012
- successfully implemented a new information management system to replace our legacy system
- introduced an organisational Diversity Policy applying to the Board and staff
- increased 'staff engagement' from 64 per cent in 2011-12 to 74 per cent in 2012-13, based on response rates to our 2012-13 Employee Opinion Survey.

### Challenges

We also faced a number of challenges during the year, including:

- the NSW Government's decision not to proceed with the Seven Hills redevelopment, which will require redeploying 160 National Rental Affordability Scheme (NRAS) subsidies and reduce our portfolio growth targets (page 56)
- delays in the vesting decision for Nation Building Economic Stimulus Package (NBESP) properties, which will now push back the completion of 153 units at Cowper St, Glebe, from December 2013 to December 2016 (page 56)
- a 71 per cent satisfaction rating for our asset maintenance services in the Tenant Survey 2012, below the industry benchmark of 75 per cent (page 57).

## AWARDS 2012-13

Bridge Housing was the proud recipient of a number of national and industry awards this year:

- 2013 Australasian Reporting Awards: Gold Award for our Annual Report 2011-12
- 2012 PwC Transparency Awards: Top Ten Finalist for our Annual Report 2011-12
- 2013 NSW Awards for Excellence in Community Housing:
  - ♦ Excellence in Governance and Risk Management
  - ♦ Highly Commended for Services to Tenants
- 2013 PowerHousing Australia Conference:
  - ♦ Rising Star Award – Christina Hough, Project Coordinator at Platform 70, for excellence in managing the Platform 70 program and outstanding service to the homeless people of Woolloomooloo
  - ♦ Consultant of the Year 2013 – Natalie Carrington, Blooming HR, for assistance in developing a 'People Framework' that embeds the right culture, performance systems and rewards to build capability for high-quality service delivery and growth.



Top 10 Finalist 2012  
\$5m to < \$30m revenue category



## BRIDGE HOUSING PROFILE

Bridge Housing Limited is a Class 1 registered community housing provider based in Redfern, Sydney.

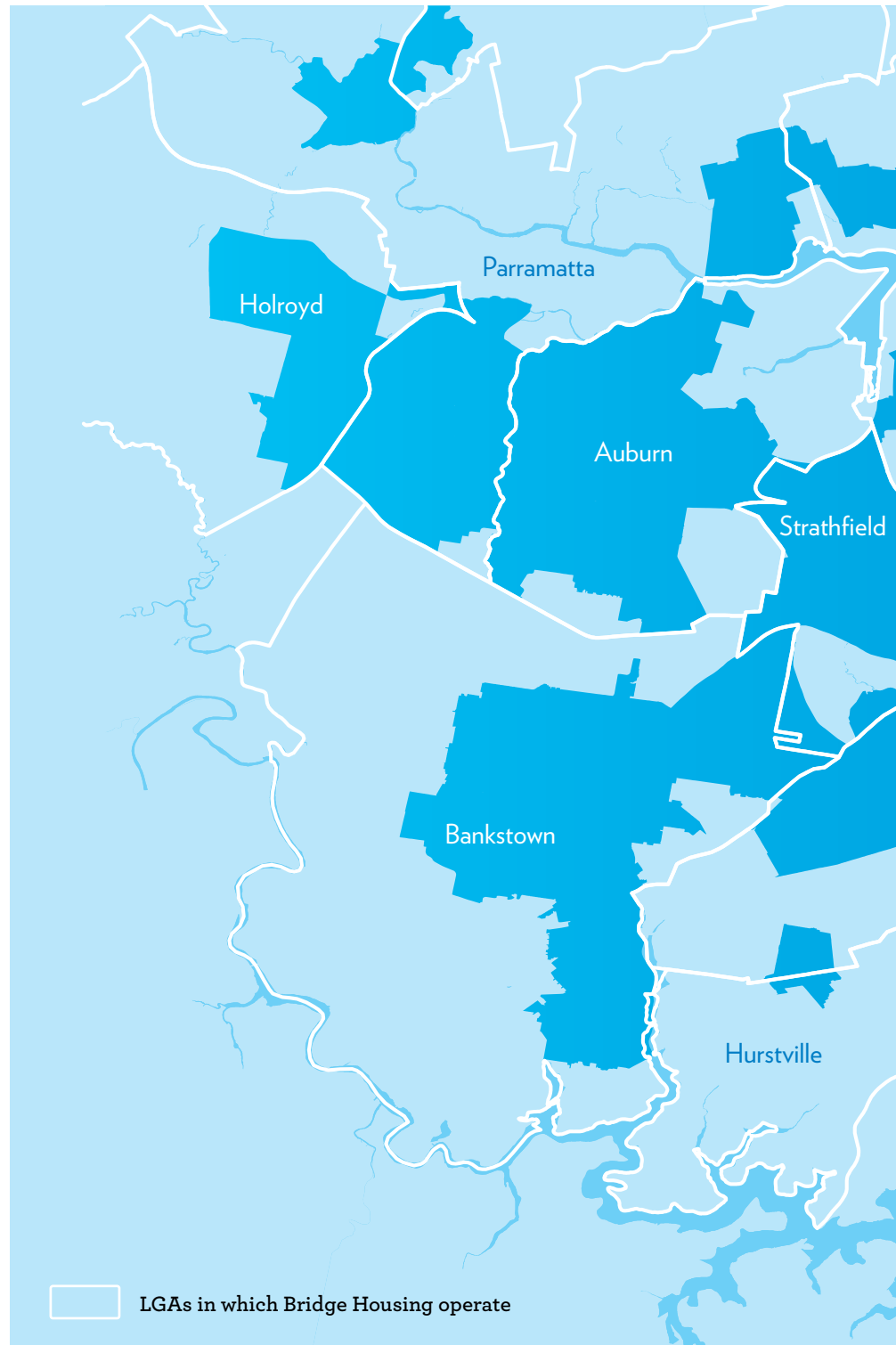
Established in 1985, we provide affordable housing solutions to low- and moderate-income households across the inner and middle ring of the Sydney metropolitan area. At 30 June 2013, Bridge Housing owned or managed 1,628 properties and operated across 17 local government areas as illustrated in the map to the right.

Bridge Housing is registered and regulated by the NSW Registrar of Community Housing.

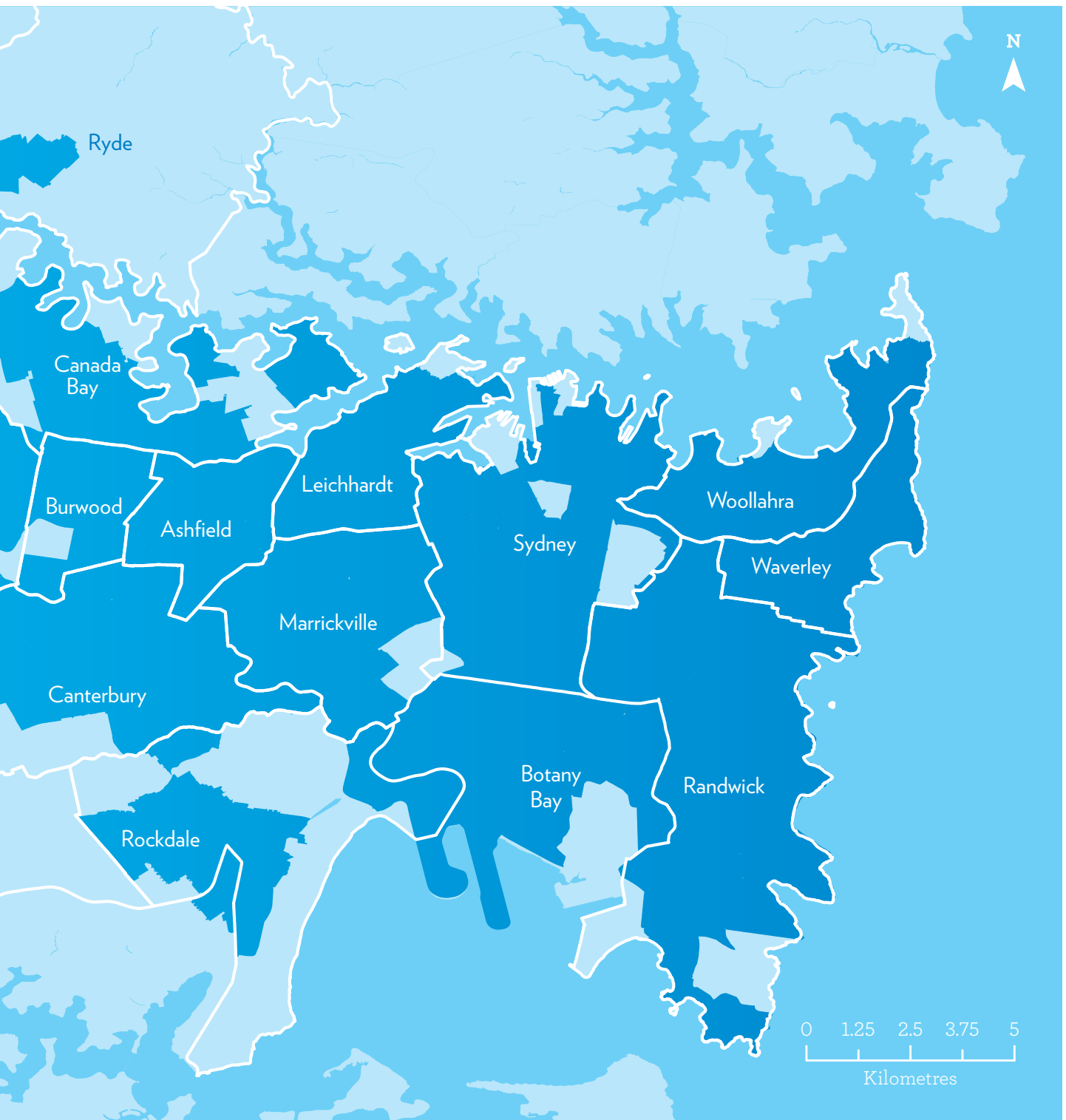
It is also a:

- charity registered with the Australian Charities and Not-for-profits Commission (ACNC)
- company limited by guarantee regulated by the Australian Securities and Investment Commission
- governed by a skills-based Board of seven non-executive directors who are elected by the members of the company
- member of the NSW Federation of Housing Associations, PowerHousing Australia and the Committee of Sydney, and part of a network of 26 community housing providers operating throughout NSW.

Further information on our governance is on page 81 of this Annual Report and at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).







## PROFILE

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

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

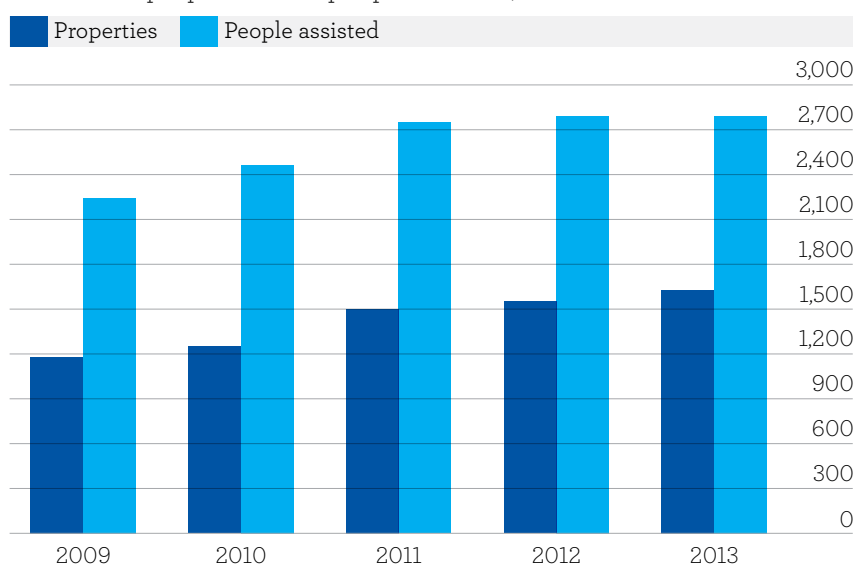
Our Strategic Plan 2009-12 built on this foundation, aiming to strengthen and extend operations to include procurement, property development and an increased level of community engagement. We planned to increase our property portfolio to 1,900 properties by 2012, achieving an actual increase to 1,552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

We did not meet the target of 1,900 properties due to NSW Government policy changes in 2011, which placed the Property Transfer Program on hold.

This report details our performance against the targets we set in our Strategic and Business Plans.

## People and properties

Number of properties and people assisted, 2009-13



## GROWTH SCENARIOS

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

We had been working towards these growth targets, following successful tenders for properties in Canterbury and Bankstown; two public housing redevelopment opportunities in Glebe (153 units) and Seven Hills (160 units); and the delivery of our Nation Building Leveraging Targets of 75 properties over 10 years.

However, several factors mean it will now be difficult for us to achieve these growth targets. In 2012-13, the NSW Government advised that it is not proceeding with the Seven Hills redevelopment, for which we successfully tendered in 2010. Delays in vesting the balance of

NBESP properties to the community housing sector will push the completion of the units at Cowper St from December 2013 to December 2016. Our High Growth scenario was also dependent on successful tenders for the NSW Government Property Transfer Program; however, the NSW Government has not yet announced the program's start date.

Despite the challenging policy environment in 2012-13, we grew our property portfolio, surpassed our growth target for 2012-13 of 1,560 properties and delivered an additional 68 properties, achieving a portfolio of 1,628 properties. We also used this period to build the organisation's capacity so that we are ready for future growth opportunities that may emerge from the NSW Government's policy changes and announcements in 2013-14.

<sup>2</sup> Bridge Housing developed two growth scenarios: 'Medium Growth', which assumed the delivery of existing projects in the pipeline (2,000 homes); and 'High Growth', which assumed the Medium Growth scenario plus the NSW Government 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).

## PROGRAM DESCRIPTIONS

### PROPERTIES BY PROGRAM 2012–13

Program	Social housing	Affordable housing	Total	Supported housing*
Owned (vested)	164	8	172	65
Part equity	–	–	–	–
Social Housing Subsidy Program	–	27	27	–
Community Housing Leasehold Program (CHLP)				
Capital program	667	–	667	63
Private rental	637	–	637	135
Leased Housing NSW (scheduled for redevelopment)	23	–	23	6
Fee-for-service				
Local government	54	26	80	1
State government (JTAP/HPA)	5	–	5	2
Other community organisations	14	–	14	2
Private affordable	–	3	3	–
<b>Total</b>	<b>1,564</b>	<b>64</b>	<b>1,628</b>	<b>274</b>

\* Supported housing is a subset of the total social housing dwellings, which means the total number of properties at 30 June 2013 is 1,628.

### VESTED PROPERTIES

In this program, property title is vested with the community housing provider, while the NSW Government holds a caveat on the title to protect its investment. This program was introduced in 2010 through the transfer of NBESP properties, to give community housing providers the security to borrow from financial institutions to procure or develop affordable housing. Bridge Housing successfully tendered for a package of 240 NBESP properties in the Parramatta and Holroyd LGAs in 2010. In 2010–11 the NSW Government vested 160

properties to Bridge Housing. We expect that the balance of 79 properties will be vested in 2013–14 following the announcement in March 2013 by the NSW Minister for Finance and Services that Bridge Housing's vesting business case had been approved.

### CAPITAL PROPERTIES

Bridge Housing leases and manages capital properties from Housing NSW. These include existing public housing properties, such as the South Coogee estate, and newly constructed properties, such as those in Canterbury and Bankstown.

Under the funding contract, community housing providers are responsible for allocations, tenancy management, property management, and responsive and planned maintenance. All rental income is retained by the community housing provider. Housing NSW specifies rents through the Community Housing Rent Policy, which are set at 25 per cent of assessable income, plus 100 per cent of Commonwealth Rent Assistance. Community housing providers allocate properties to eligible tenants from the Housing Pathways housing register ([www.housingpathways.nsw.gov.au](http://www.housingpathways.nsw.gov.au)).

### LEASEHOLD PROPERTIES

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

The housing provider then sublets the property to eligible applicants from the Housing Pathways housing register. Housing NSW provides a management, rent and maintenance subsidy under the NSW Government's Community Housing Leasing Program.

### 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.



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



## CHAIRMAN'S REPORT

### INTRODUCTION

I am delighted to report that despite an increasingly challenging environment, Bridge Housing has grown its property portfolio and built its governance and organisational capacity to ensure we are ready to take advantage of portfolio growth opportunities as they emerge. The 'Highlights 2012-13' section has more on this.

During the year, the NSW Minister for Family and Community Services, Pru Goward, accepted our invitation to open our new Camperdown development, which provides 27 new accommodation units. The Minister was also pleased to approve a one-year extension to the successful Platform 70 program, to house a further 30 chronically homeless people.

Our growth has been slower than expected in 2012-13, while the NSW Government deliberates about the appropriate strategy to manage its social housing assets. This has halted the Property Transfer Program, which is the main driver for growth in the community housing sector and forms an intrinsic part of our High Growth scenario. We were, however, pleased to be one of the first nine of 15 housing providers to have the then Minister for Finance and Services, Greg Pearce, approve the balance of our vesting properties in March 2013. The approval will enable us to begin meeting our targets for 75 affordable housing properties by leveraging the cash flow from 240 NBESP properties.

It will also enable us to redevelop 153 units in Cowper St, Glebe, as part of a joint venture with the Land and Housing Corporation, once the Minister for Family and Community Services approves the new business case.

These are positive steps. However, to develop a thriving and innovative community housing sector, we require certainty around housing policies.

I'm pleased to see that the NSW Government has transferred the Land and Housing Corporation, which owns social and community housing assets, back into the Department of Family and Community Services. This should enable the Department to coordinate more closely with the tenancy functions provided by Housing NSW and community housing providers, and is an important step towards developing a broad strategy to replace Planning for the Future 2008-13. The Planning for the Future strategy provided the framework for the community housing sector's substantial growth from 13,000 to 30,000 dwellings. This year's NSW Auditor-General's report on public housing recommends the Department of Family and Community Services delivers Social Housing Policy, Asset Portfolio and Managing Public Housing Estates strategies by December 2013. These will help establish a new policy framework to deliver social housing and confirm the role of community housing providers over the next five years.

### EFFECTIVE GOVERNANCE

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

Our sector leadership is evidenced by a desire for continuous improvement, and each year we seek to improve our governance culture. We have developed very strong governance, which flows from the Board to the management team and across the organisation. We have led the sector by basing our Governance Principles on the ASX Corporate Governance Principles and Recommendations. We detail our Governance Principles in the 'Governance' section.

In 2012-13, we introduced a new Diversity Policy, which reflects our commitment to our Board and workplace diversity principles. We value and respect our differences and wish to create a workplace that is fair, accessible, flexible, inclusive and free from discrimination and harassment. In the first instance, we will focus on ensuring that we meet the principles of gender diversity. We will then look for ways to address other areas of diversity over the course of our Strategic Plan 2012-15. We have set initial targets, strategies and programs, and will support the policy with key performance indicators (KPIs) that measure the outcomes of those strategies and programs.

Transparency is an important element of our governance culture, not least for the accountability this offers to our stakeholders.

Our transparency has been externally validated through achieving:

- a Gold Award in the 2013 Australasian Reporting Awards for our Annual Report 2011-12
- a Top Ten Finalist place in the 2012 PwC Transparency Awards for our Annual Report 2011-12
- Excellence in Governance and Risk Management at the 2013 NSW Awards for Excellence in Community Housing.

Organisational accountability is a core issue for Bridge Housing. In 2011-12, we introduced a three-year Internal Audit Program, and undertook our second internal audit of business systems and processes in 2012-13.

## NEW REGULATION

We welcome the new independent national charities regulator, the Australian Charities and Not-for-profits Commission (ACNC), and believe it will bring greater transparency to the registration and regulation of charities than was afforded through its predecessor, the Australian Taxation Office. Rather than adding significantly to compliance or reporting requirements, we believe the ACNC has the opportunity to

advise the sector, reduce 'red tape' and harmonise fundraising rules across Australia. NSW showed great leadership in 2009 by establishing the Registrar of Community Housing as a comprehensive and robust regulatory regime to help strengthen the community housing sector. In 2014, the National Regulatory System (NRS) will regulate the community housing sector to try to reduce the compliance cost for community housing providers that want to operate across state jurisdictions, and ensure consistency in state regulation. We are ready to embrace the changes to the regulatory requirements the NRS brings in 2013-14.

## THE FUTURE

It is a key responsibility of our Board and senior management team to provide strategic oversight of our operating environment and consider how this affects the organisation. This Annual Report comprehensively outlines Bridge Housing's external operating environment.

With the change of Federal Government in September 2013, we look forward to ministerial consistency in the coming years, and the development of a national housing policy through the National Affordable Housing Agreement (NAHA). We will watch closely the progress of NSW Government strategy announcements that affect community housing providers, particularly the community housing sector strategy and the

framework to transfer 35 per cent of public housing dwellings to community housing providers through a property transfer program. Like many providers that are seeking to provide affordable housing, we are disappointed that the Draft Planning Bill dilutes affordable housing requirements in the existing Planning Act.

I acknowledge the important contribution made by Andrew Riolo, General Manager, Finance and Corporate Services, and Hayley Austin, General Manager Housing and Community, who left Bridge Housing during 2012-13. I also wish to acknowledge the work of Pam Pryor and Clive Matthews who have led our vibrant Tenant Advisory Group.

I would like to thank my fellow directors for their support, and acknowledge the considerable time and effort they have applied to their tasks over this year, which we undertake on a voluntary basis. It has also been a pleasure to work closely with Bridge Housing's CEO, John Nicolades, and I thank John, his leadership team and all the members of staff at Bridge Housing for their dedication in delivering this year's results.



**Vicki Allen**  
Chairman

## INTRODUCTION

Bridge Housing performed well during 2012-13, securing additional properties to meet growing housing needs despite the difficult policy and operating environment.

Key property portfolio highlights included:

- managing the handover of a complex of 27 one-bedroom units on Parramatta Rd, Camperdown
- securing the first development of 128 new-build properties at Arilla Avenue in the Canterbury and Bankstown LGA
- negotiating the management of seven affordable housing properties through SEPP No 70-Affordable Housing
- successfully re-tendering for the management of 80 units in Waverley Council's Social and Affordable Housing Program
- receiving extended funding for Platform 70 to provide housing for a further 30 rough sleepers.

However, the community housing sector still faces a significant challenge around housing policies, following the change of NSW Government in March 2011. A lack of clear policy delayed the NSW Government's Property Transfer Program, and the vesting of the remaining stimulus properties and land required to develop Cowper St, Glebe. This will delay the delivery of the development's 153 senior living units, originally scheduled for December 2013, to December 2016. The Land and Housing Corporation announced it would not proceed with the Seven Hills redevelopment for 160 affordable housing dwellings due to a lack of funds.

It was also unfortunate that we were unsuccessful in our tender for the North Eveleigh affordable housing site, despite our strong proposal.

## HIGH-QUALITY SERVICES

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

We were delighted to meet our Platform 70 target to house 70 rough sleepers and secure the program extension to June 2014 to house a further 30 rough sleepers. This successful program has raised our profile within the homelessness sector and with key stakeholders. It demonstrates how close collaboration between a housing provider and a support provider, such as Naemi can deliver effective and sustainable outcomes for one of the most disadvantaged groups in our community. I would also like to thank the other community housing providers that provided properties to 16 of the 70 tenancies.

We partnered with Mission Australia's Michael's Intensive Supported Housing Accord (MISHA)<sup>3</sup> Project, which tackles homelessness in the Parramatta LGA. This partnership is highlighted on page 44 and 47.

Our Income Support and Housing Allocations Team offer standout service delivery. The Income Support Team, which manages our biannual rent review, won Highly Commended for Excellence in Services to Tenants in the 2013 NSW Federation of Housing Associations Awards for Excellence.

Our Tenant Survey 2012 received a 33 per cent response rate, which is a record response during the seven years of annual Tenant Surveys. We also achieved an 85 per cent overall satisfaction rating. However, we were disappointed that tenant satisfaction with maintenance services fell from 75 per cent in 2011-12 to 71 per cent in 2012-13 and that we scored significantly lower for tenants' understanding of our Complaints and Appeals Procedure. We analyse the Tenant Survey 2012 in the 'Housing and Community Report' section.

## MAINTAINING OUR ASSETS

Bridge Housing places great importance on maintaining our properties to provide good quality homes to present and future tenants and reduce future maintenance liability. Since 2008, we have developed a long-term planned maintenance plan for each property. To ensure our planned maintenance plan is accurate, we undertake new property scopes every three to four years. This year we completed our first round of scopes.

This year we completed 4032 responsive maintenance jobs and planned maintenance on 197 properties.

We seek to improve our customer services, and following our below-benchmark result of 71 per cent satisfaction with maintenance in the Tenant Survey 2012, in March 2013 we started more focused maintenance satisfaction surveys.

We continue our solid financial performance, producing a surplus of \$0.91 million, and our net assets increased to \$57.6 million. Administrative expenses rose as a result of recruiting staff with skills and capacity to manage the risks of portfolio growth. These costs, as a percentage of revenue, will fall as our property portfolio increases. Our five-year report card and financial summaries provide further information on our operational and financial performance.

In 2012-13, we implemented our new information communication technology (ICT) platform, provided by UK vendor SDM Housing Software. We went live in February 2013 after an intensive and rigorous process to configure the system to meet business process needs and quickly resolve issues where SDM did not meet delivery or quality targets. We placed significant emphasis on the change

management process, training staff, and increasing visibility and performance monitoring. To ensure that we make the best use of the system and future enhancements – such as improved asset management reporting and automated rent review processes – we established the position of SDM Support and Project Coordinator.

We received a very positive Compliance Assessment Report from the NSW Registrar of Community Housing, which identified our positive transparency practices, such as making our Business and Strategic Plans available on our website and developing an Internal Audit Program.

Following the appointment of our new General Manager, Finance and Corporate Services, we restructured the Finance Team and established the position of management accountant. This strengthened our

analytical and modelling capacity to better review our business operations, processes and systems. It also broadened and increased capacity in the organisation to enable general managers to spend more time reviewing policies and processes.

During the year, we improved our Risk Management Program to comply with AS/NZS ISO 31000:2009 and implemented Complispace, our new Enterprise Risk Management and Compliance System. The system will enable us to more proactively manage and report on identified risks – such as the transition from housing management to undertaking property procurement – to the Board.

We tested and refined our 10-year Financial Forecast Model to improve its robustness and usefulness. The model is an important forward-planning tool that enables us to test the impact of proposed and actual property acquisition and developments, and financing scenarios, as we manage the risks associated with property procurement and development.

Bridge Housing depends on the rents it collects to operate, which makes managing our arrears, voids and vacancy turnaround times critical. In 2012-13, we improved our voids management to 21 days, below the industry's benchmark of 28 days. Vacancies were at 18 days, above the industry's benchmark of 14 days. Arrears were below the industry's benchmark of 4 per cent at 2.3 per cent, although this was higher than previous years' arrears.

## DEVELOPING OUR PEOPLE

Bridge Housing underwent its first significant senior management change following the resignation of Andrew Riolo, General



John Nicolades and Christopher Dib, Development Manager



Manager, Finance and Corporate Services, in September 2012, and Hayley Austin, General Manager, Housing and Community, in June 2013. I want to acknowledge the considerable contribution they made to Bridge Housing's growth.

We appointed David Miller as General Manager, Finance and Corporate Services, in October 2012 and Rebecca Pinkstone as General Manager, Housing and Community, in June 2013. Both David and Rebecca bring considerable experience from their respective roles in larger private and public sector entities and are excellent additions to our Executive Team.

We also enhanced our property development and procurement capacity by employing a Development Manager in the Assets Team and built further capacity in our community development through the employment of a Sustainable Communities Manager. A key task of the position is to develop our Community Building and Engagement Strategy.

Our staff engagement score increased from 64 per cent to 72 per cent in our Employee Opinion Survey, equal to the Health and Community Services industry average. Bridge Housing's staff turnover in 2012-13 was 20 per cent compared to 33 per cent in 2011-12 and slightly higher than the community housing sector average of 18 per cent.<sup>4</sup>

The 'Our People' section provides a comprehensive report on our initiatives and the Employee Opinion Survey.

## INCREASING OUR PROFILE

We have continued to build our profile throughout 2012-13 through our good practice, the awards we achieved, our presentations at conferences and seminars, and our community engagement.

I'd like to congratulate Christina Hough and Natalie Carrington, who won Rising Star and Consultant of the Year respectively at the PowerHousing Conference in May 2013. Awards that recognise our staff achievements play a very important part in building our reputation.

Staff and directors presented papers at the NSW Federation of Housing Associations Conference in March 2013. The CEO and General Manager, Assets, also presented at the Australasian Housing Institute's 'Asset Management - Sustainability the Key to Vibrant Communities' seminar in April 2013.

My position as Deputy President of the NSW Federation of Housing Associations enabled us to play a significant role in key community housing industry and policy forums. Our general managers were active participants in various subcommittees of the NSW Federation of Housing Associations and PowerHousing Australia.

I acknowledge that we did not develop an overall Bridge Housing Communications Strategy or implement a Corporate Social Responsibility Strategy as planned. We have rolled these initiatives into our Business Plan 2013-14.

## LOOKING TO THE FUTURE

We completed the first year of our Strategic Plan 2012-15 and identified some of the factors that will constrain our ability to meet our property targets during the next two years.

We also look forward to the positive impact of the transfer of the Land and Housing Corporation into the Department of Family and Community Services.

We have developed our capacity and capabilities and are ready to grasp the opportunities delivered through more positive housing policy settings.

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



**John Nicolades**  
Chief Executive Officer

<sup>4</sup> Community Housing Workforce Survey 2012, NSW Federation of Housing Associations.



Arilla Avenue, Riverwood. Canterbury and Bankstown new supply program

## SPOTLIGHT 1: HOUSING SUPPLY AND AFFORDABILITY FOR LOW-INCOME HOUSEHOLDS

### INTRODUCTION

This section of our 2012-13 Annual Report describes the challenges faced by low- to moderate-income households in accessing social and affordable housing across our operating region. It examines housing affordability trends, demand for public housing and homelessness levels.

In its report *Housing Supply and Affordability Issues 2012-13*, the National Housing Supply Council states:

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

Deteriorating affordability and the failure of housing supply to keep pace with underlying demand has also likely slowed the historical trend to smaller households. There is also some evidence of increased overcrowding, especially in more disadvantaged segments of the housing market. These trends are likely to continue unless there is an increase in the supply of low-cost rental housing.

While the majority of the population is able to access adequate housing, the 2011 Census shows the number of people experiencing homelessness or living in marginal housing increased between 2001 and 2011 from 95,314 to 105,237. The largest increase was for people living in severely over-crowded dwellings. While a myriad of social issues underlie homelessness and the use of marginal housing, the lack of available suitable low-cost housing contributes to people living in these circumstances.”<sup>5</sup>

### HOW DO WE MEASURE AFFORDABILITY?

Bridge Housing uses the definition of ‘affordability’ provided by the Centre for Affordable Housing (a division of Housing NSW).<sup>6</sup>

“Housing is considered to be ‘affordable’ when it is priced so that other essential costs like food, clothing, transport and services can be adequately met. This is generally where housing costs are less than 30 per cent of gross household income for low- to moderate-income households.”

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

- people earning a very low income, defined as less than 50 per cent of the NSW or Sydney median income, depending on where they live.<sup>7</sup> They include workers in a range of lower paid occupations, particularly in areas such as retail or manufacturing, as well as people earning the minimum wage or who are on

an aged or disability pension or other government benefit

- people earning a low income, defined as more than 50 per cent but less than 80 per cent of the NSW or Sydney median income. They include many people working in jobs such as child care worker, secretary or cleaner
- people earning a moderate income, defined as between 80 – and 120 per cent of the NSW or Sydney median income. They may include people working in occupations such as teaching, policing or nursing, particularly if they are in the early stages of their careers.

### AFFORDABILITY TRENDS TO 2012

Bridge Housing operates across Sydney’s inner and middle-ring suburbs, incorporating 17 LGAs. This region features Australia’s highest housing costs and very low levels of affordable rental and purchase properties. There has been no significant improvement in housing affordability – rental and purchase – for low- to moderate-income households since 2012.

This is illustrated in the ‘Affordable rental’ and ‘Affordable purchase’ charts on page 19 which show the percentage of affordable properties to purchase and rent in inner Sydney and Parramatta and across Sydney’s metropolitan area. Between 2009 and 2012, the supply of affordable rental properties fell for very low-, low- and moderate-income households, particularly within

<sup>5</sup> *Housing Supply and Affordability Issues 2012-13*, National Housing Supply Council.

<sup>6</sup> Centre for Affordable Housing, [www.housing.nsw.gov.au](http://www.housing.nsw.gov.au).

<sup>7</sup> The 2011 ABS Census data found that the median income in Sydney is \$1,444 per week (\$75,088 per annum). For other parts of NSW it is \$1,233 (\$64,116 per annum). These figures are updated each year.



inner Sydney, and to a lesser extent in the Parramatta LGA and the Sydney metropolitan region.

The possibility of purchasing a home has also diminished significantly over the same period. Less than 10 per cent of dwellings in inner Sydney and 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 meets the need for more affordable housing through its existing programs, including our affordable housing initiatives; Waverley Council's Affordable Housing Program; and securing management agreements with private developers using the SEPP No 70-Affordable Housing. In 2013-14, we will start to deliver on our leverage targets required through the NBESP<sup>8</sup> and other mechanisms for more affordable housing.

However, the community housing sector requires considerably more federal and state resources to meet the affordable housing challenge.

## 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 by 2,000 households, from 55,000 households in 2012 to 57,000 households in 2013. The 'Social Housing Applicants' chart on page 19 shows the changes in housing demand by region. In Bridge Housing's operating region there are 15,000 households waiting for social housing, with a wait time of five to 10 years.

### What we are doing

Bridge Housing meets the need for more social housing by allocating dwellings from Housing Pathways into our mainstream housing program. In 2012-13, we housed 158 new households by delivering additional social housing and creating vacancies in our capital and leasehold program.

## HOMELESSNESS

The National Housing Supply Council stated in *Housing Supply and Affordability Issues 2012-13* that the decreasing affordability of housing is a key cause of homelessness. The 2011 Census showed that the number of people who are homeless or living in marginal housing nationally increased 10.4 per cent between 2001 and 2011. The majority of this increase came from the number of people living in severely overcrowded accommodation

The 2011 Census showed that the number of homeless people in NSW increased to 28,190, an increase of 5,971 or 27 per cent on the revised 2006 Census figure. The 'How homeless people live' graph on page 19 shows by region where homeless people live across NSW and nationally, and that severely overcrowded accommodation is a major factor in homelessness.

The 'Homelessness' graph on page 19 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 the My Place, MISHA Project and Platform 70. We also use our capital properties and those we lease from the private rental market to provide further housing.

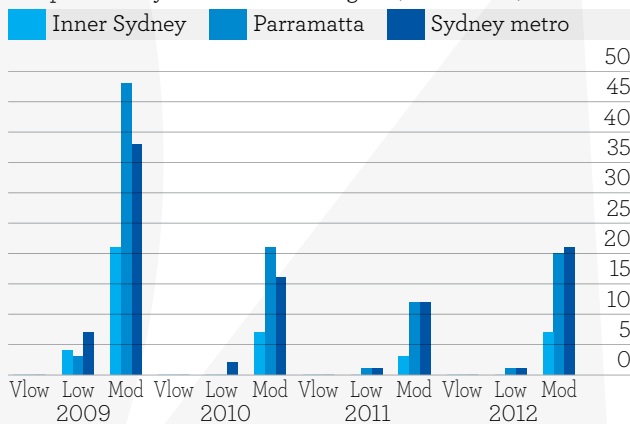
<sup>8</sup> A condition on vested properties secured through NBESP is that we must use the cash flows generated to borrow and secure additional properties. Each community housing provider has negotiated a leveraging target over 10 years with the NSW Government. Bridge Housing's leverage target is 75 affordable housing properties over 10 years.

<sup>9</sup> Homelessness NSW, [www.homelessnessnsw.org.au](http://www.homelessnessnsw.org.au).

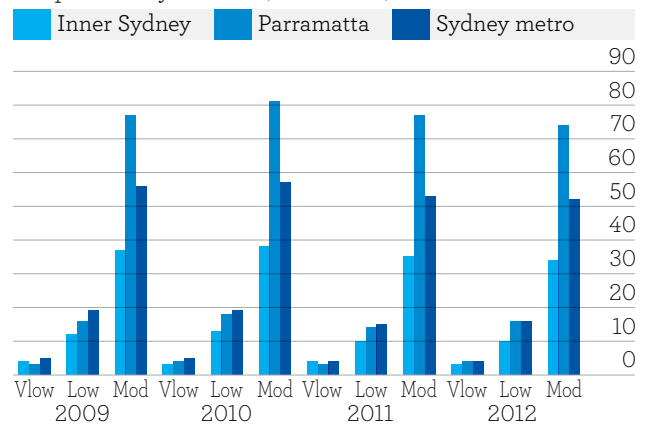


**Affordable purchase**

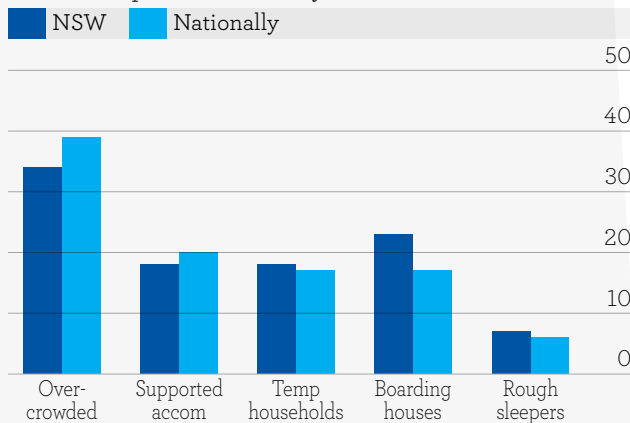
Properties by income and region, 2009-12, %

**Affordable rental**

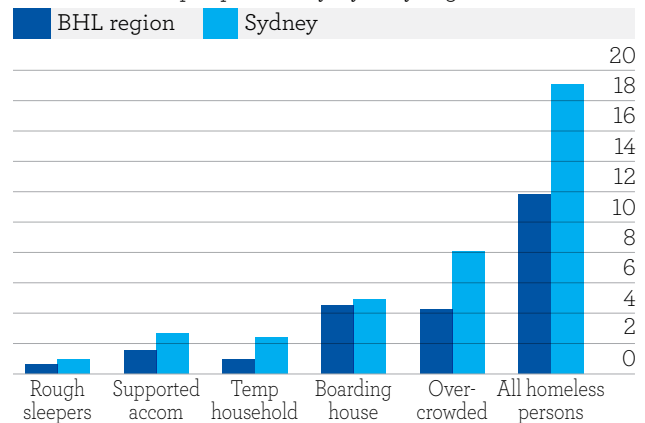
Properties by income, 2009-12, %

**How homeless people live**

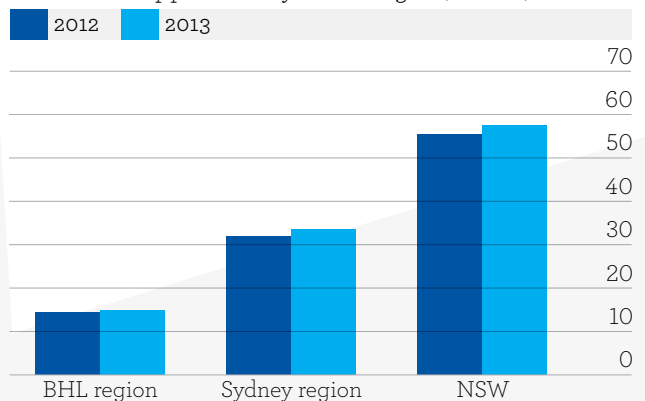
NSW compared nationally, 2011, %

**Homelessness**

How homeless people live by Sydney region, '000s, 2011

**Social housing applicants**

Number of applicants by NSW region, '000s, 2012-13



## OUR PERFORMANCE 2012-13

In 2012-13, Bridge Housing completed the first year of our Strategic Plan 2012-15. We put our Strategic Plans into operation through our annual Business Plans. Our Business Plan 2012-13 is summarised in the table below, which shows our critical success factors, goals, performance targets and achievements. The table also shows what we aim to achieve through our Business Plan 2013-14.

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



### OUR BUSINESS PLAN 2012-13

CRITICAL SUCCESS FACTORS	GOALS	TARGET (PERFORMANCE MEASURES)
1) ENABLE STRATEGIC PORTFOLIO GROWTH TO MEET AFFORDABLE HOUSING NEEDS IN THE COMMUNITY	GROW PROPERTY TRANSFER NUMBERS	
	1.1 Transferring properties through the Canterbury and Bankstown tender	Transfer 19 properties and secure involvement in the properties' project governance
	1.2 Influence the NSW Government to restart its Property Transfer Program (PTP)	Recommence PTP and transfer remaining properties at South Coogee and Balmain
	BUILD AND DEVELOP MORE HOMES	
	1.3 Deliver on our commitment to provide senior living units at Cowper St	Negotiate Deed of Agreement, approve vesting and begin NRAS
	1.4 Deliver NBESP affordable homes	Deliver 12 NBESP homes and meet NBESP affordable housing 2012-13 delivery targets
	SEEK AND DEVELOP NEW OPPORTUNITIES	
	1.5 Review our property portfolio to identify redevelopment opportunities	Complete portfolio review, identify development opportunities and hold meeting with NSW Department of Finance and Services
	1.6 Prepare and seek partnerships for potential Public Private Partnership (PPP) opportunities	Provide quarterly updates on PPP policy and identify PPP partners
	1.7 Pursue strategic merger opportunities that build our balance sheet and business capacity	Board approves business case and complete strategy and preliminary due diligence
	1.8 Tender for affordable housing opportunities	Complete North Eveleigh tender and develop project management and resource plan

## CRITICAL SUCCESS FACTORS

1. Enable strategic portfolio growth
2. Deliver quality homes and services
3. Ensure effective governance
4. Ensure business sustainability
5. Develop our people
6. Enhance & extend our relationships

Our Business Plans for 2012-13 and 2013-14 are available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).

	WHAT WE ACHIEVED	AIMS FOR 2013-14
Key:  completed  in progress  not completed		
	Transferred 19 properties to Bridge Housing management. See Asset Report	Transfer 75 properties
	The NSW Government did not recommence the PTP in 2012-13 due to the pending final Community Housing Asset Management Strategy in 2013-14	Win one new PTP site
	Cowper St is subject to submission of a new business case to secure 153 NRAS secured. See Asset Report	NSW Government begins Cowper St development
	Pursued several opportunities but delivery was delayed as NSW Government vesting the remaining properties in March 2013. See Asset Report	Develop nine properties and NSW Government approve 11 for development
	Identified 10 redevelopment sites in the portfolio review and submitted development proposal to the NSW Government to redevelop sites	NSW Government approves and begins development
	The NSW Government has placed PPPs on hold, and did not proceed with the Airds-Bradbury PPP	Observe the NSW Government's position on social housing PPPs
	The Board approved the business case and we continued to pursue opportunities	Pursue merger opportunities where they build our organisational capacity
	Tender completed. Bridge Housing was on shortlist of two but development awarded to City West Housing	Identify and secure affordable housing opportunities

CRITICAL SUCCESS FACTORS	GOALS	TARGET (PERFORMANCE MEASURES)
1) ENABLE STRATEGIC PORTFOLIO GROWTH TO MEET AFFORDABLE HOUSING NEEDS IN THE COMMUNITY (CONT)	INCREASE OPPORTUNITIES FOR TENANCY MANAGEMENT	
	1.9 Increase fee-for-service, NRAS and SEPP No 70-Affordable Housing management opportunities	Secure opportunities and unit management
	1.10 Improve leasehold program, develop private rental relationships and propose changes to the NSW Government	Complete review and present outcomes to the NSW Government
2) DELIVER QUALITY HOMES AND SERVICES TO OUR RESIDENTS	ENGAGE OUR RESIDENTS AND BUILD COMMUNITIES	
	2.1 Develop a Community Building and Integration Strategy and implement our Year-one Community Plan	H&C Team acquire new capabilities, board approves the strategy, and implement the Year-one Community Plan
	2.2 Expand tenant engagement	Schedule tenant block meetings, promote tenant involvement and increase TAG membership
	2.3 Develop, update and understand community profiles using the 2011 Census	CEO approves profile
	2.4 Develop a Customer Service Charter and Service Improvement Program	New customer service policies and procedures, launch Customer Service Charter
	2.5 Maintain tenant satisfaction levels at or above sector average	Ensure tenant satisfaction levels are above 2011-12 sector benchmarks
	2.6 Ensure support partners have a high level of satisfaction with Bridge Housing	Ensure support partner satisfaction levels are at 86 per cent and meet industry benchmarks
	IMPROVE AND MAINTAIN THE HOMES OF OUR EXISTING AND FUTURE RESIDENTS	
	2.7 Maintain a strategic focus on assets by completing the Asset Management Plan 2012-23	Deliver Asset Maintenance Plan 2012-13 and approve Asset Maintenance Plan 2013-14
	2.8 Deliver maintenance services responsively and reliably by monitoring service times and tenants satisfaction	Meet benchmark KPIs and monitor and report on contractors' response times
	2.9 Monitor the quality of contractors' work through sample surveys of completed works	Monitor and report on quality of completed works to ensure benchmark standards



WHAT WE ACHIEVED	AIMS FOR 2013-14
 Successfully retendered to manage Waverley Council's affordable housing and initiated fee-for-service management negotiations. See H&C Report	Assess NDIS opportunities and manage 20 additional dwellings (NRAS/Affordable Rental Housing State Environmental Planning Policy)
 Housing NSW began its review of leasehold program, pre-empted by our internal review and submitted a response to policy options in June 2013. See H&C Report	Review the impact of policy changes on the leasehold program
 Recruited a Sustainable Communities Manager and Community Building and Engagement Strategy to be delivered in 2013-14, see H&C Report	Approve strategy, launch two new initiatives and identify Social Impact Evaluation Framework
 Held eight block meetings, increased TAG membership to 68 members and held three Tenant Workshops	Inspect all properties, hold 14 TAG meetings, implement two new TAG initiatives, increase number of TAG members and conduct TAG training to improve future capacity
 Partially updated community profiles in Asset Management Plan 2013-22, which focuses on housing demand characteristics	Develop community profiles for Community Building and Engagement Strategy
 Not completed; we have rolled the project over into our Business Plan 2013-14	Implement organisation-wide Service Culture and Excellence Program
 Achieved 85 per cent satisfaction rating in the Tenant Survey 2012. We commissioned the NSW FHA to conduct the survey to ensure it was objective, see H&C Report	Achieve satisfaction in upper quartile of the community sector and satisfaction above 75 per cent, improve satisfaction with complaints and appeals and integrate tenant feedback into service delivery plans
 Achieved a 90 per cent overall satisfaction rating in the Support Partners Survey 2012	Undertake a Support Partners Service Review and ensure agreements in place
 Approved and delivered Asset Maintenance Plan 2012-13 and approved Asset Maintenance Plan 2013-14	Deliver Asset Maintenance Plan 2013-14
 Commenced Maintenance Satisfaction Survey in March 2013 but did not begin monitoring contractors' response times, due to IT delay. See Asset Report	Ensure maintenance satisfaction above 75 per cent and monitor response times
 Inspected all planned maintenance work	Extend inspections of responsive maintenance works

CRITICAL SUCCESS FACTORS	GOALS	TARGET (PERFORMANCE MEASURES)
3) ENSURE EFFECTIVE GOVERNANCE	IMPLEMENT A CULTURE OF STRONG GOVERNANCE	
	3.1 Complete a Governance Principles Review to incorporate diversity and sustainability and ASX Corporate Governance Principles and recommendations	Update Bridge Housing Governance Principles and undertake directors training
	3.2 Conduct an internal review to enhance Board capacity and effectiveness, and develop a succession plan	Complete Board Performance Review and implement Board succession plan
	DELIVER OUR CORPORATE SOCIAL RESPONSIBILITY	
	3.3 Develop strategy and incorporate Corporate Social Responsibility (CSR) and Global Reporting Initiatives (GRIs)	The board approves CSR strategy and report on CSR and GRIs in 2012-13 Annual Report
	MEET OUR REGULATORY AND COMPLIANCE RESPONSIBILITIES	
	3.4 Maintain Class 1 registration under the NSW regulatory regime	Maintain Class 1a registration
	3.5 Meet the requirements of the Work Health and Safety Act 2011	Compliant with Work Health and Safety (WHS) legislation and no reported serious work-related incidents
4) ENSURE BUSINESS SUSTAINABILITY	PLAN AND DELIVER OUR STRATEGY	
	4.1 Ensure robust corporate planning	Approve Business Plan 2012-13, conduct Business Plan Board reports and approve Business Plan 2013-14
	IMPLEMENT TECHNOLOGIES THAT IMPROVE PERFORMANCE	
	4.2 Ensure the IT housing management system is implemented and operational	Ensure information management systems (IMS) goes live and ensure the asset management module goes live
	4.3 Implement technology to deliver business process efficiencies	Implement a records management system
	4.4 Review new technology (apps, web and smartphones) for access and communication with tenants	Recommend and introduce new applications

WHAT WE ACHIEVED	AIMS FOR 2013-14
 Approved Diversity Policy, with gender targets for Board and senior management. See Our Governance and Our People sections	Develop and implement Diversity Committee and strategy
 Completed Internal Board Performance Review by Chairman, and succession planning has commenced	Board review undertaken to measure Board performance with ASX Corporate Governance Principles and recommendations
 Did not develop CSR strategy due to resource constraints	Agree CSR Framework/policy and incorporate into 2013-14 Annual Report
 Maintained Class 1a registration through a successful 2012-13 Compliance Report, with one recommendation for improvement	Meet the requirements of the new National Regulatory System
 Ensured compliance with WHS legislation and no reported serious work-related incidents	Complete review of WHS policy, nil serious work-related incidents
 Completed Business Plan 2012-13 and met 80 per cent of the targets where we had control over resources and policies, and approved Business Plan 2013-14	Meet KPIs in Business Plan 2013-14 Develop Business Plan 2014-15 with Board sign-off by end Q4 2013-14
 IMS went live in February 2013 and included integrated housing management and finance modules and limited asset management capacity, see F&CS Report	Enhance IMS capability to deliver increased efficiencies
 Deferred to Business Plan 2013-14	Implement an electronic records management system
 Implemented a pilot program to provide access to electronic forms for data capture	Evaluate results of the pilot program and develop and roll out a mobile strategy

CRITICAL SUCCESS FACTORS	GOALS	TARGET (PERFORMANCE MEASURES)
4) ENSURE BUSINESS SUSTAINABILITY (CONT)	IMPROVE AND EMBED GOOD PRACTICE RISK MANAGEMENT	
	4.5 Ensure Risk Management System meets AS/NZS ISO 31000:2009 Risk Management	Approve risk management reports
	4.6 Complete year two of the internal audit program, as part of the Internal Audit Program 2011-14	Conduct internal audit 2012-13 with no significant breaches recorded
	MAINTAIN STRONG FINANCIAL MANAGEMENT AND PERFORMANCE	
	4.7 Enhance financial performance to maintain Class 1 registration	Maintain Class 1 registration
	4.8 Review financial management and reporting system to ensure good practice	Generate automated reports
	4.9 All borrowing obligations are met to financial institutions standards	Nil breaches of lending covenants
	4.10 Arrears, voids and vacancies are at or below sector benchmark	Sector benchmarks arrears (4%), voids (28 days), vacancies (14 days)
	4.11 Ensure that rents generated in income based rent system reflect changes in tenant incomes	Rent reviews are undertaken every six months
5) DEVELOP OUR PEOPLE	ENSURE THE RIGHT STRUCTURES ARE IN PLACE TO SUPPORT OUR STRATEGY	
	5.1 Implement organisational structure and management capabilities required for sustainable growth	Approve new organisational structure
	5.2 Recruit identified positions to deliver our Strategic Plan 2012-15	Determine contract positions and approve position descriptions
	ATTRACT, RETAIN AND DEVELOP QUALITY STAFF	
	5.3 Complete and implement HR Improvement Strategy and measure impact through an Employee Opinion Survey (EOS)	Complete EOS, communicate the results across the organisation and incorporate into HR Improvement Strategy
	5.4 Implement a Performance Management and Development System to coach, train and develop staff	Implement a performance and management plan for all staff



WHAT WE ACHIEVED	AIMS FOR 2013-14
 Implemented an Enterprise Risk Management and Compliance System (Complispace) and ensured it met AS/NZS ISO 31000:2009, see F&CS Report	Enhance Complispace to integrate complaint-handling and fraud risk
 Completed internal audit with no significant findings. Area of audit: Asset Management and Procurement; Tenancy Management and Payroll	Deliver Internal Audit Program 2011-14 and develop Internal Audit Program 2015-17
 Maintained Class 1 Registration in 2012 with one identified recommendation for improvement	Continue Class 1 registration and implement recommendations from Compliance Assessment
 Developed and implemented automated monthly reporting and a new budgeting system	Develop reporting capabilities, including dashboard reporting
 No debt was raised in 2012-13	Ensure that all covenants for any borrowings are maintained
 Arrears and Voids are at or below industry benchmark. Vacancies slightly above, although rent loss below benchmark. see Report Card 2009-13	Ensure arrears, voids and vacancies are at or below sector benchmark
 Rent reviews undertaken every six months and increase of \$430,000 in gross revenue, see H&C Report	Undertake rent review every six months
 Reviewed structure, identified new positions and recruited a Sustainable Communities Manager, Development Manager and System Support Manager	Complete scenario-planning and model appropriate organisational structure
 As above, as well as implement a strategy to manage organisational marketing, communications, HR and risk	Review appropriate roles to deliver on the Strategic Plan
 Completed the EOS 2012-13, recording an improvement in engagement from 64 per cent in 2011-12 to 72 per cent in 2012-13, see Our People section	Undertake EOS 2013-14, implement Staff Recognition Program, develop Induction Program and improve termination process
 Implemented performance management and ensured staff have a performance and management plan, undertake monthly one-on-one meetings and complete an annual performance review	Continue to develop processes and improve the alignment between corporate objectives and individual KPIs

CRITICAL SUCCESS FACTORS	GOALS	TARGET (PERFORMANCE MEASURES)
5) DEVELOP OUR PEOPLE (CONT)	5.5 Develop succession planning for staff	Include succession planning in the Performance Management and Development System
	5.6 Key leaders participate in leadership and team training, and acquire new skills	Ensure all executives complete external leadership training
6) ENHANCE AND EXTEND OUR RELATIONSHIPS	LEVERAGE AND BUILD ON BRIDGE HOUSING'S REPUTATION	
	6.1 Develop a communications strategy to enhance engagements with key stakeholders at national, state and local levels	Approve and implement Communications Strategy Plan
	6.2 Reflect good practice by securing state and national awards for reporting, HR, sector service and service delivery	Enter and win awards
	6.3 Deliver presentations at conferences and other public events	Deliver presentations at conferences and seminars
	DEVELOP AND BUILD COMMUNICATION STRATEGIES	
	6.4 Undertake a review of social media to identify potential internal and external communication strategies to reach low-income communities	Complete Social Media Strategy and Policy
	6.5 Review and update website to include user-friendly and accessible payment options	Complete website redesign and enhancements
	ENHANCE POLICY AND ADVOCACY	
	6.6 Investigate how to increase our thought leadership and policy sponsorship, commissioning and/or participation	Sponsor industry events and policy papers, and join industry associations

WHAT WE ACHIEVED	AIMS FOR 2013-14
 Not achieved. Instead, we focused on replacing two general managers and recruiting sustainable communities and development managers	Develop a succession plan for key roles
 Developed a training calendar based on reviews of individual development plans and rescheduled leadership training for 2013-14	Deliver a leadership development training program
 Not achieved, although we developed our media profile through Platform 70	Approve and implement Communications Strategy Plan
 Secured industry and national awards for Annual Report 2012, governance and risk, tenant services, human resources and staff recognition. See awards 2012-13 on page 5	Secure awards for reporting, HR and tenant service delivery
 Presented at NSW Federation of Housing Associations Community Housing Conference in March 2013 and Australasian Housing Institute's 'Asset Management - Sustainability the Key to Vibrant Communities' seminar in April 2013	Deliver presentations at conferences and seminars
 Strategy not developed due to time and resource constraints	Implement Social Media Strategy and Policy
 Website redesign not achieved due to time and resource constraints	Redevelop website and enhance accessibility of rent information
 Sponsored Australasian Housing Institute (AHI) Awards for Professional Excellence in Housing November 2012, New South Wales Federation of Housing Associations 2013 NSW Community Housing Conference Governance Sponsor March 2013 and AHI People and Places Master Class in Sydney, June 2013	Sponsor industry events, policy papers, or White Paper.  Maintain membership and directorship of industry association boards.

## OPERATING ENVIRONMENT 2012-13

### INTRODUCTION

This section of our Annual Report describes how our operating environment affected Bridge Housing and the community housing sector in 2012-13.<sup>10</sup>

Federal and NSW Government policy settings play a significant role in shaping the operating environment, given the dependency of community housing providers on government for funding, contracting and property supply.

### FEDERAL GOVERNMENT

#### Ministerial changes

During the year, there was an absence of clear policy continuity in the housing portfolio. Since 2011, there have been four changes in ministerial responsibility for housing.

A key concern in light of the federal election of September 2013 was the status of housing in a new government. As at 30 June 2013, housing had a separate minister with Cabinet status, and going into the election neither party indicated their housing policy and where housing will sit in government following the election.

#### National Affordable Housing Agreement

The National Affordable Housing Agreement (NAHA)<sup>11</sup> is an agreement between the federal, state and territory governments that commenced on 1 January 2009, to tackle the problem of housing affordability. The NAHA is supported by the National Partnership Agreements on social housing,

homelessness and Indigenous Australians living in remote areas. It was the vehicle through which the Federal Government also provided \$5.6 billion to build 19,300 new social housing dwellings nationally through the Social Housing Initiative (a part of the NBESP). Some \$1 billion was allocated to NSW and 6,000 new social housing dwellings were built between 2009 and 2012. The NAHA required most of these properties to have title transferred to the community housing sector.

Since this program ended in 2012, funding for public and community housing has declined, and in NSW there has not been any significant move to transfer up to 35 per cent of social housing dwellings to the community housing sector, which was part of the NSW Government's commitment to the NAHA.

The changes of federal housing minister has meant a delay in reviewing the NAHA, and an inability to clearly articulate a role for community housing providers regarding state government housing authorities in future social housing policy. Moreover, there was no sustained pressure by the Federal Government to ensure state governments met their NAHA commitments.

#### National Rental Housing Affordability Scheme

The Federal Government announced the National Rental Affordability Scheme (NRAS) Round 5 in May 2013 and made 12,000 incentives available nationally, including 4,000 for NSW. However, the ability to use the NRAS in the high-cost locations in which

we operate requires the NSW Government to commit land, similar to NRAS Round 4 in 2011 where it committed seven public housing redevelopment sites. For NRAS Round 5 it was only in a position to provide 3,500 financial incentives, which cannot be deployed in Bridge Housing's operating region because of high land costs.

#### National Regulatory System

Despite the challenging environment, work continued to establish a National Regulatory System (NRS)<sup>12</sup> for community housing providers, to replace the current state-based regulatory regimes. The NRS will come into effect in 2014 and should reduce the compliance burden for community housing providers wanting to operate across state jurisdictions. It also has the benefit of establishing national performance thresholds for community housing providers, which will assist in establishing clearer benchmarks and greater transparency to evaluate and compare provider performance.

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

The new independent national charities regulator, the Australian Charities and Not-for-profits Commission (ACNC), began operating in December 2012. The ACNC affects community housing providers, as most are registered charities and not-for-profits. The impact will be felt through the ACNC's reporting requirements, and the charities legislation it administers.<sup>13</sup> The former will not significantly increase the compliance burden. However, the latter will have a more significant impact, as the

10 Our 2011-12 Annual Report provided a comprehensive history of the community housing sector in NSW since its establishment 28 years ago in 1985.

11 See [www.dss.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/national-affordable-housing-agreement](http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/national-affordable-housing-agreement) for more information

12 See [www.nrsch.gov.au](http://www.nrsch.gov.au) for more information.

13 The Charities Act 2013 will be effective from January 2014.

provision of 'affordable housing' – as distinct from 'social housing' – may not fall into a charitable purpose and will be non-tax exempt.

As at 30 June 2013, the ACNC did not have bipartisan support. The Coalition's policy was to abolish the ACNC if it won government. Consequently, there was little policy clarity in 2013, as the election outcome would determine the fate of the ACNC and the charities legislation.

### **National Disability Insurance Scheme**

Like other disadvantaged people, many people with disabilities have difficulty finding affordable, safe, secure accessible housing that allows participants to maximise economic and social participation. This is because of the cost of support when living independently and the limited supply of affordable housing for low-income people.

The National Disability Insurance Scheme (NDIS) is the most significant disability reform in Australia. Support is tailored to individual needs; it takes an insurance approach for more stable long-term costs and better outcomes; and it aims to maximise disabled people's choice and control over how services are to be delivered and to whom.

When fully operational, it will assist 410,000 people. Of those, up to 190,000 are adults on low and very low incomes who require housing assistance, 57,000 of whom currently live in some form of social housing. Potential groups for an early focus will be those with higher housing costs due to disability.

This group may include:

- young people living in residential aged care
- people living in specialist disability accommodation who could live in the community
- adult children living with parents who want to leave home
- older children living with ageing parents who are worried about what will happen to their child when they can no longer care for him or her.

The form and type of housing assistance to be delivered through the NDIS will be developed in the three-year transitional period.

## **NSW GOVERNMENT**

### **Overview**

In 2012-13, NSW community housing providers continued to experience the challenges of working for both the Minister for Family and Community Services and the Minister for Finance and Services, and their departments. The separation of the asset and the tenant/policy function<sup>14</sup> between two ministers and departments led to uncoordinated policy response and lack of clear and coordinated housing strategy. This was recognised by the NSW Government through its decision in August 2013 to transfer the Land and Housing Corporation, which owns public housing and much of the community housing portfolio, from the Minister for Finance and Services to the Minister for Family and Community Services. This reinstated the administrative arrangements as they were prior to 2011, and brought

the strategic policy function and the management of public housing assets back into the Family and Community Services cluster.

### **Public housing system pressure**

The NSW Auditor-General's report *Making the Best Use of Public Housing*,<sup>15</sup> released in July 2013, provides a comprehensive assessment of the pressures on public housing delivery and how the absence of a strategic response has exacerbated these pressures. It states:

"Neither HNSW/FACS nor LAHC have as yet articulated long-term strategies or plans to address the challenges for the provision of public housing to those most in need. In the absence of such a clear direction, HNSW's and LAHC's tenant and asset management activities have sometimes been inconsistent and short term."<sup>16</sup>

Any strategic response also requires a clear articulation of the role of the community housing sector in rebuilding the sustainability of a social housing sector. The year was, unfortunately, characterised by the absence of any strategic framework to replace the previous strategy for developing the public and community housing sector. The minister has indicated that a social housing strategy will be released in 2013-14.

<sup>14</sup> See the *Land and Housing Corporation Annual Report 2011-12* for further information about the separation, [www.finance.nsw.gov.au/sites/default/files/pdfs/dfs2011-12-section7c.pdf](http://www.finance.nsw.gov.au/sites/default/files/pdfs/dfs2011-12-section7c.pdf).

<sup>15</sup> *Making the best use of public housing*, [www.audit.nsw.gov.au/ArticleDocuments/280/01\\_Public\\_Housing\\_Full\\_Report.pdf.aspx?Embed=Y](http://www.audit.nsw.gov.au/ArticleDocuments/280/01_Public_Housing_Full_Report.pdf.aspx?Embed=Y).

<sup>16</sup> Executive Summary, NSW Auditor-General's Report to Parliament, *Making the Best Use of Public Housing*.



### Vesting

In March 2013, the then Minister for Finance and Services made the welcome announcement that, following an 18-month review, vesting of title on the balance of NBESP properties was approved for nine of the 15 community housing providers that won NBESP tenders in 2010. Bridge Housing was one of the approved providers and expects to have title on an additional 79 properties. As mentioned in the 'CEO's Report', the delay in vesting postpones the delivery of our affordable housing leverage targets and has pushed out the delivery of accommodation for 153 seniors at Cowper St, Glebe, from December 2013 to December 2016.

### Homelessness reform

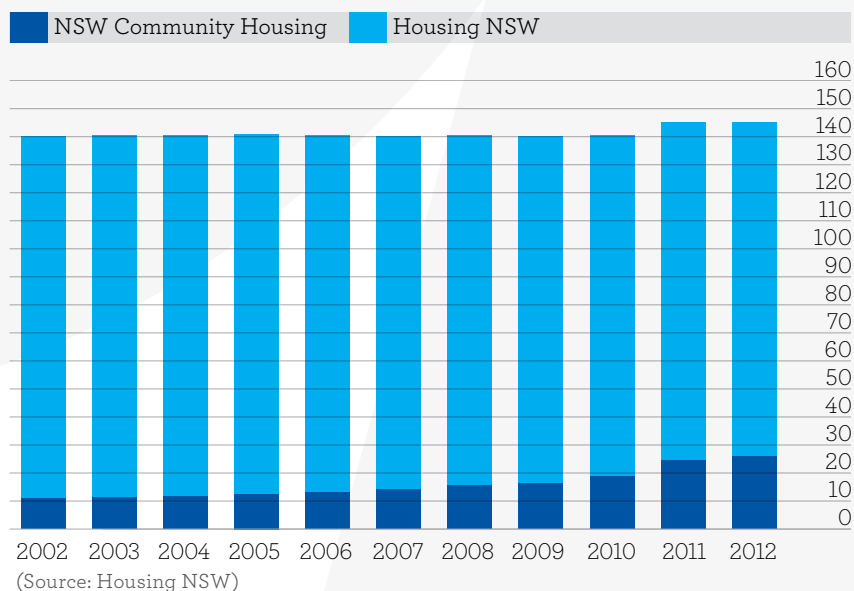
The Department of Family and Community Services also reviewed homeless services under the Going Home Staying Home strategy. The review aimed to ensure the strategy will allocate resources based on need rather than previous funding allocations, and will develop the sector and its workforce to strengthen service quality. The strategy may indirectly affect Bridge Housing in two ways: by changing our existing homeless support service partnerships (we currently partner with 40 support agencies); and by leading homeless services to shed their property management role to focus on client support, which may lead to properties being transferred to community housing providers. The Government will implement the strategy in 2013-14.

### NSW Planning System Review

In 2011-12, the NSW Government began the most significant review of the NSW planning system since 1979, when the *Environmental Planning and Assessment Act* (EPAA) was introduced. It continued the review in 2012-13. The Draft Exposure Planning Bill 2013 indicated that the Government will dilute the policy levers to increase affordable housing through SEPP No 70-Affordable Housing in the proposed new planning legislation. The main weakness of the proposed Bill, compared with the current Act, is the removal of provisions that allow for consent authorities to mandate developer contributions for affordable housing. In certain circumstances, such as where development has been enabled by a change of zoning, it will become even more difficult to use planning provisions for affordable housing targeted at low- and moderate-income households.

### Growth

NSW community housing growth, '000s, 2002-12



## HOW WE OPERATE

### OUR BOARD OF DIRECTORS

Bridge Housing is governed by a skills-based Board of Directors who are responsible for establishing our strategy and risk management. Directors are elected to the Board by the members of Bridge Housing Limited. All directors are independent non-executive directors. This means they are independent of management. Bridge Housing's Governance Principles are described in detail in the 'Governance' section.

Meet our Directors in the 'Our Directors' section on page 34.

### OUR EXECUTIVE MANAGEMENT TEAM

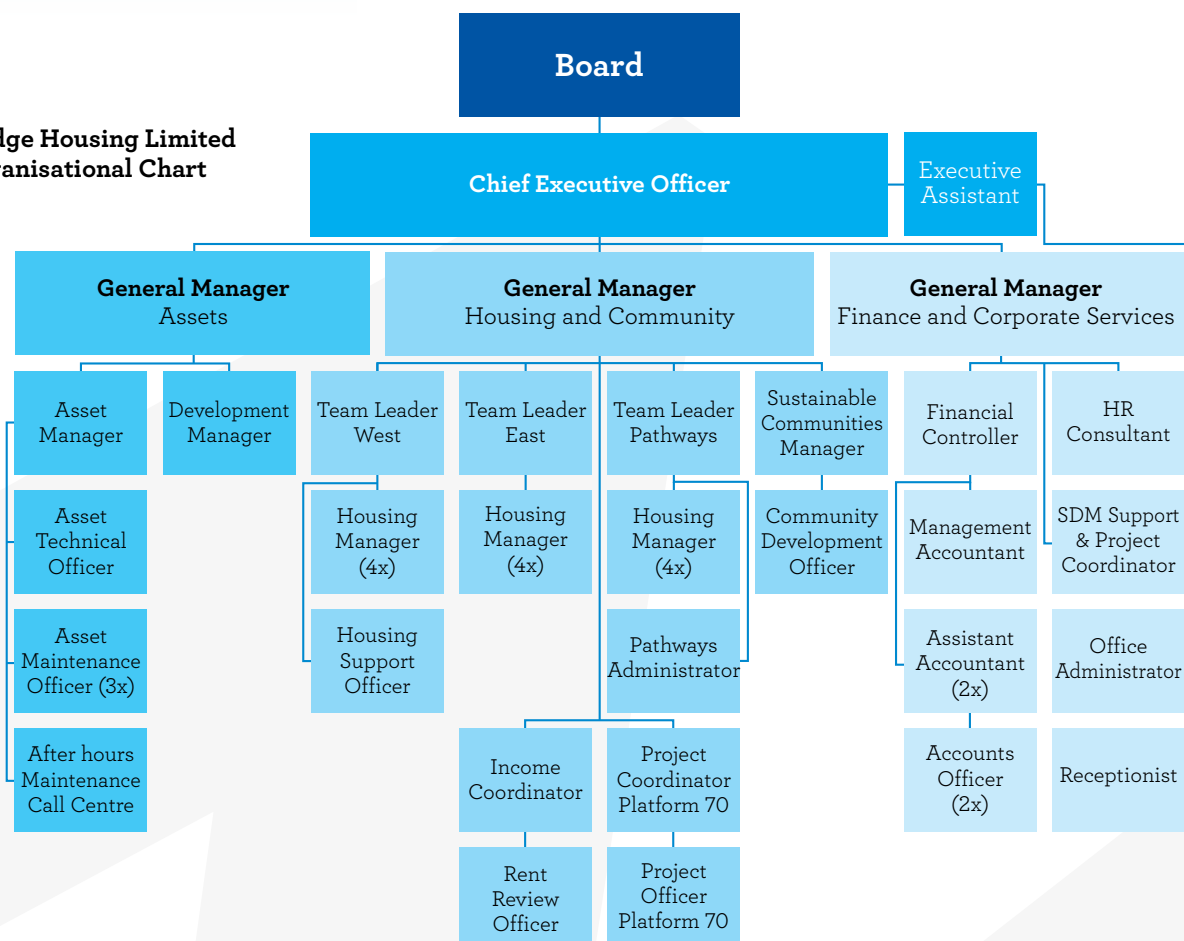
Bridge Housing is managed by an executive management team. The Executive consists of the Chief Executive Officer, and three General Managers who are each responsible for one of the three operational divisions:

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

The Executive is responsible to the Bridge Housing Board of Directors through the Chief Executive Officer and charged with delivering Bridge Housing's Strategic and Business Plan Objectives. Each division has primary responsibility and ownership of particular critical success factors. However, the successful delivery of our Strategic and Business Plans requires divisions to work together. See how each division contributes to meeting our Business Plan 2012-13, from page 38.

Meet our Executive Management Team in the 'Our Executive Team' on page 36.

### Bridge Housing Limited Organisational Chart



## OUR DIRECTORS

**Vicki Allen**

BBus, MBA, DFP, FAICD

Chairman

Director since 2007

Chairman since 2009

**Skill area:** Human Resources**Member:** Human Resources and Nominations Committee

Vicki is an experienced non-executive director and consultant in the financial services and property sectors. Her long executive career comprised significant roles with companies including The Trust Company, MLC and Lend Lease Corporation.

Vicki is an independent non-executive director of MTAA Superannuation Fund, Deputy Chairman Mirvac Funds Management Limited, and an Expert Panel Member for the Fair Work Commission. She holds an MBA from the University of Melbourne, and a Bachelor of Business from the University of Technology, Sydney.

**John Kell**

BA, LLB, M EnvStud, GAICD

Director since 2009

Director of ESRHA from 2002 to 2009

**Skill area:** Law

John is a partner at Hunt & Hunt, specialising in corporate and commercial law and acting for a broad range of private and public sector clients.

John has been involved in community organisations for many years. Prior to the Bridge Housing Board, he was a director and later chairperson of Eastern Suburbs Rental Housing Association Limited (ESRHA). He was instrumental in the merger between ESRHA and Bridge Housing.

**Shirley Liew**

BBus, MBA, GradDip Appl Finance, CRISC, FCPA, FTIA, MIIA, GAICD

Director since 2009

Chair of Finance, Risk and Audit Committee

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

Shirley is currently a professional non-executive director with various board directorships and chairs of various risk, finance and audit committees. She co-founded Shirley Liew Probus Advisory Services. She has held practice lead partner roles in major Chartered Accountancy firms with clients ranging from multinationals and publicly listed companies to small-to-medium enterprises, emerging companies and not-for-profits.

Shirley is also a director of Hunter United Employees Credit Union, and advises various Board committees.



**Gary Milligan**

BSc, BEng (Electrical)  
(Hons 1), GradCert HRD,  
MIVMA

Director since 2007  
Re-elected 2010  
Chair of Asset and  
Procurement Committee

**Skill area:** Asset  
management

Gary has retired from  
a 40-year career as a  
professional engineer in  
the NSW Government  
where he contributed to  
the asset management of  
the state's buildings and  
infrastructure in diverse  
roles encompassing policy,  
planning, evaluation,  
design, procurement and  
construction management.

He has completed the  
AICD's Company Director  
Course and has experience  
on the boards of several  
community organisations.

**Dick Persson, AM**  
BA, FAIM, FAPI

Director since 2009

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

**Member:** Human  
Resources and  
Nominations Committee

Dick is Chairman of  
the Sydney Harbour  
Foreshore Authority and  
the Special Adviser on  
Local Government to  
the NSW Independent  
Pricing and Regulatory  
Tribunal (IPART).

He is an experienced senior  
public servant, having held  
Director-General positions  
in Queensland and NSW  
(1989 and 2003), including  
Qld Department of Housing,  
Local Government and  
Planning, Qld Department  
of Health, and the NSW  
Department of Public  
Works and Services.

**Alan Revell**

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

Director since 2012

**Skill area:** Property  
development, asset  
management and  
corporate finance

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

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

Alan is Chairman of the  
NSW Crown Holiday  
Parks Trust, and Principal  
and Chairman of a  
property and corporate  
advisory consultancy.

**Helen Wood**

BSc (Hons) Psychology,  
MRICS, MAHI

Director since 2002  
Re-elected in 2005, 2010

**Skill areas:** Social housing  
and property development

**Member:** Asset and  
Procurement Committee

Helen is a chartered  
surveyor with 25 years  
experience as a property  
professional, specialising in  
social, affordable and aged  
housing development and  
operations in the UK and  
NSW. She was formerly  
CEO of a charitable  
housing association  
in central London.

Helen has considerable  
experience in partnerships  
between the not-for-  
profit sector and the  
private sector, and until  
early 2013 was Manager  
of Capital Investment  
at UnitingCare Ageing  
responsible for overseeing  
their \$1 billion property  
development program.

She is currently Director  
of Supported Housing  
at UnitingCare Ageing  
NSW and ACT.



## OUR EXECUTIVE TEAM

### **John Nicolades**

Chief Executive Officer

BSocWk, GradDipAppFin (FINSIA)

John has led Bridge Housing Limited since 2006, growing the organisation from 650 to 1,628 properties. As CEO, he provides the strategic focus for the company's direction.

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

### **David Miller**

General Manager, Finance and Corporate Services

BBus, 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.





**Hayley Austin**

General Manager, Housing and Community

BSocSc, GradDipHS

Hayley was appointed to the position of General Manager, Housing and Community in January 2011. She has over 15 years experience working in social housing predominantly with Somer Housing Group in the UK. She has worked in a variety of operational roles including the management of such teams as Income Recovery, Voids and Lettings and Anti-Social Behaviour, as well as managing generic teams delivering a comprehensive housing management service. Her last post in the UK was spent as a development manager sourcing land and building new homes for social housing. She has spent the last two years working in the Australian housing sector leading on the delivery of the tenancy management service for Class 1 providers. Hayley resigned from Bridge Housing in July 2013 to return to the UK.

**Hugh Phemister**

General Manager, Assets

BComm, GradDipCA

Hugh was appointed General Manager, Assets, in January 2011 to lead the Assets Team and provide a strategic focus to guide the growth of the portfolio.

Hugh is a Chartered Accountant with considerable property development and financial services expertise. He has worked for the Commonwealth Bank of Australia, PwC and Macquarie Bank, and more recently as Chief Financial Officer for Citta Property Group. Hugh has also taught finance and accounting at the Australian National University.

At Citta Property Group, Hugh was involved in mixed-use developments with end values in the \$100 million to \$500 million range. These projects included the 2006 Commonwealth Games athletes village for Melbourne; Carlton Gardens, a Melbourne inner-city private and social housing redevelopment; and Workplace 6, the first commercially developed 6-Star Green Star building in NSW.



## HOUSING AND COMMUNITY REPORT

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

This section of our Annual Report:

- presents highlights for the Housing and Community Team for 2012-13
- reports on how the team has delivered on its critical success factors
- provides an overview of the key activities undertaken during the year
- outlines our objectives for 2013-14.

### HIGHLIGHTS OF 2012-13

In 2012-13, the Housing and Community Team:

- met the Platform 70 target and housed 70 rough sleepers, and secured program extension to 2013-14 to house 30 additional homeless people
- achieved an 85 per cent overall satisfaction rating in our Tenant Survey 2012, equal to the sector benchmark
- employed a Sustainable Communities Manager to lead on the development of the Community Building and Engagement Strategy
- Arrears and Voids are at or below industry benchmark. Vacancies slightly above, although rent loss below benchmark
- completed two rent reviews to schedule.

### CRITICAL SUCCESS FACTORS

The Housing and Community Team plays a key role in delivering the following critical success factors in our Strategic Plan 2012-15 and Business Plan 2012-13:

- Deliver quality homes and services to our residents.

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

- Enable strategic portfolio growth.

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

The teams collaborated to ensure that new properties and developments met our design requirements. They were responsible for allocating properties within our benchmark allocation period of 10 days to

ensure that dwellings are used efficiently, and helped coordinate any responsive and planned maintenance works required to ensure our properties are maintained efficiently.

- Ensure business sustainability.

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

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

### BUSINESS PLAN 2012-13

The Housing and Community Team played a key role in helping us meet the critical success factors laid out in our Business Plan 2012-13.




Manal at tenant workshop

## MEASURE


## HOW DID WE DO?

**Deliver quality homes and services to our residents**Key:  completed  in progress  not completed


Recruit a Sustainable Communities Manager to drive the development of our Community Building and Engagement Strategy

 Sustainable Communities Manager appointed in May 2013

Increase our tenant engagement initiatives

 We held eight block meetings across our operating region, increased TAG membership drive and confirmed numbers as 68 members. We also held three workshops to enable tenants to provide input into our operations


Develop the Community Building and Engagement Strategy and implement the Year-one Community Plan

 In progress. The final strategy was delayed due to the time required to recruit the Sustainable Communities Manager


Develop a series of community profiles for the LGAs in which we operate

 Delayed due to the time required to recruit the Sustainable Communities Manager


Maintain tenant satisfaction levels at industry benchmarks

 Completed the Tenant Survey 2012, with 85 per cent of respondents satisfied or very satisfied with our services


Undertake a support partners survey and implement actions arising from the results

 Completed. Following feedback from the survey, we will undertake a formal review of all support partnerships in 2013-14**Ensure business sustainability**

Arrears, voids and vacancies are at or below the sector benchmark

 Achieved below sector benchmarks arrears (2.3%), voids (21 days) but vacancies above (18 days)

Ensure that rents generated in the income-based rent system reflect changes in tenant incomes

 Rent reviews undertaken every six months, increasing gross rent by \$430,000

## FLEXIBLE AND RESPONSIVE TENANCY MANAGEMENT

Our Housing Management Team plays a critical role in providing flexible and responsive tenancy management services to our tenants.

Our housing managers:

- are the first point of contact for tenant enquiries
- sign up new tenancies
- manage rent collection, including rent arrears
- appear at Consumer, Trader and Tenancy Tribunals
- work with tenants to address nuisance and annoyance issues
- conduct annual property inspections
- support tenants to sustain their tenancies.

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

In 2012-13, the Tenant Advisory Group invited two of our housing managers, Krystal Moores and Tim Meaney, to present their thoughts on 'a day in the life of a housing manager'. Krystal and Tim provided a clear overview of their roles and the pressures they face balancing a range of competing demands, and outlined how they work to balance their responsibility to tenants with their need to meet organisational objectives.

Tenants were surprised at the number of different tasks and processes a housing manager completes in an average day, and gained a greater appreciation



Housing Team East: Michele (Team Leader), Dean, Ana-Maria, Michael, Jennifer

of the role. Krystal and Tim found the opportunity to talk to tenants outside their usual day-to-day work a valuable experience that will contribute to a better working relationship with tenants in the future.

### **What's your experience of working at Bridge Housing?**

"I've worked at Bridge Housing since April 2008. Despite the organisation significantly increasing in size, it remains a great place to work and a positive environment. I have a good relationship with many tenants in my portfolio and I strive for high levels of client service."

**Anya Favot**, Housing Manager, West Team

### **What's the most rewarding part of your job?**

"The best part of my job is getting out and working with people. It's a very interesting and rewarding job, and I go home feeling a sense of accomplishment and gratitude to my clients and co-workers that every

day is a learning experience. Having the opportunity to encourage our clients to make the best choices and empowering them to feel a part of the community is also a wonderful feeling. I'm proud to be a part of the Bridge Housing team and look forward to the opportunities we can bring to our community."

**Krystal Moores**, Housing Manager, West Team

"Offering good-quality accommodation for a client who is in need of housing is very rewarding, because it creates a great improvement to a person's quality of life. I also enjoy helping clients connect with external support agencies, which enables them to sustain their tenancy and be more engaged in the community."

**Rita Cardoso**, Housing Manager, West Team

## SPOTLIGHT 2: THE HOUSING MANAGEMENT TEAM

### What is the most challenging part of your job?

"It would be difficult to specify the most challenging part of the role, as it varies day by day. I enjoy carrying out property inspections and building stronger relationships with internal and external stakeholders. Negotiating with real estate agents at the end of tenancies is definitely the most challenging but at the same time rewarding. We need to balance our responsibilities to the real estate agent with our responsibilities to our tenants, and negotiate this relationship carefully. Overall, the role of a housing manager is to sustain a tenancy and it's also that challenge that makes it most interesting."

**Michael El-Hassan**, Housing Manager, East Team

"As a housing manager for a social community housing provider, my main prerogative is to help sustain tenancies. This is probably the most challenging aspect of my role but also the most rewarding. Everyone makes mistakes in life. Being able to give people a second chance to turn their lives around is a key part of what we do."

**Tim Meaney**, Housing Manager, West Team

### Where do you see the Housing Team 12 months from now?

"Training is essential as the more we learn, the more confident and knowledgeable we feel. In the next 12 months I'm looking forward to having all the necessary equipment to make my role easier to manage so I can offer more to tenants. Technology is such an important facet of our role and services, and I envisage and welcome our recent improvements, as they will make our work much easier and more efficient."

**Ana-Maria Nieto**, Housing Manager, East Team

"I work in the area of affordable housing. This is rewarding because it provides people on a broader range of incomes the opportunity to locate housing where they have a strong community connection. In the future, I would like to see Bridge Housing build its partnerships and fee-for-service arrangements

to develop and manage more affordable housing. The Waverley Council Affordable Housing Program is an excellent example of a local council taking the initiative to develop more local affordable housing for key workers who are being priced out of many housing markets. By working with councils such as Waverley, we can increase the range of housing options available to clients."

**Jennifer Beresford**, Housing Manager, East Team



Housing Team West: Tim, Rita, Krystal, Sarah (Team Leader), Anya



## HOUSING SERVICES

### Delivering quality homes and services

This year, we have demonstrated our ongoing commitment to delivering high-quality housing services, and to providing sustainable tenancies for people with a wide range of housing and support needs.

We undertook a significant review of our tenancy management policies and procedures, launched a support provider satisfaction survey in partnership with the NSW Federation of Housing Associations, grew our Pathways Team, expanded our tenant participation base, and continued to deliver innovative programs, such as Platform 70, to meet housing needs.

We completed all these activities while still delivering our core housing management service and placing greater emphasis on our performance management.

### CUSTOMER SATISFACTION

Bridge Housing is committed to receiving feedback from our residents, to foster a culture of continuous improvement for our service delivery. Since 2006, we have undertaken an annual Tenant Survey to measure satisfaction with our services and identify how we can improve our service delivery. We have also focused on improving the survey, and seek to benchmark our performance across the community housing sector.

In 2012, an independent organisation – the NSW Federation of Housing Associations – administered our Tenant Survey for the first time. Commissioning an independent organisation to conduct the survey was a key objective for 2012-13. It:

- demonstrates our commitment to a transparent process

- uses the NSW Federation of Housing Associations' experience and expertise in survey design and data analysis
- enables us to benchmark our performance against six other community housing providers that have contracted the NSW Federation of Housing Associations to undertake their survey.

More than 30 per cent of our residents took the time to fill in the survey and let us know what they thought of Bridge Housing. The NSW Federation of Housing Associations' analysis concluded that the results were very positive, with tenants reporting a high level of overall satisfaction with our services. We achieved a satisfaction rating of 85 per cent, which is consistent with previous years and with other community housing providers against which we were benchmarked in 2012-13. The Tenant Survey is a valuable tool because it helps us identify our strengths, and the areas we need to work on to improve our services.

Our priority for 2013-14 is to develop and implement the recommendations arising from the survey, in consultation with our staff and tenants.

### Overall satisfaction rates

The following chart shows the results of the Tenant Survey, comparing Bridge Housing with community housing sector benchmarks.

We can now transparently compare our results with other community housing providers.

Above community housing provider benchmark:

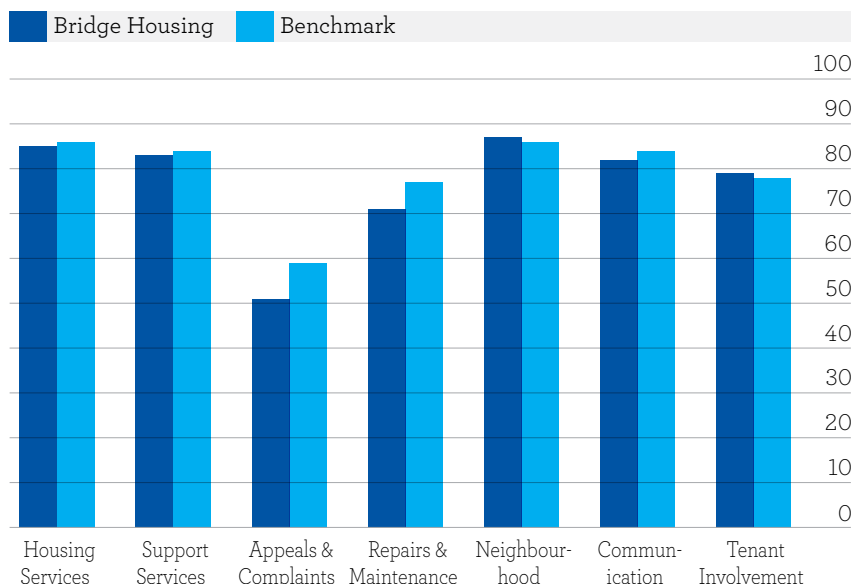
- Overall satisfaction with your neighbourhood as a place to live
- Response rate from Bridge Housing tenants.

At community housing provider benchmark:

- Overall condition of your home
- Knowledge of how to appeal a decision

### Tenant satisfaction

Comparison with benchmark, 2013, %



- the way Bridge Housing provides you with information
- the way Bridge Housing involves tenants in decisions it makes.

Below community housing provider benchmark:

- overall services provided by Bridge Housing
- knowledge of how to make a complaint
- knowledge of how to follow up with a complaint
- repairs and maintenance
- general communication
- listens to tenants' views and acts on them
- tenants' ability to influence Bridge Housing's decision-making process.

The survey results have already informed changes to our repairs and maintenance service. In May 2013, we conducted a survey of all tenants who requested repairs and maintenance services, to provide them with the opportunity to comment directly on the quality of service they received.

We will also use the feedback from the Tenant Survey to inform the development of a range of customer service strategies in 2013-14. We will focus specifically on revising our complaints and appeals policy and procedures, and customer service benchmarks. We will also implement a strategy to guide our engagement and community development activities in the future.



## REDUCING HOMELESSNESS THROUGH INNOVATION

### Platform 70

In June 2013, Bridge Housing achieved our Platform 70 program target by housing our 70th tenant. Platform 70 is an innovative Housing First initiative that provides stable housing for homeless people through the private rental market.

The program offers additional support services through our support partner Naemi. Many of the program's tenants had previously been living on the streets and accessing various homelessness services for many years.

Reaching the milestone of housing 70 long-term rough sleepers in private rental properties across Sydney is a significant achievement. Platform 70 has proved incredibly successful so far, with participants sustaining 95 per cent of tenancies. The program has also broken down many misconceptions about the ability of long-term homeless people to live successfully in the private rental market.

Platform 70 is funded through the National Partnership Agreement on Homelessness. Once access to stable and affordable accommodation is addressed, tenants can actively engage with support services to address other goals, such as gaining employment, entering into further education, reconnecting with family, addressing substance misuse and receiving medical treatment.

Naemi's Way2Home and Aboriginal Assertive Outreach Service provide tenants with wrap-around support to enable them to sustain tenancies and reach their goals. Many Platform 70 tenants are entering into the second year of their tenancies and looking forward to a better future. The program's success also involves our partnership with other community housing providers such as Metro Housing, St George Community Housing, Hume Community Housing and Link Housing, which have housed 22 per cent of Platform 70's tenants.

We celebrated housing our 40th rough sleeper by producing the short film *My Way Home*<sup>17</sup> in September 2012 and gained positive news coverage<sup>18</sup> when we achieved our target through housing our 70th rough sleeper in late June 2013. Due to the program's success, which also includes delivering it under budget, the NSW Government approved the extension of Platform 70 to provide housing to an additional 30 homeless people during 2013-14.

The National Drug and Alcohol Research Centre at the University of NSW is independently evaluating the program and will make the full evaluation results available in 2014.

### Michael's Intensive Supported Housing Accord

Bridge Housing has been working in a formal partnership with Mission Australia to deliver the Michael's Intensive Supported Housing Accord (MISHA)<sup>19</sup> since 2010.

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

Bridge Housing sought to actively participate in the program as a result of the property allocations under the NBESP. To date, we have provided 23 properties for selected clients who meet the eligibility criteria. The outcomes have been very positive. Of the 23 tenancies we manage, only one tenancy has not continued.

Mission Australia has partnered with the University of Western Sydney to evaluate the initiative. The first 12-month snapshot evaluation report showed:

17 [www.youtube.com/watch?v=pphoBPYILGQ&feature=youtu.be](http://www.youtube.com/watch?v=pphoBPYILGQ&feature=youtu.be).

18 [www.bridgehousing.org.au/plugins/newsfeed.cgi?rm=content&plugin\\_data\\_id=31453](http://www.bridgehousing.org.au/plugins/newsfeed.cgi?rm=content&plugin_data_id=31453).

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

- a reduction in participants identifying as being socially isolated (from 38 per cent to 14 per cent)
- a reduction in those identifying unmet mental health needs (from 30 per cent to 12 per cent)
- a reduction in those identifying drug and alcohol as an issue that they need support for (from 26 per cent to 5 per cent)
- an increase in participants' feeling of safety (83 per cent reported that their safety was better or much better than 12 months ago).

Tenancy issues for MISHA clients predominantly fall into two categories. Many participants have been excluded from accessing suitable accommodation in the past and need help to regain permanent housing, such as assistance with paperwork and payment plans. The Housing First model allows them to access housing services and support they would not otherwise receive. Once many clients receive housing assistance, they quickly find themselves easily maintaining their tenancy so they can focus support on other areas of their lives.

Mat Flynn, Service Manager, Mission Australia said:

"The MISHA program has supported clients to live the lives that they want to live. After Bridge Housing provided our clients with properties, the clients have worked closely with the case management team to access mental health services, drug and alcohol services and a variety of recreational and educational activities.

A number of our clients have returned to the workforce, education and have in many instances reconnected with family. The overwhelming majority of the clients have maintained their tenancies for the first time in years."





Gordon, MISHA tenant



## SPOTLIGHT 3: GORDON'S STORY

### GORDON IS A MISHA TENANT LIVING AT MERRYLANDS, AN NBESP PROPERTY. THIS IS HIS STORY

Gordon lived without secure housing for more than eight years. After living in a shipping container for two years, Gordon moved into a hostel run by Mission Australia. He stayed there for seven years before Mission Australia invited him to move into a property built through NBESP funding and run by Bridge Housing and Mission Australia's MISHA project.

#### **Joining the MISHA program**

Gordon was initially apprehensive when Mission Australia approached him about the MISHA program. The properties were located in public housing areas with a bad reputation. However, after visiting the redeveloped site, Gordon was quietly impressed by the apartment he saw, which had a front- and backyard and was very different from what he had envisaged.

Gordon felt that participating in the MISHA program would provide him with the opportunity and the staff support to move towards a more stable way of life. The program provides clients with the opportunity to meet with a case worker on a regular basis to develop and work towards goals based on the individual's needs and aspirations.

#### **The difference made by secure permanent accommodation**

Gordon has re-engaged with education and his local community since moving into his new property. He is currently studying Greek and Roman history through Open Universities, and undertaking a photography course.

However, Gordon says it's often the small things that make a real difference to the quality and experience of his day-to-day life.

"Having a letter box and getting mail with your own name and private address on it after years of living in an institutional environment makes such a difference to how I feel about my home and my environment – it's about having your own place," he said.

Gordon also now has the choice to cook and eat his own food, rather than having a set meal at a set time in the hostel where he lived before.

"I have surprised myself with what I've cooked and prepared for myself since I moved – I've been out of practice for rather a long time!" he said.

The success of the MISHA program and of clients like Gordon demonstrates the value of housing programs that provide independent accommodation with wrap-around support services.

As well as the practical element of shelter and security, Bridge Housing's partnerships with support providers such as Mission Australia and the MISHA program provide a platform for people to stabilise and improve their lives. This leads to better outcomes for clients and the broader community.

## WORKING IN PARTNERSHIP

### Rent reviews

In 2012–13, Bridge Housing received the NSW Federation of Housing Associations Award for our new rent review process. The award reflected the work our Income Coordinator, Aimee Rahman, undertook during the year to establish a working group across the community housing sector. The working group meets quarterly to discuss issues and good practice relating to the sector's biannual rent reviews, to ensure they align with the Community Housing Rent Policy.

The working group has proved to be an invaluable resource to staff in this area. It has provided a vehicle to

share policy and practice challenges, and discuss the improvements needed to streamline rent reviews. Through this group, Bridge Housing showcased how we manage our rent review period, the tools we use to support and assist tenants, and our tenant feedback on the improvements we have made.

Implementing the biannual rent review is an important function of a community housing provider. Reviewing and collecting rent is the basis of our organisational sustainability. In 2012–13, the outcome of our two rent reviews will increase our gross rent by approximately \$430,000 per annum with a net increase of approximately \$150,000.<sup>20</sup> However, we also want to ensure

that tenants are charged the correct rent amount. Errors of as little as \$5 per week can have a huge impact on very low-income households.

We recognise that the rent review can be a confusing process for tenants. We work hard to support tenants through the process, by providing streamlined information and direct assistance to complete forms. During each rent review, our Income Coordinator holds a specific workshop for support partners working with our most vulnerable tenants. The workshops are designed to explain our rent review process, clarify our rent policy and outline requirements for tenants. During the workshops, we also provide details and information on how the support



Tenant discussion

partners can help their clients meet the rent review requirements.

The workshops have been a great success, with many support agencies commenting how useful and beneficial it was for them to attend and learn the process, so they can better assist their clients. They have also benefited our vulnerable tenants, reducing the number of tenants who move to 'market rate' rent after failing to respond to the rent review, from 220 in September 2011 to 121 in March 2013.

#### **Housing pathways outreach training**

Bridge Housing is one of 26 community housing providers working with Housing NSW to implement the common access system for social housing, Housing Pathways.

Demand for affordable housing far outstrips supply. In NSW there are approximately 57,000 people registered on the NSW Housing Register. Of these, more than 95 per cent indicate that they wish to be considered for an allocation by both public and community housing. In these instances, our clients are shortlisted in both locations, and removed from the respective listing once successfully allocated in housing.

Due to the geographical scope of Bridge Housing's operations from the City of Sydney to the City of Parramatta, our property portfolio spans eight Housing Pathways allocation areas: Bankstown, Canterbury, Eastern suburbs, Holroyd, Leichhardt/

Marrickville, Inner City, Inner West and Riverwood. Each of these allocation zones is considered 'high demand', which means housing is in limited supply and allocations for general social housing applicants can take many years.

Bridge Housing runs a program of outreach, training and support sessions for services working with clients applying for social housing. In 2012-13, we held 13 sessions with the following support partners and other non-government organisations:

- Weave Women and Children's Centre
- JewishCare
- CatholicCare
- Australian Red Cross
- Newtown Neighbourhood Centre
- Mission Australia
- Jean's Place
- Vincentian House
- Killara Women's Refuge
- The Marion Centre
- The Salvation Army Oasis Youth Centre
- Mercy Arms Community Care
- Wesley Mission.

This program is critical in raising awareness of Housing Pathways' policy and procedures across our operating region. The sessions help support services understand the range of housing options available to their clients, and the constraints relating to social housing availability, particularly in high-demand locations.

The sessions also help us build invaluable links with, and an understanding of, the range of additional support services available. This informs our work with applicants, many of whom face issues with homelessness, and helps tenants who require assistance to sustain their tenancies.

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

## COMMUNITY ENGAGEMENT AND COMMUNITY DEVELOPMENT

Effective community engagement allows an organisation to draw on different perspectives, helping improve the quality of its decisions and the services it provides. Bridge Housing is committed to achieving effective community engagement, by recognising the importance of involving our tenants, residents and wider communities in what we do. We are also committed to community development, to create and support sustainable communities and successful neighbourhoods in which people want to live.

Bridge Housing has allocated extra resources to community development and engagement by creating the role of Sustainable Communities Manager, which we appointed in May 2013. This position will build on existing tenant participation activities and provide a more strategic focus for our activities. Our new Sustainable Communities Manager is working across the organisation and in partnership with key external stakeholders, to ensure that community development, capacity building and tenant participation continue to be a focus for our operations.

We recently started developing our Community Building and Engagement Strategy, which is a major priority for 2013-14. Staff, tenants and stakeholders will work together to develop the strategy, to create a shared vision and priorities for enabling sustainable and socially inclusive communities and neighbourhoods.

## GETTING INVOLVED AND HAVING A SAY

Bridge Housing has developed a 'menu of options' for tenant involvement, allowing tenants to become involved in a way that suits them.

The options include:

- Tenant Advisory Group (TAG), including:
  - ◆ central TAG meetings to address wider issues that affect all residents
  - ◆ local TAG meetings in the east and west to focus on local issues
- quarterly tenant workshops
- block meetings
- the annual Tenant Survey
- an annual tenant barbeque.

## TAG MEMBERSHIP DRIVE

In early 2012, we expanded TAG into an east and west regional structure and developed the TAG logo. In 2012-13, we decided to formalise the TAG membership, and sent a letter and membership brochure to all residents inviting them to become a member.

TAG now has 68 registered members, who meet regularly at central, east or west TAG meetings. This represents nearly 5 per cent of Bridge Housing's tenants. TAG is currently implementing processes to increase membership, including providing a Chinese interpreter at TAG meetings in the west, where many of our Chinese-speaking residents live.

## QUARTERLY TENANT WORKSHOPS

We hold quarterly tenant workshops focusing on different aspects of Bridge Housing's operations. The workshops are a great way to offer tenants the opportunity to influence how we work.

In 2012-13, we held the following workshops:

- Involving Tenants in the Annual Tenant Survey
- Bridge Housing Policy Review – Pets and Access
- Communications – Essential Fact Sheets.

The workshops are structured so everyone can provide input in a safe and welcoming environment. They are also a great opportunity for staff and tenants to work together on issues that need addressing or problems that need solving. We have implemented a 'You Said, We Did' feedback structure, so that tenants can see the direct outcomes of their involvement.



Zorica, at tenant workshop

## BLOCK MEETINGS

We introduced block meetings or neighbourhood audits as a new participation initiative for 2013. The meetings enable a group of tenants to meet onsite with their housing manager to discuss any issues. This provides an important forum for tenants to talk about things that directly affect them and their neighbourhoods.

During the year, block meetings proactively addressed issues before they escalated and allowed neighbours to get to know each other as they tackled a common concern. Tenants have told us that they were pleased we were asking for their opinion and directly identifying issues onsite.

Some of the issues the block meetings dealt with included:

- paving, walkways and flooring
- communal lighting
- communal entrances and exits
- lifts and stairwells
- drains and guttering
- gardens, hedging and lawns
- parking and garage access
- garbage areas and recycling
- graffiti.

Housing managers also assessed neighbourhood issues, such as noise, vandalism and anti-social behaviour, and identified any community building activity that Bridge Housing could initiate, such as community gardens or neighbourhood associations. They brought this information back to Bridge Housing to distribute to the relevant teams.

## THE HOUSING AND COMMUNITY TEAM'S 2013-14 OBJECTIVES INCLUDE:

- deliver the Community Building and Engagement Strategy
- lead on the development of a Customer Service Charter
- complete the review and launch of our housing policy and procedures
- complete the review of our support partner arrangements
- provide 30 rough sleepers with secure accommodation through Platform 70 to deliver accommodation to a total of 100 rough sleepers.





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

## SPOTLIGHT 4: TENANT ADVISORY GROUP

Bridge Housing established its Tenant Advisory Group (TAG) in 2009. We're very grateful to TAG's chairperson Pam Pryor and outgoing Vice-Chairperson Clive Matthews for their enthusiasm and hard work, which makes a real impact on the lives of Bridge Housing's tenants.

Here, Pam and Clive talk about TAG's highlights and priorities for the coming year.

### WHAT HAVE BEEN TAG'S HIGHLIGHTS DURING THE PAST 12 MONTHS?

**Pam:** This past year has had its ups and downs. We have increased attendance at the east, west and central meetings. At the beginning of this year, we changed the structure and presentation of these meetings to encourage participation. The east and west meetings are for tenants only, with guest speakers from Fire and Rescue NSW, Centrelink, the Home Power Saving Scheme, and the Repairs and Maintenance Team from Bridge Housing.

We invite Bridge Housing staff to attend the central meetings. This year, staff presented 'A day in the life of a housing manager' and 'Are you paying too much rent?' Other agencies also presented on topics that tenants raised at earlier meetings. For example, we were fortunate to have a lawyer and barrister attend a meeting to talk about wills, powers of attorney and guardianship.

Tenants have also attended workshops Bridge Housing organised in partnership with TAG on the Tenant Survey, policy and procedures, and the structure of letters that are sent to tenants.

**Clive:** The past 12 months of the TAG have been very interesting. Pam and I, with the assistance of Bridge Housing, have managed to increase the number of tenants attending the east and west meetings. Together with the central TAG meetings, we have learnt a great deal from different presenters from all walks of life.

I'm hoping more tenants attend the meetings and we all continue to pick up useful updates that help us through our retirement years. We are using the central meetings as a workshop forum for matters that arise at the east and west meetings that need further discussion or decisions. Bridge Housing also coincides its workshops with these meetings, to give information to and receive information from tenants.

### WHAT WOULD YOU SAY TO OTHER TENANTS ABOUT WHY THEY SHOULD GET INVOLVED?

**Pam:** I would urge as many tenants as possible to join the east and west TAG meetings as you can have your say and bring up issues that affect you and other tenants. We can then take these issues to Bridge Housing to consider whether it can make changes. Our membership has been increasing slowly, but you do not need to attend the meetings to be a member of the TAG; you only need to be a tenant.

**Clive:** I would strongly encourage any tenant to attend these meetings. It not only provides tenants with valuable information, it also lets them have their say on any issues and brings them together with fellow tenants. It's a great time to catch up with people with very similar interests.

### WHAT DO YOU HOPE TO ACHIEVE IN 2013-14?

**Pam:** Hopefully this year will be more stable for the community housing sector and we can concentrate on the things that we had hoped to achieve in 2012-13. Changes in staff have meant that we've had to build new relationships, but we are still working as closely as possible with Bridge Housing.

Clive's resignation as Vice-Chairperson of TAG east and Chairperson of TAG west will bring about more changes. We're now establishing small committees for each of the meetings to help 'lighten my load'.

I have another year to serve as the TAG's Tenant Representative and will continue to meet with Bridge Housing staff to discuss issues that tenants raise with me. I'd also like to thank Bridge Housing for the support it has offered Clive and I during this past year.

**Clive:** There have been a number of changes at Bridge Housing. We have come a long way, but there is still a long way to go before everyone believes in tenant participation to the extent that I would like. If we truly believe in it, the TAG could become anything it wants. This would not only help the tenants but also be of great assistance to Bridge Housing. I hope we can be open-minded and support each other!



## ASSETS REPORT

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

This section of our Annual Report:

- presents highlights for the Assets Team for 2012-13
- reports on how the team has delivered on its critical success factors
- provides an overview of the key activities undertaken during the year
- outlines our objectives for 2013-14.

### HIGHLIGHTS OF 2012-13

In 2012-13, the Assets Team:

- completed the portfolio review and submitted a redevelopment proposal to the NSW Government
- managed the transfer of 47 new properties to Bridge Housing management
- completed the final property of the Crisis Accommodation Upgrade program
- appointed a Development Manager to increase our capacity to deliver our NBESP leverage targets
- introduced a focused maintenance survey to improve monitoring of tenant satisfaction with maintenance services.

### CRITICAL SUCCESS FACTORS

The Assets Team plays a key role in delivering the following critical success factors in our Strategic Plan 2012-15 and Business Plan 2012-13:

- Enable strategic portfolio growth to meet affordable housing needs in the community.
- Deliver quality homes and services to our residents.

Assets also contributes significantly to critical success factor:

- Ensure business sustainability.

It is through our maintenance spend, which is one of the largest expenditure items in our budget, that we ensure our properties are maintained at the appropriate standards and reduce our future maintenance liability. We also ensure property acquisition and development is undertaken in a prudent manner to manage all acquisition and delivery risks, including project finance risk and construction costs risk.

Bridge Housing aims to be recognised for delivering high-quality maintenance services and properties that meet the needs of existing and future tenants. This is reflected in the following activities of the Assets Team in 2012-13.

### BUSINESS PLAN 2012-13




The Assets Team played a key role in helping us meet the critical success factors laid out in our Business Plan 2012-13.



Plumbing works at Cecil St, Ashfield








## MEASURE

## HOW DID WE DO?

**Strategic portfolio growth**Key:  completed  in progress  not completed

Deliver 19 properties as part of the Canterbury and Bankstown New Supply Program	 Transferred 19 properties in July 2013
Secure involvement in governance process for the Canterbury and Bankstown New Supply Program	 Achieved. Bridge Housing now actively participates in the project governance process
Secure management of 27 multi-unit dwellings at Camperdown	 Dwellings delivered in August 2012
Undertake a review of existing capital portfolio to identify underutilised properties	 Completed the portfolio review
Identify and submit one site from the portfolio review to NSW Government for redevelopment	 Submitted proposal to redevelop underutilised sites to NSW Government in March 2013 and waiting for assessment outcome
Complete the North Eveleigh tender to build 80 affordable housing dwellings	 Completed the tender in July 2012 Bridge Housing shortlisted but was unsuccessful in securing tender
Complete an Estate Management Plan for South Coogee and Balmain	 We did not receive responsibility for the management of the common areas at these estates
Identify and deliver 12 dwellings as part of the NBESP program	 Bridge Housing placed these sites on hold until it determined the outcome of the North Eveleigh tender. We have now investigated further sites, which we will deliver in 2013-14

**Deliver quality homes and services to our residents**

Deliver Asset Maintenance Plan 2012-13	 Asset Maintenance Plan delivered
Commence updating Planned Maintenance Plan 2014-2023 to ensure that long term maintenance risks are identified and Costed	 Planned Maintenance Plan updating commenced with 314 properties re-scoped and 330 in 2013-14
Develop the Asset Management Plan 2013-22	 Asset Management Plan 2013-22 completed
Ensure tenant satisfaction levels with maintenance is at or above the industry benchmark of 75 per cent	 Achieved a satisfaction level of 71 per cent in 2012 Tenants Survey
Introduce focused Tenant Satisfaction Survey to complement annual Tenant Survey	 Satisfaction Survey on every job initiated in March 2012
Monitor contractor response times	 Implemented a process for the new IT system to track contractor response times
Re-tender for provision of contractor services	 Did not issue the tender. We delayed the process due to the implementation of the new IT system

## MANAGING PORTFOLIO GROWTH

During 2012-13, Bridge Housing took management responsibility for 27 newly completed units in a five-storey building in Camperdown, and a further 19 dwellings in Riverwood. The Riverwood site forms part of the 120 new-build properties in the Canterbury and Bankstown New Supply Program being delivered by Housing NSW. The dwellings all contain one or two bedrooms and are designed to meet current demographic demand in these areas. The buildings are one or two storeys in height and are in a medium-density format.

We have been heavily involved in the governance, quality inspection and delivery process of these recently completed projects in Camperdown and Riverwood. Historically, we have played no formal role in the project governance of jointly developed projects with Housing NSW. This lack of involvement has resulted in new homes being completed without the benefit of our input. By making a significant contribution to the Camperdown and Riverwood projects, we have helped ensure the buildings suffered from fewer defects once complete, and could incorporate design features based on our experience of how our tenants use buildings.

We were also actively involved in the governance structure of the next three projects for the Canterbury and Bankstown New Supply Program, which will deliver a further 55 dwellings at Yagoona and Peakhurst.

During the year, we continued negotiations regarding redevelopment of Cowper St, Glebe, which will include 153 dwellings in a five- to 10-storey building. The project is scheduled to begin in late 2013, pending the finalisation of land-vesting arrangements with the NSW Government. The Federal Government had already approved 153 NRAS incentives for the project along with a subsequent time extension to coincide with the new scheduled completion date in late 2016. The building was originally forecast for completion in late 2013.

The project to develop 160 dwellings in Seven Hills with Housing NSW will not be proceeding, as Housing NSW advised it had insufficient funds for the project. We had planned to develop the project jointly with Housing NSW and make a significant financial contribution to it. The Federal Government had awarded 160 NRAS incentives for the project, which we will reallocate to other projects where possible.

We also participated in the tender issued by Sydney Metropolitan Development Authority (now UrbanGrowth NSW) for the development of 70 affordable dwellings in North Eveleigh, an inner-city site in Sydney. Although a high-quality tender was submitted and we were one of the two shortlisted tenderers, the tender was awarded to City West Housing. The tender process demonstrated our ability to put together a consortium of project managers, builders, architects and secure a financier for a high-quality bid and demonstrates the type of projects we investigate to grow our portfolio.

## DELIVERING THE MAINTENANCE PROGRAM

### Planned maintenance

In 2012-13, our planned maintenance expenditure was \$1.46 million, compared to \$1.36 million in 2011-12. This was in line with the \$1.41 million budget. We completed planned maintenance at 197 properties, including common areas. During the year we did not undertake any common area works at the Balmain and South Coogee estates, as we did not have responsibility for these areas during the year.

During 2012-13, we began the next round of property inspections that form the basis of our long-term asset planning. We inspected 314 properties that we considered most likely to require planned maintenance. We will undertake a rolling program to finish the remaining properties during 2013-15.

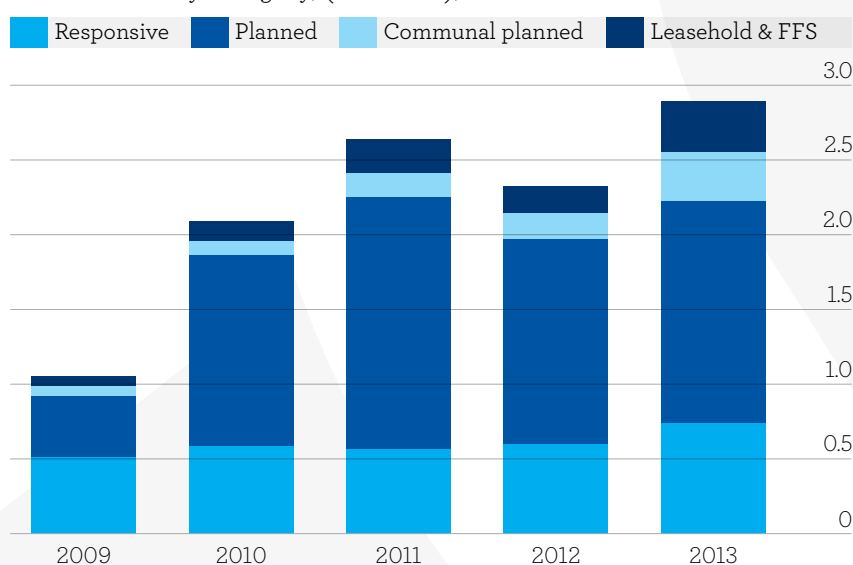
### Responsive and cyclical maintenance

Bridge Housing undertakes responsive day-to-day maintenance on our properties, such as fixing leaking taps, unblocking drains and dealing with a range of minor repairs. During 2012-13, we spent \$762,000 on responsive maintenance, compared to \$583,000 in 2011-12. The level of detail in the reports we can now generate from the new IT system significantly increased our ability to monitor performance, identify trends and report on responsive maintenance expenditure.



## Maintenance

Maintenance by category, (\$millions), 2009-13



During the year, we spent a further \$331,000 on cyclical maintenance, compared to \$179,000 in 2011-12. This includes grounds and cleaning maintenance for properties that have common areas. We also included a comprehensive fire safety inspection and upgrade program in the cyclical budget, which accounts for the significant increase from expenditure in 2011-12. These works included upgrading fire doors, replacing fire extinguishers and installing smoke detectors, as part of our ongoing Fire Compliance Program.

## TENANT SATISFACTION SURVEY

To coincide with the launch of the new IT system in February 2013, we also launched a comprehensive Tenant Satisfaction Survey for all repairs and planned maintenance works. We launched this survey as a response to the results from the Tenant Survey 2012, which reported an overall satisfaction

rate with maintenance services of 71 per cent, below the industry benchmark of 75 per cent.

When we receive a maintenance request, or proposed planned maintenance works, we post a confirmation of the work order to the tenant. This includes information about who will be attending to complete the work and the timeframe in which we will try and resolve the matter. We now attach a postage-paid survey to the letter the tenant can fill out and return to Bridge Housing. The survey seeks feedback on a range of issues, including on-time performance, quality of work and overall satisfaction with the repairs service.

The new IT system contains a purpose-built module for managing Tenant Satisfaction Surveys. The module enables real-time analysis of, and reporting on, supplier performance, timeliness and overall satisfaction. Our management team can then detect trends and identify opportunities or problems

in real time. The early results of the Tenant Satisfaction Survey, from its launch in March 2013 to June 2013, show that we issued 985 surveys and received back 127 surveys, a return rate of 13 per cent.

The surveys indicated that over 92 per cent of tenants were satisfied with the service they have been provided. Receiving feedback from tenants is vital if we are to improve our service delivery.

## THE ASSET TEAM'S 2012-13 OBJECTIVES INCLUDE:

- transfer 75 dwellings from Canterbury and Bankstown New Supply Program to Bridge Housing's management
- win one significant site from the Property Transfer Tender, subject to NSW Government proceeding with the program
- manage the Cowper St, Glebe, development to deliver 153 dwellings by 2016
- secure approval from the NSW Government to proceed with the redevelopment site identified through our portfolio review in 2012-13
- secure a site to develop a minimum of nine properties to meet our leveraging target of 75 properties over 10 years
- secure approval for our Asset Management Plan 2013-22
- deliver Asset Maintenance Plan 2013-14
- ensure Maintenance Satisfaction Survey indicates satisfaction levels of 75 per cent or more
- monitor contractors' response time and meet KPIs.



163-185 Parramatta Rd, Camperdown

## SPOTLIGHT 5: THE CAMPERDOWN DEVELOPMENT

### BACKGROUND

The development at 163–185 Parramatta Rd, Camperdown is a new five-storey building consisting of 27 one-bedroom dwellings along with 200 square metres of retail space located on the ground floor. The building was completed and ready for occupation in August 2012. It is innovative in design and function and creates a strong example of how to develop high-value inner-city sites. The site previously consisted of 12 dated workers' cottages.

The building is located on busy Parramatta Rd, a main arterial road leading into the city, which sees over 70,000 cars per day pass the building. The high volume of traffic has the potential to negatively impact the building acoustically and in terms of air quality. The building responds to both of these challenges through the clever use of technology and design.

### VENTILATION: THE BUILDING BREATHE

The building's location on Parramatta Rd made it difficult to provide adequate levels of ventilation while maintaining comfortable acoustic levels. A primarily passive solution was developed that uses buoyancy and thermal stack effects to ventilate the apartments. Air drawn into the apartments from a rear lane exits through a vent located above the balcony door that faces

Parramatta Rd, and leaves the building through the uniquely designed stacks on the roof. Each stack has a small fan to assist as conditions require; however, the system operates mostly without the fans as the negative pressure draws the air through the building. This means tenants can access fresh air without the need to open the balcony door.

### BUILDING FAÇADE AND NOISE

The building features extensive use of double-glazed windows and doors that provide well above the standard insulation values and provide a significant acoustic buffer to road noise. The significant acoustic treatment results in dwellings that are whisper quiet and provide a pleasant environment in which to live. The building is constructed of concrete, which provides excellent thermal mass and sound insulation also.

The façade of the building is clad in tiles that contain a titanium oxide surface that is not only self-cleaning and antibacterial but acts as a catalyst in the decomposition of carbon monoxide. With over 1,000 square metres of these tiles on the building façade, this equates to the approximate effect of having 70 medium to large trees on the site. The building plays a small role in reducing the carbon monoxide produced from Parramatta Rd.

Other notable features of the building include:

- an entire basement level with storage for each dwelling consisting of a lockable storage cage of around 10 cubic metres
- resident common room
- naturally ventilated corridors
- two lifts
- rooftop washing lines
- internal landscaping
- unique art wall fronting Parramatta Rd
- significant digital security system to provide monitoring and a safe environment for residents
- security card access for front door and lifts
- optimal solar access to the living areas of all 27 dwellings ensured by the long, narrow, north-facing site.

163–185 Parramatta Rd is a unique building for a unique location. It is a building that responds to its environment through innovative design and in doing so provides contemporary and comfortable housing for our tenants.

## FINANCE AND CORPORATE SERVICES REPORT

The Finance and Corporate Services Team provides strategic financial services to the business and provides support services across finance, information technology, human resources, work health and safety, and risk management, and plays a key role in helping us meet the critical success factors laid out in our Business Plan 2012-13.

This section of our Annual Report includes:

- highlights of 2012-13
- a review of 2012-13 performance against business plan objectives
- a summary of other key support areas, including Information Technology, Human Resources, Risk Management, Internal Audit, and Work, Health and Safety
- an outline of our 2013-14 objectives.

The 2012-13 Financial Summary section on page 66 reports on our 2012-13 financial position, including our Report Card 2009-13 and Financial Performance 2009-13.

### HIGHLIGHTS OF 2012-13

In 2012-13, the Finance and Corporate Services Team:

- implemented a new Management Information System
- implemented a new Performance Management and Development System
- implemented our new Risk Management Compliance System (Complispace)
- completed the second year of our Internal Audit Program
- developed a new Budgeting, Forecasting and Reporting System
- met most financial and operational KPIs.

### CRITICAL SUCCESS FACTORS

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















### BUSINESS PLAN 2012-13

The Finance Team played a key role in helping us meet the critical success factors laid out in our Business Plan 2012-13.



Pendy and Rowena from the Finance Team, and Collette from the Reception Team



MEASURE	HOW DID WE DO?
<b>Ensure business sustainability</b>	Key:  completed  in progress  not completed
Deliver an operating surplus of \$1 million	 Achieved an operational surplus of \$914,000, which strengthens Bridge Housing's balance sheet. Key financial ratios and other metrics were also generally within benchmark
Select and implement a new Information Management System	 Implemented a new integrated Information Management System, which went live on 1 February
Implement an Electronic Records Management System	 Deferred until 2013-14, due to the focus and change management required to implement the Information Management System
Implement digital technology to improve access and communication	 Launched a pilot program using iPads to replace paper-based inspection forms. A full rollout is planned for 2013-14
Fully implement Enterprise Risk Management and Compliance System to meet AS/NZS ISO 31000:2009	 Implemented Complispace and used it to monitor and manage risks and risk mitigation strategies and tasks
Complete year two of the Internal Audit Program	 Completed year two of the program, covering Asset Management, Housing and Tenancy Services and Payroll
Review Financial Management and Reporting System for good practice	 Developed a new Budgeting, Forecasting and Reporting System, improved our financial reporting and refined our 20-year Forecasting Model
<b>Develop our people</b>	
Complete the Bridge Housing Human Resource Improvement Strategy	 Completed the Human Resource Improvement Strategy, reflected in significantly improved staff engagement survey results
Implement a Performance Management and Development System	 All staff completed a Performance and Development Plan. Instigated monthly one-on-one meetings and ensured all staff completed their annual formal performance reviews
Develop a succession plan	 Not achieved, as we focused on recruiting a new General Manager, Finance and Corporate Services and a new General Manager, Housing and Community. Seamlessly integrated both positions into the business
Key leaders participate in leadership and team training	 Developed and implemented a detailed training calendar, which included leadership training. We are currently evaluating alternative suppliers, with training scheduled to begin in January 2014



## RISK MANAGEMENT PLAN 2012-13

During 2012-13 we completed the transition of our Risk Management Plan to comply with AS/NZS ISO 31000:2009. We implemented the plan through our new Enterprise Risk Management and Compliance System, Complispace.

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

- build organisational capacity to manage growth and change, while maintaining existing services by strengthening our internal workforce expertise in housing and community, finance, development and asset management
- manage increased exposure to financial risks by securing and servicing loans
- manage acquisition and development risks through our property development process
- operate in a dynamic and uncertain external policy environment for the community housing sector following the election of a new state government in March 2011
- manage the significant impact on operational costs, cash flow timing, the available investment funds and organisational reputation, caused by delays in vesting of NBESP properties and land at Cowper St, and the withdrawal of the Seven Hills redevelopment site
- integrate our identified risks and mitigation strategies into our business planning process.

Our Risk Management Plan will enable us to identify and record potential risks that may prevent us from meeting our objectives. It identifies high-level risk control strategies to avoid or mitigate the risk impact. Complispace enables us to manage risk control strategies by linking tasks to each risk. Each task is assigned a due date and is allocated to a responsible executive member of staff to manage. These management responsibilities may be delegated.

We developed the Risk Management Plan 2012-13 based on the Executive Management Team's review of our external and internal operating environments and the Risk Management Plan 2011-12 (including the Risk Register). We re-evaluated existing risks, introduced new risks in the Risk Register and re-rated other risks.

The Finance, Risk and Audit Committee reviewed the Risk Management Plan 2012-13 at its September meeting and the Board consequently approved it.

Bridge Housing's management is responsible for monitoring the identified risks. During the year, we monitored and reviewed risks at several levels, including:

- monitoring individual tasks monthly by exception at the Executive Management Meeting
- reporting high- and extreme-rated risks to the Board on a quarterly basis
- reviewing risks and risk ratings on an annual basis, as a part of our annual business planning process
- allocating a more frequent review date for some individual risks based on the nature of the associated risk.



Construction at Camperdown, managing delivery risk

## INTERNAL AUDIT PROGRAM

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

In 2012-13, RSM Bird Cameron undertook the second year of the program and reviewed:

- human resource management and payroll
- procurement
- property management
- tenancy management.

The review assessed and reported on:

### Human resource management and payroll

- succession planning within the organisation
- human resource policies and practices for recruitment, termination, training and education, and performance appraisals
- the Performance Management System and staff KPI links with organisational goals
- changes in payroll master data on appointment, and termination of employees
- monthly payroll calculation, reporting and accounting
- approval of payroll payment and accounting.

### Procurement

- supplier selection and procurement policy
- quotation analysis and approval procedures
- supplier contracts and agreements
- accounts payable, including purchase order issuing and approval, supplier invoicing, payment terms and approvals.

### Property management

- assessing the asset maintenance plan
- contractual arrangements with maintenance providers, utility companies, and insurance and other service providers
- managing service level agreements (SLAs) and monitoring KPIs
- reviewing the asset management plan for procurement, management and disposal of properties.

### Tenancy management

- reviewing annual inspection planning and execution
- assessing tenant needs and allocation of properties to tenants
- signing lease agreements and renewal management
- vacancy management.

The review did not rate any matters as a 'very high' risk, although succession planning was rated as 'high risk'. We have commented on this in our Business Plan performance summary and will address it in the Business Plan 2013-14.

The review rated four additional matters as 'medium risk'. RSM Bird Cameron and Bridge Housing have agreed on a course of action for each of these findings, and will review the remediation of the risk as part of our Internal Audit Program 2013-14.

## INFORMATION MANAGEMENT SYSTEM

In August 2011, Bridge Housing began procuring an Information Management System (IMS) to replace our existing Tenant Management System. Following a comprehensive tender process, we signed a contract with SDM Housing Software in March 2012. SDM Housing Software is a UK-based company established in 1975, and has been a dedicated housing software provider since 1987. We put in place a very structured implementation and change management process to ensure that there was 'buy in' throughout the organisation. This led to an effective execution and the ability to effectively manage and solve the problems that invariably occur with IT implementation.

The IMS went live on 1 February 2013. The integrated tenancy, asset and financial management system has provided:

- an effective business management and reporting system that supports growth
- greater transparency of our performance
- new operational efficiencies
- improved information controls and data validation.

## HUMAN RESOURCES

Our ability to deliver quality services is based on the skills, capacity and passion of our staff. Bridge Housing placed considerable focus on developing people and culture policies in 2012-13, to ensure we had the systems and processes in place to recruit, retain and develop our staff.

We implemented clearer and more consistent HR policies, new organisational values to shape culture and behaviour, competency-based position descriptions, and a new salary, remuneration and benefits system, to place Bridge Housing as a leader in the community housing sector. The significant improvement in staff engagement recorded in our Employee Opinion Survey 2012 demonstrates the outcomes of these initiatives.

We continued to build on our HR work from previous years by implementing a new Performance Management and Development System and a company-wide training calendar. We detail these and other HR initiatives in the 'Our people' section.

## WORK HEALTH AND SAFETY

Bridge Housing continued its strong commitment to providing a safe workplace for its employees in 2012-13.

During the year, the Work Health and Safety Committee and management executed the 2012-13 Work Health and Safety Management Plan. We maintained an excellent work, health and safety record with no recorded incidents or lost work hours.

The Work Health and Safety Committee comprises two employees and two management representatives: the CEO and General Manager, Finance and Corporate Services. Staff elect the employee representatives, who act as the designated Health and Safety Representatives as required by legislation. The Committee met three times in 2012-13 and undertook three workplace inspections.

To ensure that our work, health and safety practices and policies remain current and robust, in 2013-14 we will commission an independent review of key policies and our management framework. We will also engage Courtnells to undertake further work health and safety training for our staff and directors.

## THE FINANCE AND CORPORATE SERVICES TEAM'S 2013-14 OBJECTIVES INCLUDE:

- achieve an operating net surplus (earnings after interest plus add-back depreciation) of \$750,000, to meet short- and long-term goals and objectives outlined in the Business Plan 2013-14
- build on the IMS to drive business efficiency and process improvement
- investigate competitive finance to deliver the NBESP-leveraged affordable housing requirements
- improve our budgeting, forecasting and reporting systems and processes
- enhance our risk management systems and processes, and implement a Business Continuity Plan
- build on the Human Resource Improvement Strategy, including extending the Learning and Development Program to include leadership education, and developing a robust Induction Program
- complete year three of the three-year Internal Audit Program
- increase our equity position through the Department of Finance and Services vesting a further 79 NBESP properties, with an additional estimated \$20.8 million increase in equity (bringing total equity to \$76.3 million).





Valerie, Northmead

## 2012-13 FINANCIAL SUMMARY

### FINANCIAL POSITION

Bridge Housing recorded a surplus before depreciation (operating surplus) of \$0.91 million in 2012-13, compared to \$2.4 million in 2011-12. The surplus for the year after depreciation (net profit) was \$0.14 million. This result was in line with the budget and reflected the depreciation charge resulting from the vesting of assets from the NBESP. It should also be noted that the 2011-12 result included a one-off grant of \$1.3 million from the Department of Ageing, Disability and Home Care to develop a property for severely disabled children (as reported in our 2011-12 Annual Report). It should also be noted that the 2011-12 result included a one-off grant of \$1.3 million from the Department of Ageing, Disability and Home Care for the completion of a property for severely disabled children (as reported in our 2011-12 Annual Report).

Revenue increased by \$0.6 million in 2012-13. On a like-for-like basis, ignoring the one-off grant, this equates to an increase of \$1.9 million. This was due to increased rental income collected from six-month rent reviews, an increase in the number of leasehold properties, and the leasehold rental subsidy received after increasing rental payment expense on our leasehold portfolio. A breakdown of revenue is shown in the Revenue Graph 2009-13 on page 67.

Expenses increased by \$2.9 million in 2012-13. Half of this was as a result of higher rental payments on our leasehold portfolio. We also spent more on repairs and

maintenance inline with our strategic management budgets, and experienced higher staff costs.

We appointed new positions to drive business growth and back-filled roles for the system implementation project. A breakdown of expenses is shown in the Expense Graph 2009-13 on page 67.

Bridge Housing's equity (net assets) have increased from \$55.9 million to \$57.6 million for the 2013 financial year as shown in the graph on page 69. The movements are as follows:

- cash increased by \$0.1 million, from \$10.6 million in 2011-12 to \$10.7 million
- debtors increased by \$0.06 million, from \$3.2 million in 2011-12 to \$3.3 million
- non-current assets increased by \$1.2 million, from \$46.1 million in 2011-12 to \$47.3 million, due to the investment in the information management system and the property revaluation value
- liabilities decreased by \$0.2 million, from \$4.0 million in 2011-12 to \$3.8 million, due to the delivery of Platform 70, and the Crisis Accommodation Upgrade Program, for which we received funding at the commencement of both programs. Bridge Housing also received \$0.3 million in funding for South Coogee and Balmain project work at the end of the 2013 financial year. This project work will begin in the 2014 financial year.

### Economic dependency note

Bridge Housing is reliant on government subsidies, grants and resources, and income generated from our tenants' rent. We do not rely on donations to fund our operations. Our major sources of revenue are identified in the Revenue Graph on page 67.

### OUR REPORT CARD 2009-13

Our Report Card on page 68 provides a five-year trend of Bridge Housing's key financial and operational ratios, and KPIs to 30 June 2013. The trend analysis shows that we performed well against our financial and non-financial KPIs. The only significant variation is in staff costs as a proportion of income, due to the reasons noted above.

### FINANCIAL PERFORMANCE 2009-13

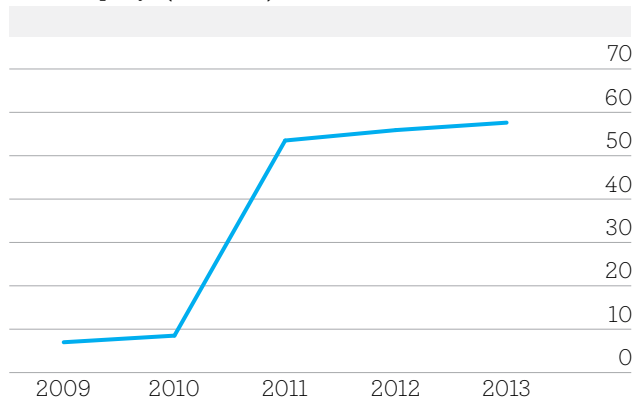
A five-year comparative analysis of our financial performance, including our 2012-13 results, is available on page 70.

This is an extract from our audited Financial Report 2013, which is available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au) or by contacting the Bridge Housing office on 02 9699 6055 or [reception@bridgehousing.org.au](mailto:reception@bridgehousing.org.au).

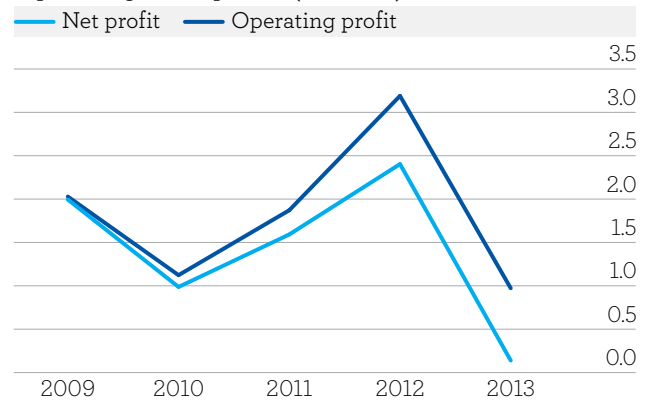


**Equity**

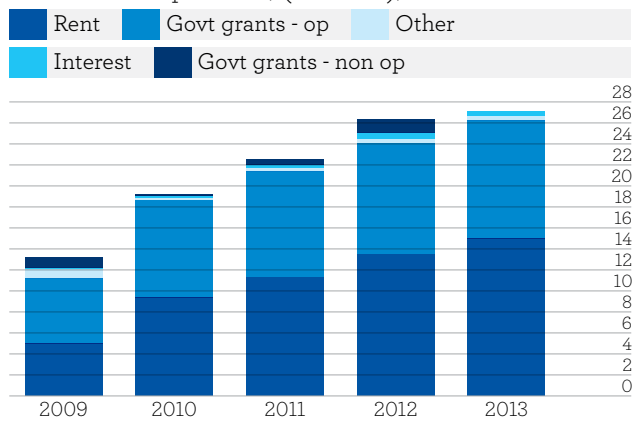
Total equity, (millions), 2009-13

**Surplus**

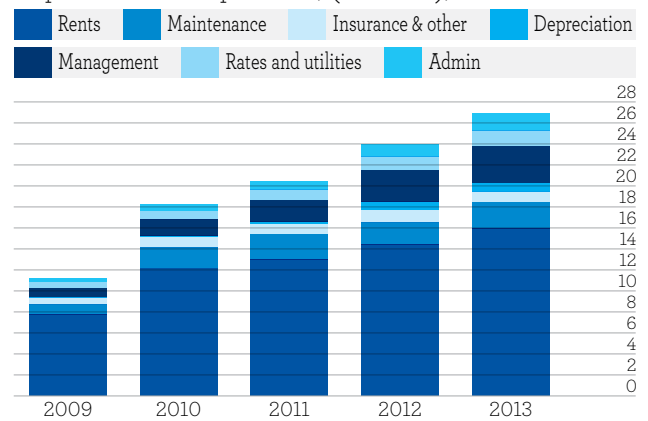
Operating &amp; net profit, (millions), 2009-13

**Revenue**

Revenue composition, (millions), 2009-13

**Expenditure**

Expenditure composition, (millions), 2009-13



## OUR REPORT CARD 2009-13

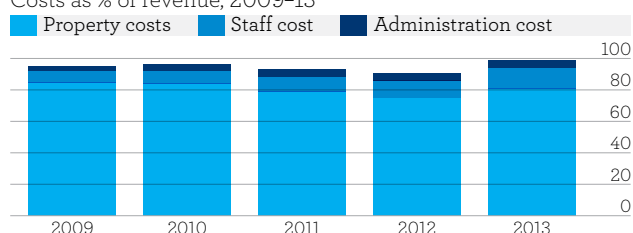
KEY PERFORMANCE INDICATORS	2009	2010	2011	2012	2013
<b>Tenant Satisfaction</b>					
Overall satisfaction with the organisation (%)	96	N/A	88	86	85
<b>Service Development</b>					
Total housing properties	1,144	1,280	1,474	1,552	1,628
<b>Finance Management</b>					
Staff costs as % of total revenue (%)	6	8	9	11	13
Property costs as % of total revenue (%)	76	83	79	72	77
Administration costs as % of total revenue (%)	3	3	4	5	6
Profitability Ratio – EBITDA/Operating Revenue (%)	8	4	7	5	2
Liquidity Ratio – Current Assets/Current Liabilities	9	3	3	3	4
Cash Flow Ratio – Operating Cash Inflows/Operating Cash Outflows	1.2	1.1	1.2	1.1	1.0
Interest Cover Ratio – EBITDA/Interest Expense	62	24	52	67	0
Return On Assets – EBITDA/Assets (%)	11	6	3	2	1
Cash at end of year (\$m)	4.6	7.7	11.4	10.6	10.7
Net profit (\$m)	2.0	1.0	1.6	2.4	0.1
Reserve for future planned maintenance (\$m)	2.2	2.2	2.2	2.2	0.0
Retained profit (\$m)	3.0	4.0	49.0*	52.0*	56.0*
• Includes NBESP fair value of \$43.4m					
<b>Housing Management</b>					
Arrears (%) (BM 4%)	1.3	1.4	1.8	1.6	2.3
Market rent loss via void (%) (BM 1%)	0.6	0.7	1.2	1.2	0.6
Market rent loss via vacancy (%) (BM 1%)	1.3	0.7	1.4	1.2	0.7
Void days (BM 28 days)	17	24	35	28	21
Vacant days (BM 14 days )	17	11	15	17	18
Number of tenants exiting the service because of Possession Order enforcement	10	8	6	5	23
<b>Human Resources</b>					
Ratio of staff to lettable properties	1:70	1:57	1:49	1:46	1:41
Number of full-time equivalent staff	16	22	30	34	40

## KEY FINANCIAL VIABILITY MEASURES

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

### Cost structure

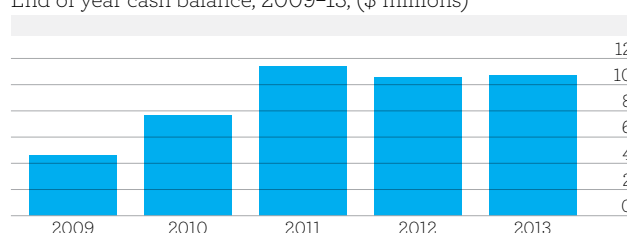
Costs as % of revenue, 2009-13



Our staff costs as a percentage of revenue has increased due to the growth in staff numbers, the recruitment of new management staff. Property costs have also increased as a result of higher rental payments on our leasehold portfolio and repairs and maintenance in line with the Asset Management Plan.

### Cash balance

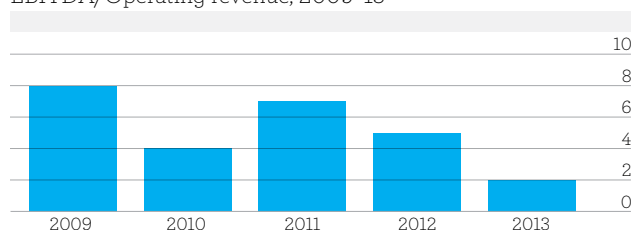
End of year cash balance, 2009-13, (\$ millions)



Our year-end cash balance at 30 June 2013 was \$10.7 million. This is \$0.1 million more than the previous year. Bridge Housing has a very strong cash position to deliver sustainable communities through the provision of affordable housing to low- to moderate-income earners.

### Profitability ratio

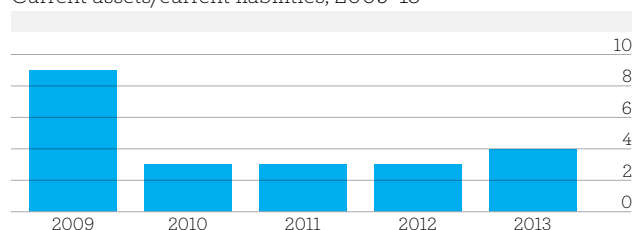
EBITDA/Operating revenue, 2009-13



This ratio measures EBITDA as a percentage of operating revenue. The decrease in profitability ratio this year compared to the previous financial year is primarily due to the increase in staffing costs and repairs and maintenance.

### Liquidity ratio

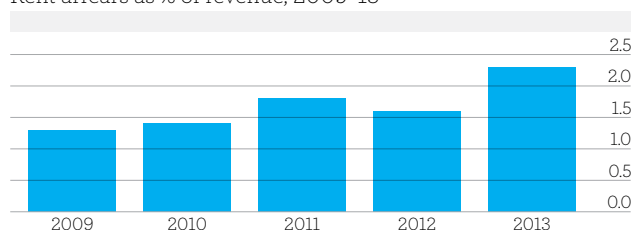
Current assets/current liabilities, 2009-13



The working capital (liquidity) ratio measures Bridge Housing's ability to repay its short-term debt using short-term assets. The liquidity ratio at 30 June 2013 was 4, which indicates that Bridge Housing has a strong capacity to meet its short-term financial commitments.

### Arrears

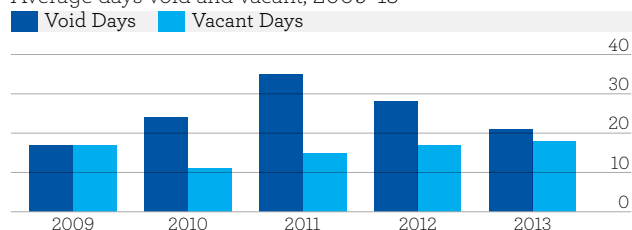
Rent arrears as % of revenue, 2009-13



This ratio measures our rental arrears as a percentage of operating revenue, which is still well below industry benchmarks, at 4 per cent.

### Voids and vacants

Average days void and vacant, 2009-13



Average void days measure the number of days on average that our properties are unavailable for letting due to maintenance work requirements. Average vacancy days refer to the average number of days a property is vacant once it is available for letting. Void days have improved significantly, however vacancy days have increased from last year.

## OUR FINANCIAL PERFORMANCE 2009-13

Five-Year Financial Results At A Glance (A\$)		2009	2010	2011	2012	2013
How much we...	Where does all the money come from?					
<b>Revenue</b>						
...Charged tenants for living in the properties	Rents	4,976,248	9,364,960	11,313,833	13,519,812	14,954,147
...Received from government	Non-operating Grants such as SEPP 10, Capital Grants	973,413	190,866	54,555	1,321,257	0
...Received from government	Operating Grants received	6,230,898	9,331,129	10,072,866	10,575,153	11,284,215
...Received from investment of surplus funds	Interest	130,214	240,071	328,293	649,452	384,049
...Received from other activities	Fees for service, water usage, tenant reimbursement	876,896	132,626	315,062	352,487	425,900
...Received from government	Other contribution – properties vested			43,400,000		
<b>Total Revenue (Excluding Other Contribution)</b>		<b>13,187,669</b>	<b>19,259,652</b>	<b>22,084,609</b>	<b>26,418,162</b>	<b>27,048,311</b>
<b>Expenditure</b>	<b>Where does all the money go?</b>					
...Spent renting properties	Rents paid	-7,731,288	-12,162,616	-13,011,627	-14,401,092	-15,919,794
...Spent on property rates & utilities	Rates and utilities	-562,610	-804,930	-1,017,297	-1,306,753	-1,481,775
...Spent on maintaining the properties	Maintenance	-985,221	-1,955,814	-2,409,567	-2,144,408	-2,551,892
...Spent on other property expenses	Insurance & other property expenses	-678,586	-1,028,997	-934,324	-1,177,210	-979,577
...Allocated on other property expenses	Depreciation	-34,227	-135,881	-279,203	-787,394	-833,298
...Spent on administration expenses	Administration and overhead expenses	-351,812	-651,641	-816,505	-1,214,522	-1,629,384
...Spent on salary and related costs	Management expenses	-848,944	-1,532,390	-2,023,830	-2,983,252	-3,513,457
<b>Total Expenditure</b>		<b>-11,192,688</b>	<b>-18,272,269</b>	<b>-20,492,353</b>	<b>-24,014,631</b>	<b>-26,909,177</b>

Five-Year Financial Results At A Glance (A\$)		2009	2010	2011	2012	2013
How much we...	Where does all the money come from?					
...Have kept to help with future activity	Surplus for the year	1,994,981	987,383	1,592,255	2,403,531	139,134
...Have retained of previous years' surpluses	Retained profits brought forward	4,994,617	7,524,001	51,911,385	53,503,639	57,484,194
...Have transferred to Reserve for PMP	Transfer to Planned maintenance reserve	-2,232,856	-2,232,856	-2,232,856	-2,232,856	0
...Have transferred to Reserve for property revaluations	Transfer to Assets revaluation reserve	0	0	0	0	-1,577,024
...Have transferred to Reserve for property development	Transfer to property development reserve	-1,870,002	-2,060,867	-2,098,422	-2,119,678	0
...Have retained to help with future activity	Retained profits carried forward	2,886,740	4,217,661	49,172,362	51,554,636	56,046,304
<b>Balance Sheet</b>						
...Were owed by our tenants and others	Debtors	1,803,010	2,136,779	2,662,687	3,226,468	3,300,514
...Had in the bank	Cash assets	4,619,417	7,746,993	11,436,818	10,609,766	10,733,902
...Had paid for property, furniture and equipment	Property, plant and equipment	1,896,695	2,175,745	45,393,630	46,105,774	47,377,159
...Owed to members and others	Liabilities	-1,329,523	-3,548,133	-5,989,494	-4,034,839	-3,788,247
<b>Net Assets</b>		<b>6,989,599</b>	<b>8,511,384</b>	<b>53,503,641</b>	<b>55,907,169</b>	<b>57,623,328</b>
...Have retained to provide for Planned Maintenance Program	Reserve	2,232,856	2,232,856	2,232,856	2,232,856	0
...Have retained to provide for assets	Assets Revaluation Reserve	0	0	0	0	1,577,024
...Have retained to provide for future property development	Other Reserve	1,870,002	2,060,867	2,098,422	2,119,678	0
...Have retained for future activities	Retained profits	2,886,740	4,217,661	49,172,362	51,554,636	56,046,304
<b>Total Equity</b>		<b>6,989,598</b>	<b>8,511,384</b>	<b>53,503,640</b>	<b>55,907,170</b>	<b>57,623,328</b>

This is an extract from our audited Financial Report which is available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au) or by contacting the Bridge Housing on 9566 6055 or [reception@bridgehousing.org.au](mailto:reception@bridgehousing.org.au).



## 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 experience, skills and capabilities across our business areas, our employees ensure we provide high-quality services to our applicants. This enables Bridge Housing to strive for greater success.

### STAFF PROFILE

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

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

While our staff numbers remained the same as 2011-12, we welcomed two new general managers and replaced project-based roles with permanent positions to help achieve the goals in our Strategic Plan 2012-15.

During the year, we appointed:

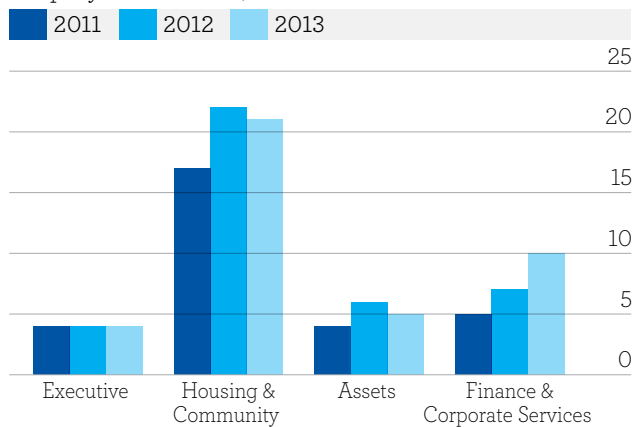
- two new general managers to replace the outgoing General Manager, Finance and Corporate Services, in October 2012, and the General Manager, Housing and Community, in June 2012
- a Development Manager, to increase our ability to identify acquisition and development projects, and meet our NBESP leverage targets
- a Sustainable Communities Manager, to develop our Community Building and Engagement Strategy.



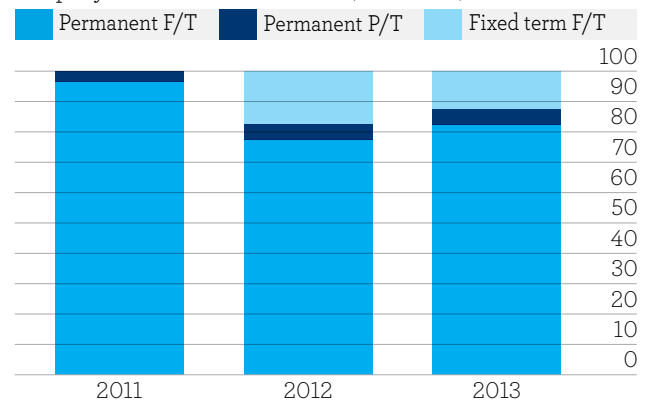
Rebecca and Sarah discussing records management

**Departments**

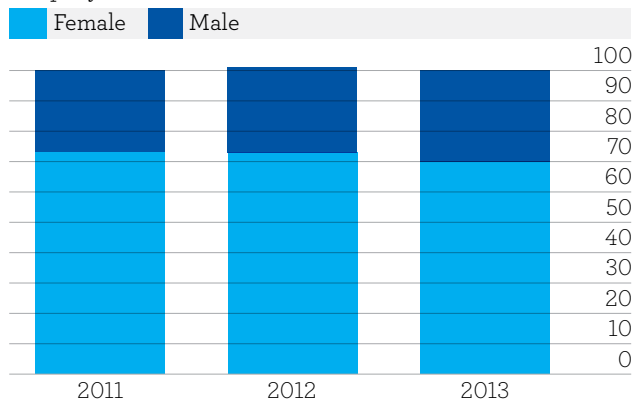
Employee numbers, 2011-13

**Employment status**

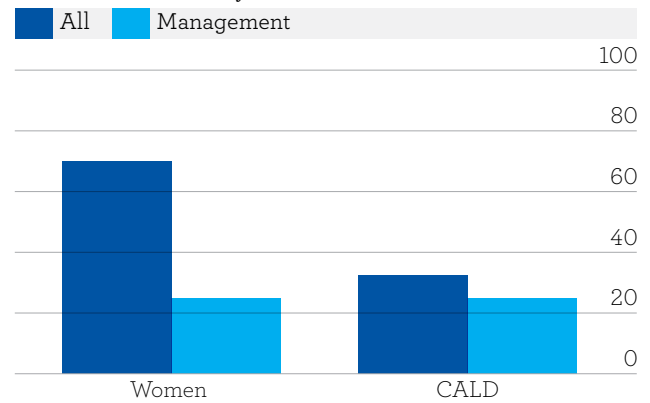
Employee contractual status, 2011-13, %

**Gender**

Employees, 2011-13, %

**Diversity**

Workforce diversity, 2013, %



## HUMAN RESOURCE IMPROVEMENT STRATEGY

Bridge Housing developed and implemented a Human Resource Improvement Strategy in 2011-12. The plan included:

- conducting an HR Audit
- introducing electronic personnel record keeping
- reviewing, developing and implementing HR policy
- creating Corporate Values
- commissioning our first Employee Opinion Survey
- developing a Capability Framework and outcome-driven position descriptions
- developing and implementing a remuneration policy and salary review program, involving benchmarking remuneration and reclassifying award-based positions
- reviewing employee benefits and developing an enhanced Total Rewards Program
- developing an end-to-end employee recruitment and selection process.

We have continued to build on the plan in 2012-13. During the year we developed and implemented a new Performance Management and Development System, Learning and Development Framework, and a performance improvement process. We also began work on a Rewards and Recognition Program, a more robust Induction Program and an improved separation process. These will be delivered in 2013-14.

## EMPLOYEE OPINION SURVEY

Bridge Housing contracted Voice Project in September 2011 to undertake its first Employee Opinion Survey (EOS). The company has conducted over 600

projects with more than 230 clients, and benchmarked Bridge Housing's performance against the Health and Community Services sector and other not-for-profit sectors.

This survey established a baseline for future EOSs, so that we can measure the impact of our Human Resource Improvement Strategy, compare our performance with the broader community and the healthcare sector (there are no current benchmarks for community housing providers, although these will be available in 2013-14), and measure our employee engagement.

We conducted our second EOS in September 2012. We received a 100 per cent response rate and achieved an employee engagement level of 72 per cent, up from 64 per cent in 2011 and equal to the Health and Community Services sector benchmark. These results are shown in the Employee Engagement graph on page 75. Engagement levels are a critical indicator, as they measure employees' commitment to the organisation, job satisfaction and intention to stay. Our result reflects the work completed as part of our Human Resource Improvement Strategy in 2012-13.

Drilling down further into the results shows that we scored above 80 per cent, and equal to or above industry benchmarks, in the key business drivers of mission, direction, trust in leadership and management skills.

We scored lower on the survey in the areas of technology, facilities and policies. We expected these results and had identified the areas as key implementation objectives in our Business Plan 2012-13. Our initiatives included implementing a new Information Management System, trialling new technology and conducting a comprehensive review of existing housing policy and procedures.

We are undertaking our third EOS in 2013-14 and will begin benchmarking with other community housing providers for the first time.

## STAFF TURNOVER

In 2012-13, staff turnover was 20 per cent, compared to the NSW community housing sector average of 18 per cent<sup>21</sup> and represents a decrease from our 33 per cent turnover in 2011-12. This result reflects the implementation of our Human Resource Improvement Strategy and highlights the increased stability of our workforce.

We also undertake a comprehensive exit interview when a staff member leaves. In 2012-13, our review of the interview results indicated that the main reason cited by staff members who left during the year was personal issues, which were generally out of our control.

We believe that a certain level of staff turnover is healthy, as new employees bring fresh ideas into the organisation. However, we expect that our staff turnover rate will continue to decrease in 2013-14.

## PERFORMANCE MANAGEMENT

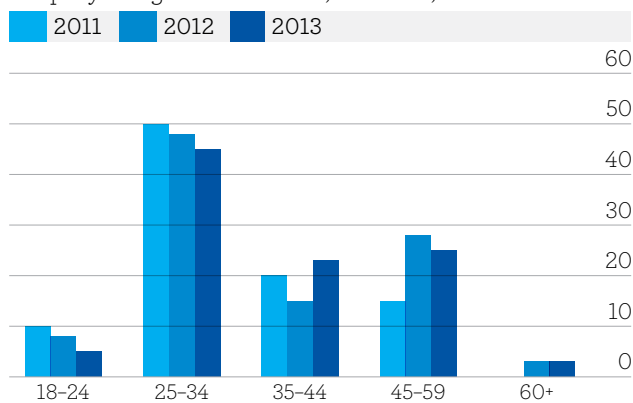
In 2012-13, Bridge Housing implemented a new organisation-wide Performance Management and Development System, which included an annual Performance Management Process (PMP). The process comprises ongoing performance and development planning, and monitoring and reviewing of staff performance.

The PMP enables us to more closely align our culture and behaviour with our Corporate Values, by linking individual and Strategic Plan and Business Plan KPIs. Part of any salary increase is now based on meeting these KPIs.

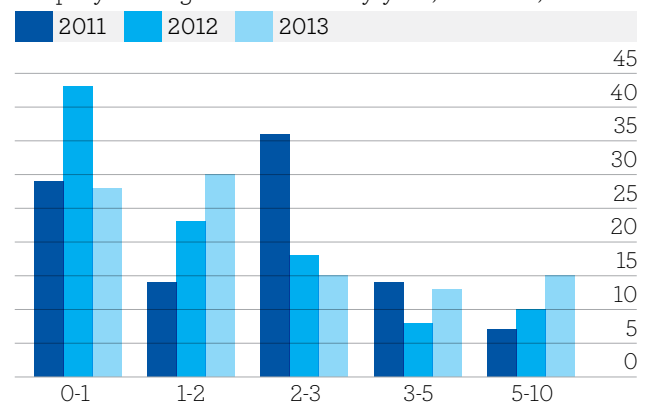
21 Workforce Survey 2012, The NSW Federation of Housing Associations.

**Employee age**

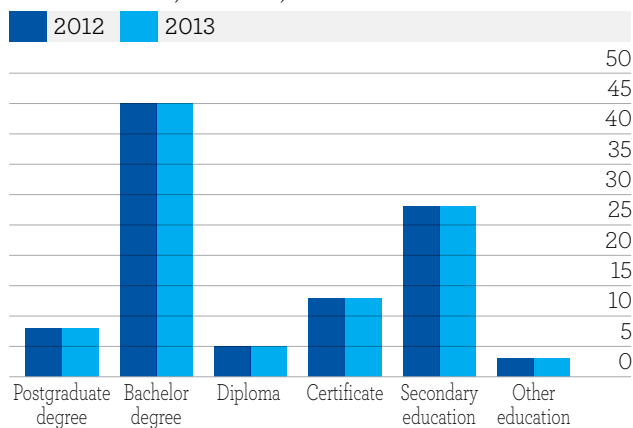
Employee age distribution, 2011-13, %

**Tenure**

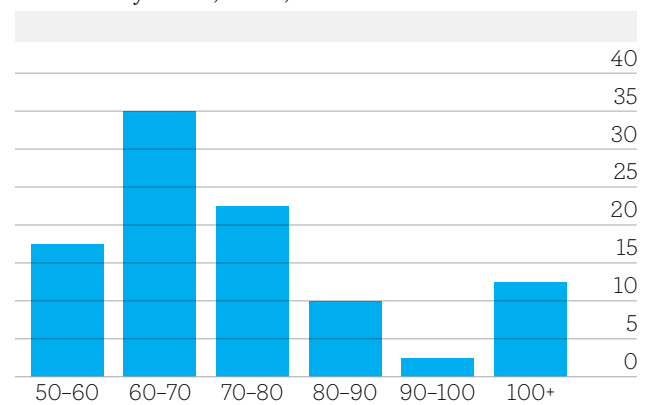
Employee length of service by year, 2011-13, %

**Education**

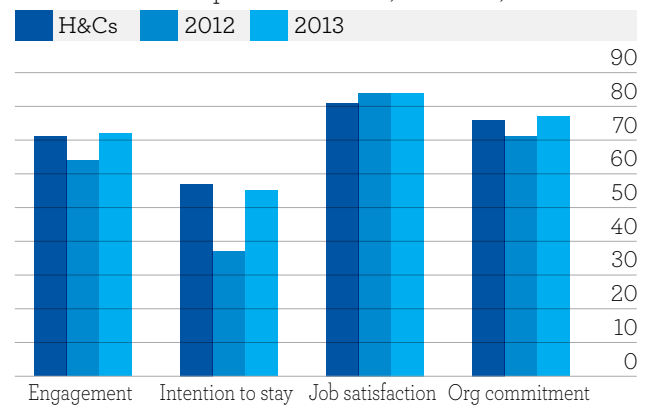
Level reached, 2011-13, %

**Salary band**

Staff salary band, 2013, %

**Employee engagement**

EOS results compared to sector, 2012-13, %



## LEARNING AND DEVELOPMENT

Bridge Housing introduced a new Learning and Development Policy in 2012-13, including new 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 will help us build our staff and organisational capacity, assist in staff retention and address employee concerns about career opportunities revealed in the Employee Survey 2011-12.

We allocated a Learning and Development budget of \$78,000 for 2012-13, which included a \$1,000 training allowance per employee.

We also provided opportunities for career development during the year, including opportunities to work on higher-level duties and secondments, be part of project teams and receive executive mentoring. We implemented a detailed training calendar that built on the outcomes of individual development plans and identified the training required for staff to help us meet our Strategic and Business Plan objectives.

## PERSONAL DEVELOPMENT

**During 2012-13, staff attended the following training courses and events:**

Executive	Australian Institute of Company Directors, The Board and the CEO, Harvard Not for Profit Leadership Program
Housing and Community	Australian Housing Institute – People and Places Master Class  Centre for Training – Applications and Allocations, Child Protection, Complex Needs and Face-to-face Delivery, Represent the Organisation in a Court or Tribunal, Undertake Property Inspection, Working on Estates
Assets	Asbestos Awareness, Asset Managers Network
Finance	CPE Not for Profit (e-learning module), Social Finance Forum, Complispace, Employing Foreign Workers, Fraud Awareness
Cross Organisation	Performance Management Workshop, Strengthening Workplace Communication, Time to Get Yourself Organised, First Aid Certificate, Health & Safety Representative, Fire Warden
Conferences	National Housing Conference October 2012, NSW Community Housing Conference March 2013

Executive and team leaders also attend industry forums, including the NSW Federations CEOs Network; Middle Managers Group and Asset Managers and Community Development Network; PowerHousing Australia CFOs Forum; and Operational Managers Network.



## HEALTH AND WELLBEING

Bridge Housing continued to build and extend its annual Health and Wellbeing Program to staff during 2012-13.

The program helps:

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

We consulted and surveyed staff at the beginning of the year to ensure the program continued to meet their needs and achieve its objectives. We launched the 2012-13 program at our Annual Benefits Expo in April 2013, as part of our Health and Wellbeing Program and Total Reward Program.

We added the following programs to our Health and Wellbeing calendar during the year:

- individual health consultations
- nutrition and healthy eating sessions
- flu shots and Hep B immunisation
- corporate gym memberships.

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

- a shorter, 35-hour working week
- flexi-time (start any time before 9.30am, finish any time after 4.30pm), which the majority of staff take advantage of
- flexible working arrangements such as part-time hours and leave without pay, which four staff use.

## EQUITY AND DIVERSITY

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

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

In the first instance, we will focus on ensuring that we meet the principles of gender diversity, and seek 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 of those strategies and programs.

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

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

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

Women make up 72.5 per cent of our employees, consistent with the gender balance in the Health and Community Services sector. We met or exceeded our target with 60 per cent of middle management being women. However, only one of the three general manager positions is held by a woman. We will establish a Diversity Committee, chaired by the CEO, to develop and drive the policy. We have also joined the Diversity Council of Australia.

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

## SPOTLIGHT 6: DIPIKA'S STORY

AS PART OF OUR COMMITMENT TO SUPPORT OUR TENANTS TO MEET THEIR GOALS, WE PROVIDE WORK EXPERIENCE OPPORTUNITIES FOR SOCIAL HOUSING TENANTS. IN 2012-13, WE WERE FORTUNATE TO HAVE TENANT DIPIKA BHATT UNDERTAKE A PLACEMENT WITH US AS PART OF HER TAFE COURSE 'WORK OPPORTUNITIES FOR WOMEN'

**Dipika has shared her story about her placement with us.**



Dipika

"When I was doing an outreach course with TAFE, as a part of my course I was required to do work experience. Since I am a tenant of Bridge Housing, I decided to ask Bridge Housing about my work experience with a hope that I would be accepted. Gladly, I was.

My experience with Bridge Housing was great and unforgettable. On my first day I was nervous but in no time all the staff members made me feel very comfortable. I felt at home so quickly.

I learnt different things with different officers at Bridge Housing. It all contributed to my course, especially learning about the new computer system.

All the staff members were very friendly, supportive, kind and caring. If I ever have to do any work experience again, I would choose Bridge Housing over other agencies.

I would also like to mention that on my own, I don't have capacity to rent accommodation in the private market, so without Bridge Housing's help I would be homeless. I have a roof over my head because of Bridge Housing. I can now study.

In a time of crisis in my life, Bridge Housing has shown sympathy and a real, deep understanding of my situation. Bridge Housing staff are sensitive and understanding, which is important for their tenants. I will always be thankful to Bridge Housing for the support and assistance they have provided to me."

## BRIDGE HOUSING IN THE COMMUNITY

### 2013 CITY2SURF

In August 2012 and for the third year running, 20 Bridge Housing staff – under the banner of the Bridge Housing Harriers – entered City2Surfs the annual 14-kilometre fun run from Hyde Park to Bondi Beach, Sydney, to raise funds for sister not-for-profit organisations. Bridge Housing raised a total of \$2,847 for the Redfern Foundation, which supports three local community organisations that are operated primarily by and for Aboriginal people: Mudgin-Gal, Babana Men's Group and the Tribal Warrior Association. This year our fund raising went to Mudgin-Gal (meaning 'Women's Place'), which offers support for women, girls and their young families through drop-in; in-home family support; legal, medical and accommodation referral; and educational and vocational support programs. Mudgin-Gal's 'Black Out Violence' campaign is acknowledged as a best practice model for addressing family violence in urban Aboriginal communities.

### 2013 VINNIES CEO SLEEPOUT

On 20 June 2013, Bridge Housing CEO John Nicolades joined more than 1,000 business leaders across Australia and slept out to raise awareness of homelessness. The event, organised by St Vincent de Paul Society, was held in Eveleigh's Carriageworks and was attended by 330 NSW CEOs from the private, government, and not-for-profit sectors.

John raised almost \$7,000 of the \$2 million in total raised in NSW. The event raised more than \$5.6 million nationally.

### CANCER COUNCIL MORNING TEA

Housing Manager, Anya Favot, has arranged Bridge Housing's participation in the national Cancer Council Morning Tea fundraiser every year since 2008. In 2012-13, Bridge Housing staff raised \$1,200 to help fund the work undertaken by the Cancer Council.



2013 Vinnies CEO Sleepout

## 2013 CITY OF SYDNEY STREET COUNT

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

Given the work Bridge Housing does in resolving chronic homelessness, Bridge Housing staff volunteered for the fourth consecutive time in the early hours of the morning on 26 February 2013 to help the City of Sydney collect the data it needs. It was Bridge Housing's biggest turnout, with eight staff members attending. Bridge Housing remains committed to this important task and will be volunteering again in February 2014.

## SERVICES TO OUR INDUSTRY

### Membership

Bridge Housing plays an active role in the community housing industry through our membership of industry organisations and presentations at conferences.

Bridge Housing is a member of the NSW Federation of Housing Associations, Power Housing Australia, The Committee of Sydney.

CEO John Nicolades is Deputy President of the NSW Federation of Housing Associations.

### Presentations

Bridge Housing presents on a range of topics at key industry conferences and seminars.

## BRIDGE HOUSING PRESENTATIONS

Title	Presenter	Date	Conference/Seminar
Key issues facing the sector	John Nicolades	November 2012	Westpac's Social and Affordable Housing Forum Agenda
Plenary panel discussion on the future of community housing	John Nicolades	March 2013	NSW Community Housing Conference
Practice of being a director	Vicki Allen	March 2013	NSW Community Housing Conference
Challenges and success of adopting a housing-first model in Australia	Christina Hough	March 2013	NSW Community Housing Conference
Developing relationships with financial institutions for win:win outcomes.	John Nicolades	April 2013	Australasian Housing Institute's Professional Practice Seminar: Asset Management
The importance of strategic planned maintenance	Hugh Phemister	April 2013	Australasian Housing Institute's Professional Practice Seminar: Asset Management

## GOVERNANCE PRINCIPLES

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

## 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.

### Role of the Board

The Board's primary responsibilities include:

- establishing long-term goals and approving strategic plans to achieve those goals
- ensuring the appropriate separation of powers and balance of responsibilities between the Board and management
- selecting and retaining the Chief Executive Officer, setting the conditions of service and monitoring performance
- reviewing and approving annual budgets, monitoring management and financial performance, and ensuring that the organisation has the skills, resources and support it needs
- identifying significant business risks and ensuring effective strategies are in place to manage these risks
- ensuring that there are adequate systems of internal control, together with appropriate monitoring of compliance activities
- reviewing and approving 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 and Nominations Committee – to help it consider and make decisions about operational matters. From time to time, it may establish time-limited subcommittees.

### How do we do this?

Bridge Housing Limited Board of Directors undertook an annual governance appraisal in December 2012. The confidential survey was internally conducted and managed by our Chairman, unlike the previous financial year where an independent survey was conducted by the Walton Group. This is in accordance with our Board review cycle, where annual governance performance appraisal will alternate between independent reviews and internally conducted reviews.

This year's survey results built upon the previous year's survey and identified a large number of areas of strength of our governance and highlighted some areas for improvement.

Areas for improvement included a request by directors to manage the Board agenda to ensure sufficient time is devoted to strategic topics of discussion and the need to develop a succession plan for directors. Activities are already underway to address the areas highlighted for improvement.

We have improved reporting on our Strategic Plan 2012-15, which is evident in this Annual Report.



The Board also undertook a review of our Governance Principles, which we formulated in 2009. The review aimed to ensure our Governance Principles remained consistent with the *ASX Corporate Governance Principles and Recommendations*, amended in 2010. The major change is the adoption of a Diversity Policy in December 2012.

During 2012–13, the Australian Institute of Company Directors released the *Good Governance Principles and Guidance for Not-for-Profit Organisations*. The ACNC also released its governance principles, *Governance for Good*, which establish the minimum standards expected from voluntary Board members. We will review both publications in 2013–14 to enhance our Governance Principles.

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 Australian Institute of Company Directors' Company Directors Course within the first year of directorship. Allan Revell, who was appointed director in November 2012, undertook the Australian Institute of Company Directors course during the year.

## 2. STRUCTURE THE BOARD TO ADD VALUE

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

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

### How do we do this?

We undertake skills assessments of the Board to identify skills gaps or areas where existing Board skills can be enhanced to support our Strategic Plan and Business Plan objectives. We also advertise to get the best qualified director for the position. The skills, experience and expertise of directors and executives are available at [www.bridgehousing.org.au](http://www.bridgehousing.org.au).

The Bridge Housing Board approved and introduced the Bridge Housing Board Charter and Director Induction Program in 2011–12, to provide more comprehensive advice on terms and conditions of appointment, procedures for taking independent advice, and access to training programs to maintain director effectiveness. The Induction Program provides greater access to Bridge Housing's operations through more structured meetings with general managers, and site visits, which enable directors to gain a deeper understanding of Bridge Housing's business.

In 2012–13, we organised a tour of our property portfolio for directors, so they could have first-hand experience of the range of housing we provide.

In July 2010, the ASX Corporate Governance Councils Principles and recommendations adopted diversity-related amendments. The revised recommendations include 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 in the whole 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 organisation. The Diversity Policy has set that at least 40 per cent of directors and senior managers must be female. However, we recognise that diversity goes beyond gender and incorporates culture. We will put the Diversity Policy into operation during 2013–14 by establishing a Diversity Council, chaired by the CEO, which will develop a comprehensive company Diversity Strategy. To help develop this strategy, Bridge Housing has also joined the Diversity Council of Australia.

### 3. PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

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

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

#### How do we do this?

Bridge Housing adopted a new set of values in 2011-12, which provided the framework for the culture and behaviours required of its 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, targeted at our business partners and contractors. The Statement of Business Ethics sets out the standards of behaviour required by those who do business with Bridge Housing, and the appropriate relationships that directors and employees should have with those we do business with.

These statements sit within our existing policy suite, which ensures that directors, the Executive Team and other staff operate at the highest ethical standards.

### 4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

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

#### How do we do this?

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

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

Management and the Board receive comprehensive financial reports, which track our financial performance against comparative key financial and operational KPIs. Our five-year report card on page 68 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 2012-13 internal audit focused on:

- Human Resources and Payroll
- Procurement
- Property Management
- Tenancy Management.

The Board believes that external auditor rotation is important to maintain objectivity, independence and the principles in the *Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004* (also known as 'CLERP 9'). In 2012-13, the Annual General Meeting (AGM), held in November, approved the directors' recommendation to change our external financial auditor and appointed BDO to undertake our 2012-13 external audit.

## 5. MAKE TIMELY AND BALANCED DISCLOSURE

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

### How do we do this?

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

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

We are subject to disclosure provisions in the Regulatory Code in Schedule 1 of the Housing Regulation 2009 – Performance Area 5: Standards of Probity Performance requirement 5.3: Reputation of community housing sector. Community housing providers are required to notify the Registrar of Community Housing in a timely manner of any incident relating to its operations that damages, or may damage the reputation of the community housing sector. Bridge Housing's Notifiable Incidents Policy guides our practice in this area. There were no notifiable incidents during 2012-13.

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

## 6. RESPECT THE RIGHTS OF BRIDGE HOUSING MEMBERS

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

### How do we do this?

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

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

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

## 7. RECOGNISE AND MANAGE RISK

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

### How do we do this?

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

In 2012-13, we completed the transition to enterprise risk management framework AS/NZS ISO 31000:2009. The Board also approved our Risk Management Plan 2012-13. To enable the Board to have an effective overview of risks facing Bridge Housing, we identify the top 20 risks for reporting to the Board every quarter.

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

We can manage any increase in the costs of construction and have adequate funds (working capital) to reinvest into Bridge Housing.

The Board approved an Internal Audit Policy in 2010-11 and a three-year Internal Audit Program for 2011-14. As discussed under Principle 4, Bridge Housing completed its second internal audit in 2012-13.

## 8. REMUNERATE FAIRLY AND RESPONSIBLY

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

### How do we do this?

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

The Bridge Housing Board Charter also allocates a training budget of \$2,000 per annum for each director and pays for Board members to undertake the Company Directors Course, facilitated by the Australian Institute of Company Directors. In 2012-13, we paid for Alan Revell to undertake the Company Directors Course.


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

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

## MEETING OF DIRECTORS 2012-13

	Board meetings		Human Resources and Nominations Committee		Assets and Procurement Committee		Finance, Risk and Audit	
	A	B	A	B	A	B	A	B
Vicki Allen	6	6	5	5	X		X	
John Kell	6	4	X		X		X	
Shirley Liew	6	3	X		X		6	6
Gary Milligan	6	5	X		4	4	X	
Dick Persson, AM	6	5	5	5	X		X	
Alan Revell	6	6	X		X		6	4
Helen Wood	6	5	X		4	4	X	

**A:** Number of meetings eligible to attend. **B:** Number of meetings attended.

**X:** Not a member of the relevant committee  Committee Chair

## FACTS AND FIGURES

This section of the Annual Report shows the changing profile of Bridge Housing since 2009 by examining our property portfolio, tenancies and the diversity of our tenants.

### PROPERTIES

#### How many?

Bridge Housing's property portfolio increased from 1,552 to 1,628 properties, due to the 19 properties from the Canterbury and Bankstown tender, the Camperdown development and the increase in our leasehold portfolio from Platform 70. This increases the percentage of capital properties in the portfolio.

We lease capital properties from the Department of Housing on recurrent five-year leases. Also included in our capital property portfolio are the 163 vested NBESP properties. We manage fee-for-service properties on behalf of other organisations for a fee. Social Housing Subsidy Program properties are targeted to households earning moderate incomes.

#### Location

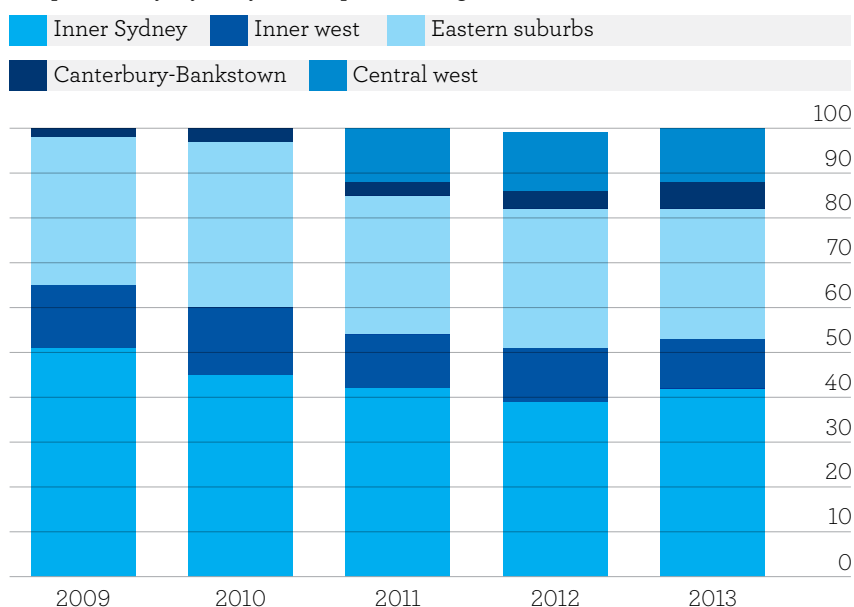
Our properties are predominantly located in Inner Sydney, the Inner West and the Eastern suburbs. Since 2010, we have increased our presence in Central Western Sydney (Parramatta Council) and the Canterbury and Bankstown area, following the transfer of NBESP properties and our successful tender to manage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

#### Type

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

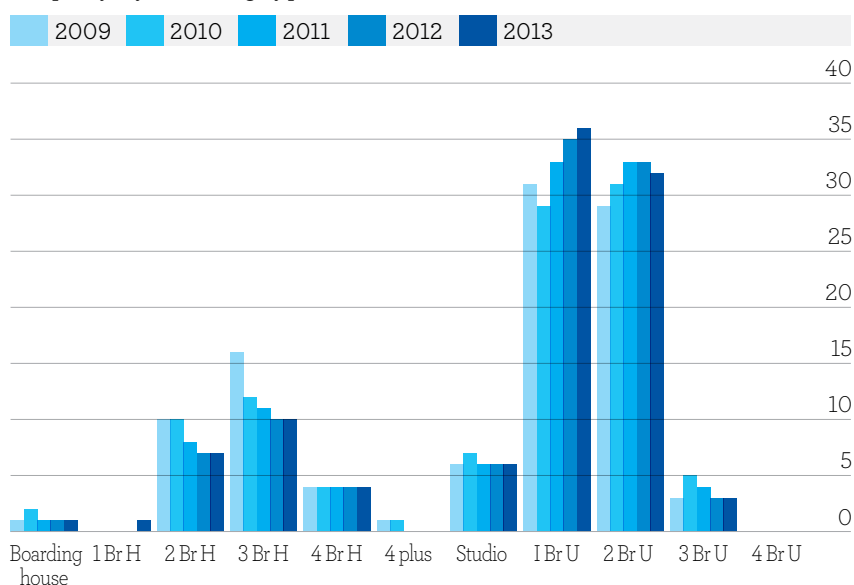
### Property location

Properties by Sydney metropolitan region, 2009-13, %



### Property type

Property by dwelling type and number of bedrooms, 2009-13, %





## TENANCIES

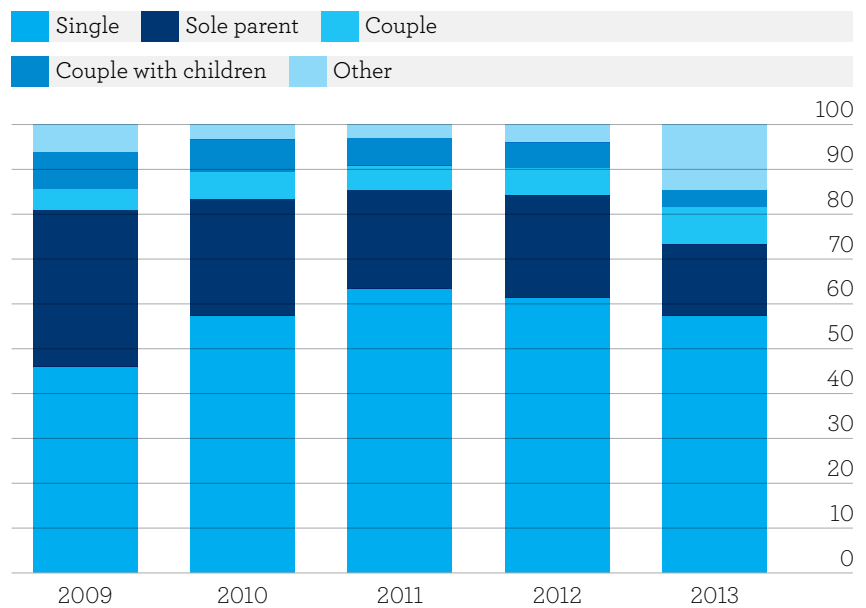
### Who do we house?

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

Tenant households are predominantly headed by women across all age groupings.

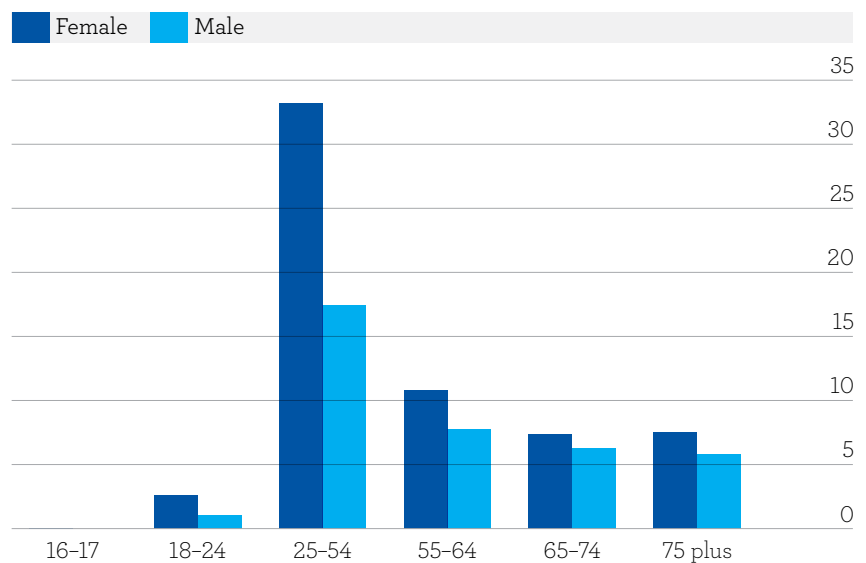
### Household composition

Household type, 2009–13, %



### Gender and age

Head tenant by age and gender, 2013, %



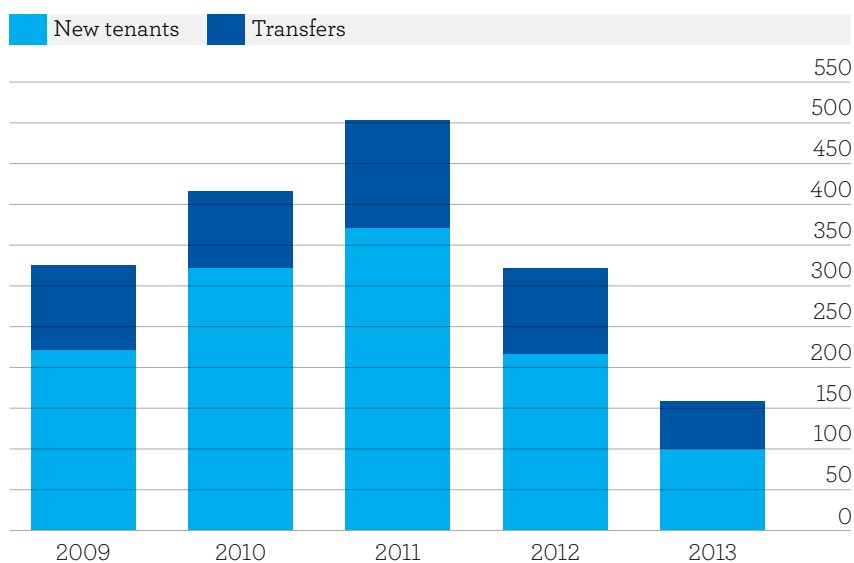
## TENANCIES (CONT)

### How many people did we house?

We accommodated 100 new tenants in 2012-13, and transferred 58 existing tenants. This figure was lower than 2011-12 as our portfolio growth was lower. Internal transfers helped us meet the changing housing needs of our tenants, through the Housing Pathways system, which helps free up under-occupied properties and make accommodation available for applicants.

### New tenancies

Number of new tenancies and transfers, 2009-13

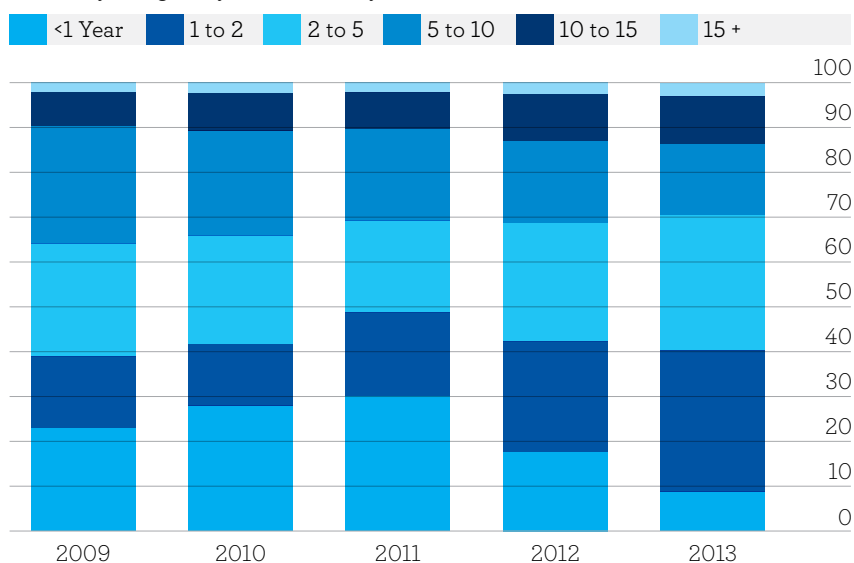


### How long do they stay?

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

### Tenancy

Tenancy length by number of years, 2009-13, %

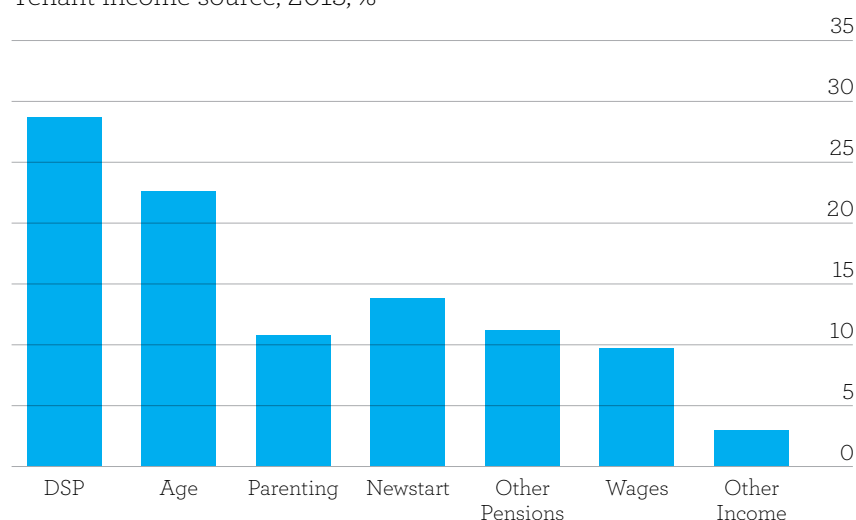


## INCOME

Bridge Housing tenants are predominantly Centrelink beneficiaries (69 per cent). They mainly receive income from the Age Pension (21 per cent), Disability Support Pension (27 per cent), Newstart Allowance (13 per cent) and Parenting Payment (11 per cent). Wages accounted for 10 per cent. Most of these tenants are in our affordable housing programs.

### Income

Tenant income source, 2013, %

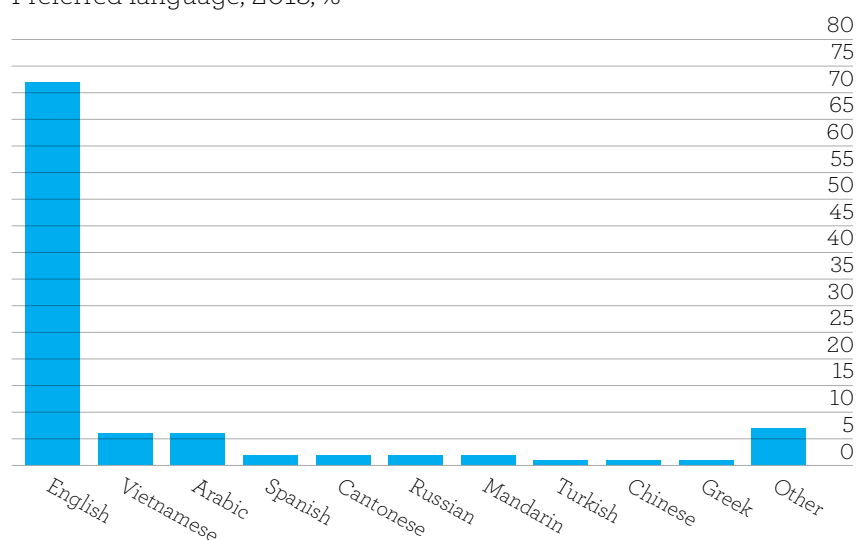


## LANGUAGE AND CULTURAL IDENTIFICATION

There is considerable diversity in cultural and linguistic backgrounds among Bridge Housing tenants and applicants. Bridge Housing tenants speak over 47 languages. After English, the major languages represented are Arabic, Asian and European languages, which together make up almost 20 per cent of all tenants. Six per cent are from an Aboriginal or Torres Strait Islander (ATSI) background.

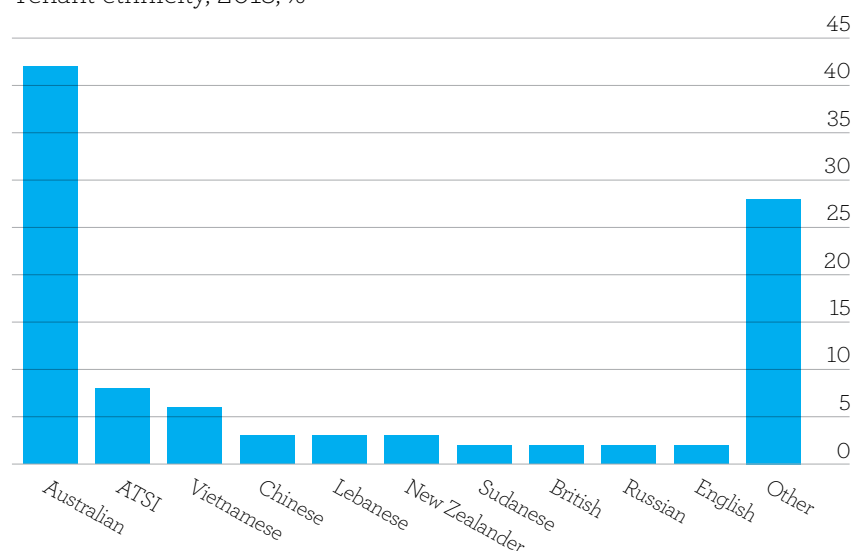
### Language

Preferred language, 2013, %



### Cultural Identification

Tenant ethnicity, 2013, %



## ACKNOWLEDGING OUR PARTNERS

### THANK YOU

We would like to thank the organisations and individuals who have assisted us in the last year:



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

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

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

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

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

Emilio Ferrer and Dr Phil Nott Sphere Company, for assistance in developing our Property Development Benchmarks Paper

Jennine Blundell for facilitating our 2013-14 Business Planning Process

Dr Tony Gilmour and the Housing Network for his work on the North Eveleigh Tender

Roger Jameson and John Parkinson, Housing Information Solutions for project management of the SDM Implementation Project

Rachel Louitt and Natalie Jameson for assistance with our policy review process

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

Donors to the Vinnies CEO Sleepout and City2Surf fundraiser

## GLOSSARY AND ABBREVIATIONS

### GLOSSARY

'High Growth' and 'Medium Growth'	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).
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	A non-taxable Commonwealth Government supplementary payment added on to the benefit or family payment of people who rent in the private rental market above applicable rent thresholds.
Community housing	Housing that is managed and sometimes owned by a not-for-profit community organisation.
Crisis accommodation	Short-term accommodation for people who are experiencing or are at risk of homelessness, including refuges and shelters.
Homelessness	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: <ul style="list-style-type: none"> <li>■ is in a dwelling that is inadequate</li> <li>■ has no tenure, or if their initial tenure is short and not extendible</li> <li>■ does not allow them to have control of, and access to space for social relations.</li> </ul> For further information, visit Homelessness Australia, <a href="http://www.homelessnessaustralia.org.au">www.homelessnessaustralia.org.au</a> .
Housing Pathways	Housing Pathways is a single state-wide waiting list. It combines the waiting lists of Housing NSW and participating community housing providers and replaces the separate lists previously maintained. All new applications are logged on the NSW Housing Register. ( <a href="http://www.housingpathways.nsw.gov.au">www.housingpathways.nsw.gov.au</a> )
Housing stress	The condition of households (in the bottom 40 per cent of income distribution) paying more than 30 per cent of their gross income on mortgage or rental repayments.



## GLOSSARY

Lower income household	A household with income in the bottom 40 per cent of all household income distribution.
Medium-density housing	A term used to describe residential developments that are at higher densities than standard low-density (or 'broadhectare') suburban subdivisions, but not so high that they might be regarded as high-density housing. It is generally defined as more than one dwelling on an ordinary house block, or any form of attached housing such as townhouses or apartments.
Multi-unit development	Development that involves building three or more residential buildings on a single lot.
National Rental Affordability Scheme (NRAS)	National Rental Affordability Scheme ( <a href="http://www.fahcsia.gov.au">www.fahcsia.gov.au</a> ) is a Commonwealth Government scheme that commenced on 1 July 2008, providing annual incentives to institutional investors and other eligible bodies for 10 years to create 50,000 new affordable rental properties rented to low-income and moderate-income families at 20 per cent below market rents.
Nation Building Economic Stimulus Package (NBESP)	The Australian Government's \$42 billion investment in stimulating the economy during the global financial crisis in 2008–2009. NSW received \$2 billion to deliver around 6,000 social housing homes in by June 2012. The NSW Government invested an additional \$1 billion to deliver an additional 3,000 homes, and \$130 million for the periods 2008–09 and 2009–10 to reduce the backlog of maintenance and upgrade of 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 ( <a href="http://www.nhsc.org.au">www.nhsc.org.au</a> ) 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 households.
Property Transfer Program	A Housing NSW program to transfer the management of all or part of public housing estates to community housing providers. This involved the transfer of 3,000 properties over 2009–10 to selected community housing providers under the 2008–09 Community Housing Allocation Policy. Bridge Housing was allocated 196 properties on the South Coogee and Balmain Estate.
Quintile	A proportion of a set of data that has been ranked and divided into five groups, each of which contains an equal number of data items. When people (or any other units) are ranked from the lowest to the highest on the basis of some characteristic such as their household income, they can then be divided into equal-sized groups. When the population is divided into five equal-sized groups, the groups are called 'quintiles'.
Rough sleepers	See Homelessness

## GLOSSARY

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)	<p>State Environmental Planning Policies (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.</p> <p>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.</p> <p>For further information, visit <a href="http://www.planning.nsw.gov.au">www.planning.nsw.gov.au</a>.</p>
Sydney Metropolitan Area	This incorporates the following local government areas: Ashfield, City of Auburn, Bankstown City, Blacktown City, Blue Mountains City, Botany Bay City, Burwood, Camden, Campbelltown City, Canada Bay, Canterbury City, Fairfield City, Hawkesbury City, Holroyd City, Hornsby, Hunter's Hill, Hurstville City, City of Kogarah, Ku-ring-gai, Lane Cove, Leichhardt, Liverpool City, Manly, Marrickville, Mosman, North Sydney, Parramatta City, Penrith City, Pittwater, Randwick City, Rockdale City, Ryde City, Strathfield, Sutherland Shire, City of Sydney, The Hills Shire, Warringah, Waverley, Willoughby City, Wollondilly and Woollahra.
Vacancy rate	This indicates sufficient turnover of rental properties to accommodate demand from renters. It is generally acknowledged to be 3 per cent of rental properties.

## ABBREVIATIONS

ABS	Australian Bureau of Statistics
ACNC	Australian Charities and Not for Profits Commission
ADHC	The Department of Ageing, Disability and Home Care
AGM	Annual General Meeting
AICD	Australian Institute of Company Directors
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
ATSI	Aboriginal and Torres Straits Islander
CAP	Crisis Accommodation Program
CEO	Chief Executive Officer
CHD	Community Housing Division
CHLP	Community Housing Leasehold Program
CLERP 9	Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004
CoS	Committee of Sydney
CSR	Corporate Social Responsibility
DA	Development application
EBITDA	Earnings before interest, tax, debt and amortisation
EPPA	Environmental Planning and Assessment Act 1979
EOS	Employee Opinion Survey
ESHRA	Eastern Suburbs Rental Housing Association
FACS	Department of Family and Community Services
GPT	General Property Trust
GRI	Global Reporting Index
HNSW	Housing New South Wales
HPA	Home Purchase Assistance
ICT	Information and communication technology
IMS	Information Management System
IPART	The NSW Independent Pricing and Regulatory Tribunal
JTAP	Joint Tenancy Accommodation Program
KPI	Key performance indicator

LGA	Local government area
LAHC	Land and Housing Corporation
NAHA	The National Affordable Housing Agreement
NBESP	Nation Building Economic Stimulus Package
NDIS	National Disability Insurance Scheme
NPH	National Partnerships on Homelessness
NRAS	National Rental Affordability Scheme
NRS	National Regulatory Scheme
NSWFHA	New South Wales Federation of Housing Associations
PPP	Public Private Partnership
SEPP	State Environmental Planning Policy
TAG	Tenant Advisory Group Annual
WHS	Work Health and Safety

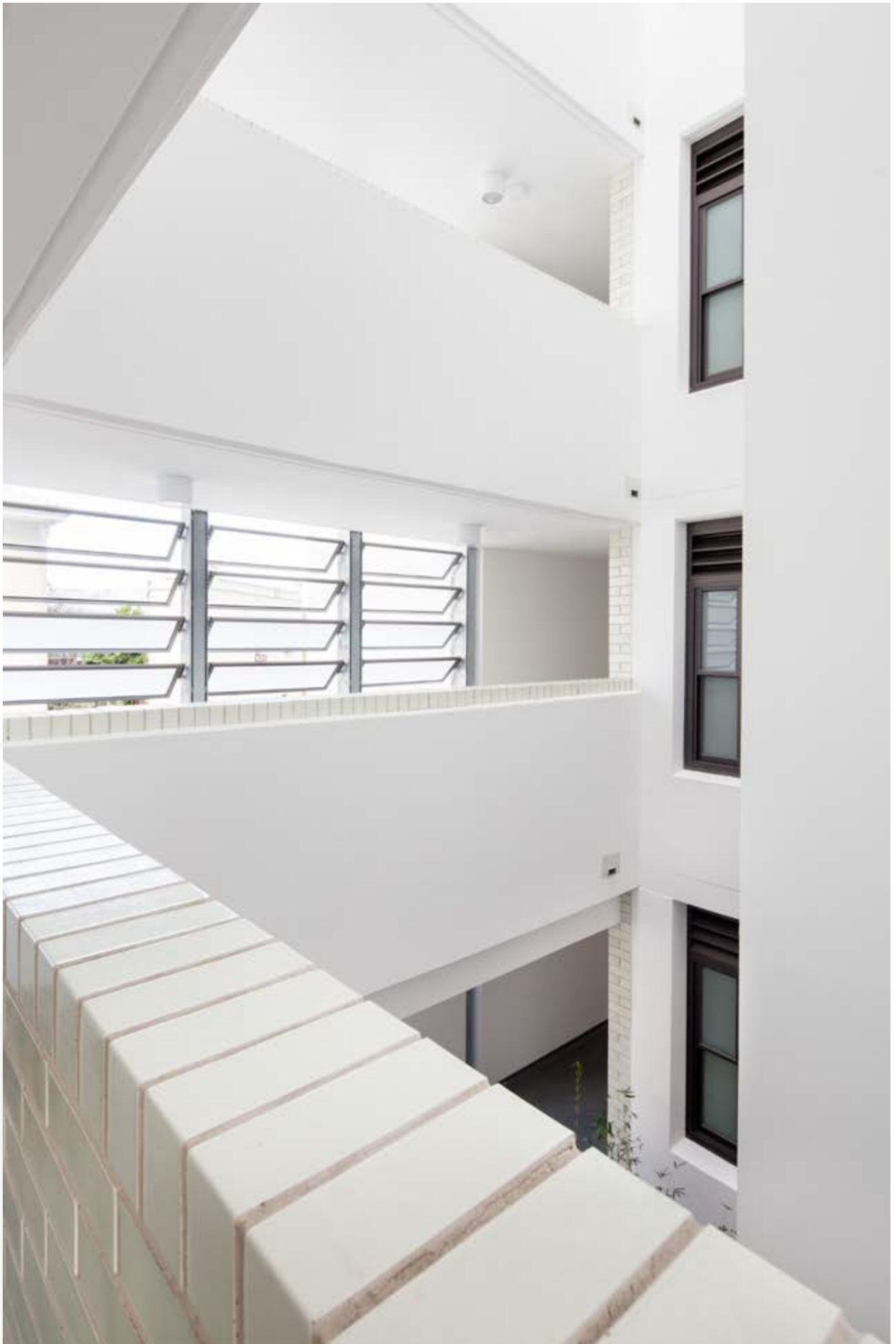
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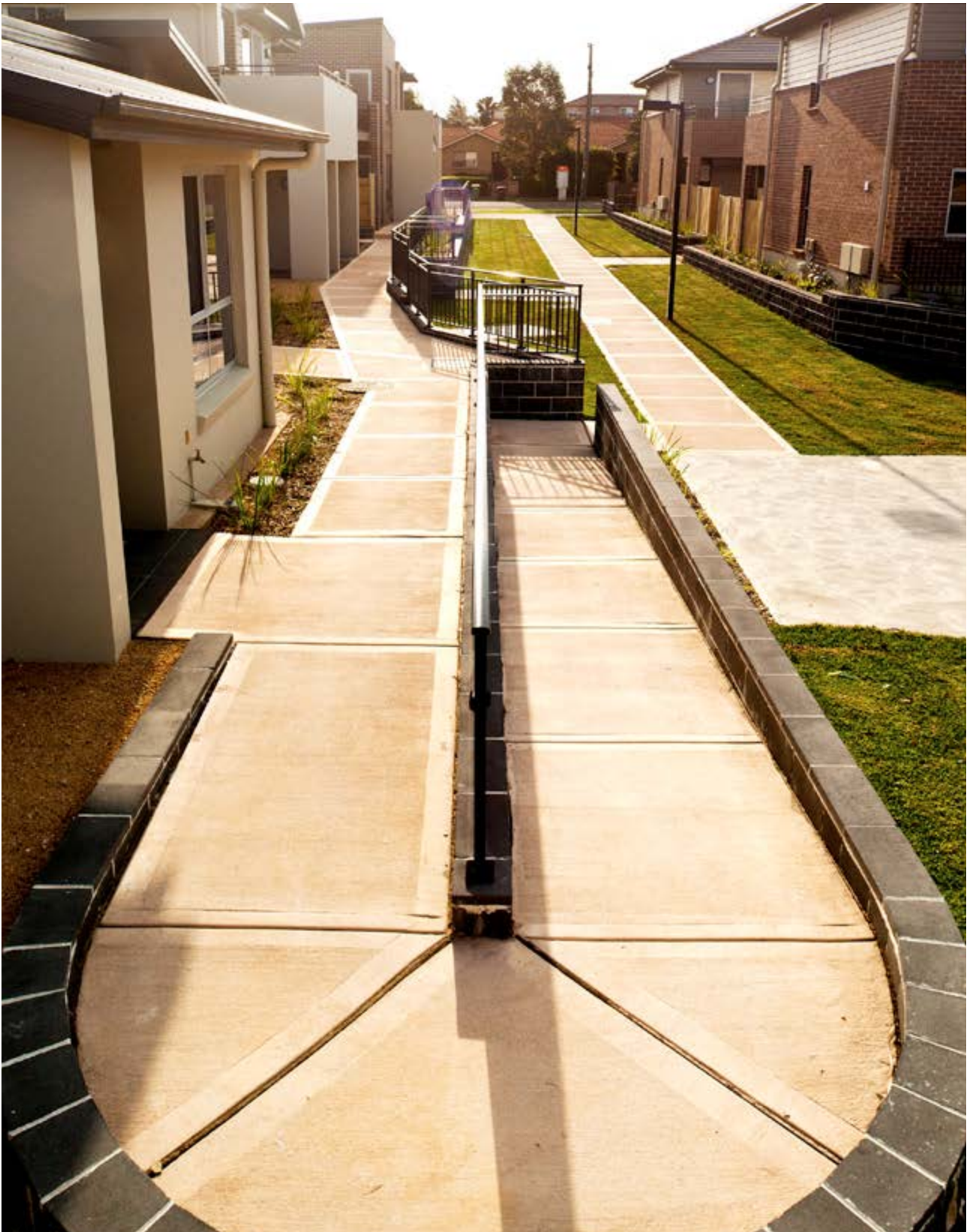


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